



TANGGUH COORDINATION WITH POLICE DURING YEAR 2008

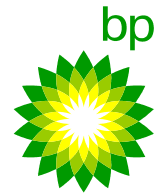
The Integrated Community Based Security (ICBS) program was designed with the goal of providing those who live and work around the Tangguh project with a safe and secure environment. It was formulated in collaboration with the Indonesian authorities to address the security and human rights concerns of 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 <http://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 in 2008 in Direct Support of Tangguh Security

As the Tangguh project moves towards the operational phase, several activities were conducted in 2008 in regards to Tangguh security. These activities include a Training of Trainers for Voluntary Principle of Security and Human Rights program, the public awareness program on the exclusion zone, joint BP Security-Bintuni Marine Police patrol as follow up to the public awareness program, in-house training for police officers as follow-up to the Training of Trainers, and a five-day Joint Security Exercise between Tangguh Security and Papua Police. Consequently, there was an increase in Police payments compared to the year 2007. All activities, however, were covered by the Joint Security Guideline (JUKLAP) in both legal umbrella and payment reference.

Background of activities

Training of Trainers for Voluntary Principle of Security and Human Rights: Held in Jayapura in the first Quarter of 2008, this program is considered a key milestone of the Joint BP Security and Papua Police Program. A total of 37 police officers and six BP security guards participated in the training that was conducted from Feb 25 to Mar 14, 2008. The training module was divided into a class for Civil Disturbance Management (CDM) conducted from Feb 25 to Mar 6, and a class for Community Policing (COP) held on Mar 8-14 2008.

Marine Exclusion Zone public awareness program: This program was held in eight of the 10 Directly Affected Villages (DAV) on Jun 6 to Jul 19, 2008, and outlined the dangers of trespassing into the Tangguh exclusion zone. A total of 631 villages attended this awareness program, from Tomu Ekam, Wiriagar Mogotira, Taroy, Tambanua, Pera-Pera, Onar, Tofoi, and Wimbrow villages. Each activity involved eight police officers from Bintuni.

Joint BP Security – Bintuni Marine Police Patrol: This joint patrol was conducted as follow up to the public awareness of the exclusion zone. The purpose of the joint patrol was to anticipate and prevent trespassers entering the exclusion zone, by familiarizing participants on the “Restricted Areas” regulation and directing trespassers out of the exclusion zones surrounding the jetties and platforms. The joint patrol was conducted in three phases, on Jun 18 – Aug 17 and Oct 17 – Nov 16, with the third phase on Nov 27



and is still ongoing. Each phase involved six police officers embedded to BP patrol boats.

In-house training for police officers: This training is a follow-up course of the Training of Trainers program earlier in the year. The in-house training, using the same course materials, was completed in several locations in the province of Papua Barat. On Aug 19-23, some 35 officers from the Mobile Brigade attended the class in Manokwari, while at the same time 35 police officers also attended the class in Fakfak. Another class was held during the Joint Security Exercise on Jan 13-15 and was attended by 100 police officers from Bintuni and Babo.

Joint Security Exercise for Tangguh Security and Papua Police: This program was initially scheduled for October 2008 but was postponed to January 2009 due to conflicting schedule with the participants. The five-day exercise, held on Jan 13-15, included three days of class work, one day table top exercise and another day for field exercise. Some 150 police officers and 30 BP security guards participated in the training. Officials from Police Headquarters in Jakarta, the regional military commander, and officials from BPMIGAS also came to observe the exercise.

A summary breakdown of payments is listed in the table below:

Date	Amount	Remarks
Feb 25 - Mar 14, 2008	Rp 25,000,000	Funding for Training of Trainers involving a total of 37 police officers. Costs cover transportation, accommodation, meals, classroom rental, and per diem ²
Jun 6 - Jul 19, 2008	Rp 19,200,000	Funding for exclusion zone public awareness program, involving eight police officers from Bintuni in each of the activities. Costs cover transportation, accommodation, fuel, meals, and per diem
Jun 18 – Aug 17	Rp 135,000,000	Funding for three phases of the Joint BP Security – Bintuni Marine Patrol, involving six police officers in each phase. Costs cover transportation, accommodation, meals, fuel, and per diem
Oct 17 – Nov 16	Rp 64,500,000	
Nov 27, 2008 – Feb, 2009	Rp 169.000.000	
Aug. 19-23	Rp 72,750,000	Funding for two batches of in-house training for police officers in

² Per Diem uses BPMIGAS Guidelines, which stipulated daily per diem costs of Rp 300,000 for mid-ranking officers.



		Manokwari and Fakfak. A total of 70 police officers participated. Costs cover transportation, accommodation, meals, and per diem
Jan 13-15, 2009	Rp 414,510,000	Funding for Joint Exercise Tangguh Security and Papua Police. Participated by 150 policemen and 30 BP security guards. Observers include officials from the Police HQ, regional military commander and BPMIGAS officials. Costs cover transportation to Babo from various locations, accommodation, meals, classroom rental, fuel, and per diem