



## **PLN signs EUR 160 loan facilities with Standard Chartered for gas power plant projects in Indonesia**

*Investment estimated to power over 150,000 homes and create 600 jobs in the Aceh and Kalimantan area*

Jakarta, 22, January 2014 – Standard Chartered Bank today announced that it has signed two 12-year term loan facilities for EUR 160 million with PT Perusahaan Listrik Negara (Persero) (PLN), the national electricity company of Indonesia. These loans will be used to finance two PLN gas power plant projects, which include the procurement of 35 Wärtsilä 34SG gas fired generating sets in the Aceh special district of northern Sumatra and the Central Kalimantan region on the island of Borneo.

The 184 MW Arun power plant will be powered by a total of 19 Wärtsilä 34SG engines running on liquefied natural gas (LNG). The plant will be the largest gas engine based peaking power plant in Indonesia and it will be built in Lhokseumawe in Aceh Special District in northern Sumatra. The electricity produced will be used to ensure stable power output from the grid.

The Bangkanai power plant is a 155 MW gas engine based plant. Wärtsilä will supply 16 Wärtsilä 34SG engines to the plant which will be located in Bangkanai in Central Kalimantan, on the island of Borneo. It will produce electricity for the Kalimantan grid.

The two gas power plants will have a total output of 339 MW and they will deliver a stable supply of electricity to over 150,000 homes. In addition, the construction and operation of the plants is expected to generate over 600 jobs in both regions.

Finnvera, the Finnish export credit agency (ECA) owned by the State of Finland, issued export credit guarantees for the loan facilities while Finnish Export Credit, a subsidiary of Finnvera, provides the funding in both instances. The financing facilities are landmark ECA transactions in South East Asia.

Nur Pamudji, President Director of PLN said: “PLN is committed to a programme of investment in the Indonesian power sector in order to support economic development in the country and will continue to develop its investment program to increase the capacity and reliability to provide a better service to the customers. PLN aims to reduce its reliance on fuel oil and improve its fuel mix to decrease the production cost thereby reducing the subsidy.”

Topi Vesteri, Executive Vice President of Finnvera, said: “Finnvera and Finnish Export Credit are pleased to be supporting the delivery of Wärtsilä’s technology to PLN. The two projects are important deals for the Finnish company that will export the gas engines from Vaasa, Finland. The new plants will increase the power generation capacity and support development in their respective regions. Finnvera’s commitments in Indonesia have almost doubled during 2013, and we expect to see several interesting new projects in the country that offers growing opportunities for Finnish exporters.”

Tom Aaker, CEO Standard Chartered Bank Indonesia, said: “We are proud to play a key role in supporting PLN and Wärtsilä to deliver additional power generation capacity in Indonesia. These transactions demonstrate our client centric strategy and expertise in supporting clients who are investing into Indonesia, a key country within our footprint markets.” Also, “We are privileged to partner with PLN and Wärtsilä on this landmark financing. This transaction epitomises our successful franchise and demonstrates our commitment to support key Indonesian State Owned Enterprises in raising innovative long term competitive financing for strategic projects.”

Markus Pietikäinen, Vice President, Group Treasury & Financial Services, Wärtsilä, added: “We are delighted to support PLN in accessing competitive export credit financing, which complements Wärtsilä’s power plant solutions. Both Finnvera and Standard Chartered are important customer finance partners for us and we are pleased with their support to our valued long term customer PLN.”

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**PLN in brief**

PLN is a state electricity corporation in Indonesia which is wholly owned by the Government of Indonesia. PLN has 11 direct subsidiaries, including 5 subsidiaries engaging in power generation or integrated electricity supply. Other direct subsidiaries engage in other businesses in support of the operations. As an integrated utility company, PLN owns and manages generation, transmission and distribution side throughout Indonesia.

Currently, PLN owns almost 37 GW including rentals of generating capacity or 83% of Indonesia total power generation capacity. As of November 2013, PLN total customers reached 53.5 million and there is still ample room for growth given that the electrification ratio is still below 80% with the expected electricity growth is over 8% per year.

With 48,000 employees, PLN is committed to serving its customers throughout Indonesia, reducing its reliance on fuel oil, lowering production cost and also introducing more renewable energy into the system.

**Standard Chartered – leading the way in Asia, Africa and the Middle East**

Standard Chartered is a leading international banking group. It has operated for over 150 years in some of the world's most dynamic markets and earns around 90 per cent of its income and profits in Asia, Africa and the Middle East. This geographic focus and commitment to developing deep relationships with clients and customers has driven the Bank's growth in recent years. Standard Chartered PLC is listed on the London and Hong Kong stock exchanges as well as the Bombay and National Stock Exchanges in India.

With 1,700 offices in 70 markets, the Group offers exciting and challenging international career opportunities to over 88,000 staff. It is committed to building a sustainable business over the long term and upholding high standards of corporate governance, social responsibility, environmental protection

and employee diversity. Standard Chartered's heritage and values are expressed in its brand promise, 'Here for good'.

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#### **Finnvera and Finnish Export Credit in brief**

Finnvera and its subsidiary Finnish Export Credit (FEC) are the official Export Credit Agencies (ECAs) of Finland. Finnvera offers a competitive portfolio of export credit guarantees backed by the full faith and credit of the Republic of Finland. FEC offers financing for export credits and interest equalisation.

[www.finnvera.fi](http://www.finnvera.fi)

[www.fec.fi](http://www.fec.fi)

#### **Wärtsilä in brief**

Wärtsilä is a global leader in complete lifecycle power solutions for the marine and energy markets. By emphasising technological innovation and total efficiency, Wärtsilä maximises the environmental and economic performance of the vessels and power plants of its customers. In 2012, Wärtsilä's net sales totalled EUR 4.7 billion with approximately 18,900 employees. The company has operations in nearly 170 locations in 70 countries around the world. Wärtsilä is listed on the NASDAQ OMX Helsinki, Finland.

[www.wartsila.com](http://www.wartsila.com)