

PGE's Lumut Balai Unit 2: Positive Progress in Capex Trajectory

Indonesia has set ambitious targets for renewable energy to achieve net zero emissions by 2060. Pertamina, through its Sub-holding PNRE, plays a vital role in building a low-carbon business by increasing the portion of renewable energy in Indonesia's energy mix. One of its projects is the Lumut Balai Working Areas, projected to have a total capacity of 220 MW (Units 1 to 4). This aligns perfectly with the national agenda, making it an attractive investment for those looking to support sustainable energy initiatives in Indonesia.

After successfully commercializing 55 MW Lumut Balai Unit 1, currently PT Pertamina Geothermal Energy Tbk ("PGE") developing another 55 MW geothermal capacity through The Lumut Balai Unit 2 project. This investment initiative is part of PGE's broader strategy to expand its geothermal energy portfolio. Here's some key indicator of a positive Capex trajectory:

1 Strategic Allocation of Resources



PGE's decision to develop Lumut Balai Unit 2 is aimed at enhancing production capacity and operational efficiency, which are critical for meeting the growing renewable energy demands in Indonesia.

2 Funding Sources



In terms of funding, in addition to using funds from green bonds and the IPO's fund, Lumut Balai Unit 2 project also received a stimulus from the Japan International Cooperation Agency (JICA) amounting to US\$155 million.

3 Ongoing Construction and Investment



With a completion rate of 77.19% as of June 2024, it demonstrates PGE's dedication to expanding geothermal capacity and investing in infrastructure that will yield long-term benefits.

4 Sustainable Return on Investment (ROI)



As the Lumut Balai Unit 2 becomes operational, it will contribute to PGE's overall production and revenue, enhancing the company's financial position where it is expected to generate a favorable return.

5 Infrastructure Catalyst



The presence of Lumut Balai Unit 2 encourages infrastructure improvements in the surrounding areas, including transportation and utilities, which can benefit other businesses and investors in the surrounding areas.

Development Progress

Project Name	Lumut Balai Unit 2
Target Project	Technical Completion: Dec 2024 Expected COD: May 2025 PPA for 30 years
Current Phase	EPCC: 77.19% (as of June 2024)

