



## PRESS RELEASE

### **President of Indonesia Joko Widodo Conducts Groundbreaking Ceremony for the Mentarang Induk Hydropower Plant of PT Kayan Hydropower Nusantara**

Indonesia's Largest Hydropower Plant of 1,375 MW Capacity

**Malinau North Kalimantan, March 1<sup>st</sup>, 2023** – Today, Wednesday (March 1<sup>st</sup>), Indonesian President Joko Widodo conducted the groundbreaking ceremony of the Mentarang Induk Hydropower Plant of PT Kayan Hydropower Nusantara (KHN) at Malinau Regency, North Kalimantan. The President was accompanied by Malaysian Prime Minister Anwar Ibrahim / Premier of Sarawak, Malaysia Abang Haji Abdul Rahman Zohari Abang Openg, Coordinating Minister for Maritime and Investment Affairs Luhut Binsar Pandjaitan, Cabinet Secretary Pramono Anung, Minister of Investment / Chairman of Indonesian Investment Coordinating Board Bahliil Lahadalia, Governor of North Kalimantan Zainal Arifin Paliwang, Regent of Malinau Wempi W Mawa, Chairman of Indonesia Consortium Garibaldi Thohir, and Juanda Lesmana, President Director of PT Kayan Patria Pratama.

The construction of the Mentarang Induk Hydropower Plant, which will be Indonesia's largest hydropower plant with 1,375 MW capacity and estimated investment of approximately US\$2.6 billion, is part of KHN's efforts to provide affordable, reliable, and sustainable renewable energy. As stated by President Joko Widodo, the government fully supports the Indonesia' economic transformation plans towards green economy, one of which is through the development of the Mentarang Induk hydropower plant, which is integrated with the Kalimantan Industrial Park Indonesia (KIPI) in North Kalimantan.

Chairman of the Indonesian Consortium Garibaldi Thohir said, "We give our full supports to the government's efforts for Indonesia's green economic transformation, starting from the green industrial park of North Kalimantan. In line with this, we continue to work hard to realize the development of the world's largest green estate by providing renewable energy power plants, one of which is the Mentarang Induk hydropower plant, developed by KHN and set to be the largest hydropower plant in Indonesia. This hydropower plant will provide affordable, reliable, and sustainable supply of renewable energy for industries that will produce green products. We hope the development of the Mentarang Induk hydropower plant will bring large multiplier effects to the people and help improve the economy of North Kalimantan."

Coordinating Minister for Maritime and Investment Affairs Luhut Binsar Pandjaitan said, "I am sure PT Adaro Energy Indonesia Tbk, KPP Group and Sarawak Energy Berhad, as the shareholders of this project, will be able to complete the development of the Mentarang Induk hydropower plant. Adaro and KPP Group are Indonesian companies with strong financial and execution capacity. Meanwhile, Sarawak Energy is a Malaysian company experienced in building and operating hydropower plant of more than 3,400 MW capacity. The groundbreaking ceremony inaugurated by the President today will be an important milestone for the integration of Indonesia's energy transition and reindustrialization."



KHN is a domestic and foreign investment holding company owned by PT Kayan Patria Pratama, Sarawak Energy Berhad and PT Adaro Energy Indonesia Tbk (Adaro), which are committed to jointly realizing the largest hydropower project in Indonesia.

President Director of KHN Antony Lesmana explained, "In accordance with KHN's vision, which is to become the driver of renewable energy-based industries, we are committed to allocating our best resources to ensure the success of the Mentarang Induk hydropower plant, which is set to supply the North Kalimantan Green Industrial Estate. The Mentarang Induk hydropower plant will be the second tallest concrete face rockfill dam (CFRD) in the world with a height of 235 meters and 815 meters in length, which will potentially provide employment opportunities for more than 5,000 workers. We are optimistic that the Mentarang Induk hydropower plant as a national strategic project will provide huge economic and social benefits for local communities, among others through training programs to increase the people's capacity to ensure that qualified workforce will be available for hydropower development."

President Director of Sarawak Energy Group Sharbini Suhaili said, "Sarawak Energy is honored to be given the opportunity to work with our esteemed partners in Indonesia in the construction of the Mentarang Induk hydropower plant to meet the demand for green energy in North Kalimantan. We hope our experience and learning of 40 years in Sarawak will contribute greatly towards making this project a success. In addition, Sarawak Energy has been a sustainability partner and board member of the International Hydropower Association (IHA) since 2010 and we are committed to sustainable practices in the development and operations of our projects, including the Mentarang Induk hydropower plant, ensuring that the technical, economic, environmental, social and governance impacts, as well as risks and opportunities, are well managed."

The construction phase of the Mentarang Induk hydropower plant will be carried out in the first quarter of 2024, targeting first power by end of 2029.

In the construction of the Mentarang Induk hydropower plant, KHN's has a high commitment to the environmental and social aspects, in accordance with the Indonesian laws and regulations and international best practices based on the Hydropower Sustainability Assessment Protocol (HSAP), which assesses hydropower projects against a comprehensive range of social, environmental, technical, and economic considerations.

In advocating for renewable green energy, the owners of KHN, i.e. Adaro and Sarawak Energy, are among the key sponsors for the upcoming World Hydropower Congress 2023 in Bali in October this year.

### **About PT Kayan Hydropower Nusantara (KHN)**

PT Kayan Hydropower Nusantara (KHN) is a domestic and foreign investment holding company owned by PT Kayan Patria Pratama (25%), Sarawak Energy Berhad (25%), and PT Adaro Energy Indonesia Tbk (50%).

KHN is committed to responsible and sustainable hydropower development in accordance with Indonesian laws and regulations, as well as international best practices based on the International Hydropower Association (IHA).



KHN implements environmental and social responsibility through the Lestari (Sustainable) Corporate Social and Environment Responsibility (CSER) program, which is focused on four areas: Lestari Kehidupan, Lestari Lingkungan, Lestari Budaya and Lestari Pendidikan. One of the activities under the Lestari Kehidupan is the provision of new housing & agricultural land for resettled residents to improve their quality of life.

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