

December 7, 2018

Sojitz Corporation

Sojitz Concludes Financing Agreement and Starts Construction on the Jawa 1 Gas-to-Power Project in Indonesia

In October 2018, Sojitz Corporation (“Sojitz”) concluded a project finance-based* financing agreement (totaling USD 1,312,000,000) for the Jawa 1 Gas-to-Power project in the Republic of Indonesia. The agreement was concluded through PT Jawa Satu Power, a special purpose company for IPP business established between Sojitz, Indonesia’s state-run energy company PT Pertamina (Persero) (“Pertamina”) and Marubeni Corporation (“Marubeni”), and PT Jawa Satu Regas, a special purpose company established between Sojitz, Pertamina, Marubeni, and Mitsui O.S.K. Lines to manage operations of the floating storage and regasification unit (“FSRU”) dedicated for the project. Construction of the combined cycle power plant and FSRU is scheduled to begin in December.

The agreement calls for co-financing by Japan Bank for International Cooperation; Asian Development Bank; MUFG Bank, Ltd.; Mizuho Bank, Ltd.; Crédit Agricole Corporate and Investment Bank, Tokyo Branch; Societe Generale Tokyo Office; and Oversea-Chinese Banking Corporation Limited. All funding provided by the commercial bank is covered by Nippon Export and Investment Insurance (“NEXI”).

This Gas-to-Power project covers the integrated development, construction, and operation of a 1,760MW gas-fired, combined cycle power plant and an FSRU to store and re-gasify liquid natural gas (“LNG”) in West Java, Indonesia. Once construction is completed in 2021, Jawa 1 will supply power to state-owned power company PT PLN (Persero) (“PLN”) for a 25 year period. Additionally, the project marks not only Indonesia’s first gas-to-power project, but the first project finance-based Gas-to-Power project in Asia.

Sojitz has developed a strong and long-standing relationship with Pertamina over nearly 40 years, starting with Sojitz's involvement in the Bontang LNG project and the Arun LNG project in the 1970s. Bontang was the first LNG production terminal in Indonesia, in which Sojitz assisted by performing feasibility studies, financing arrangement, and entering into a long-term LNG sales contract with Japanese customers.

Through its subsidiary LNG Japan Corporation, Sojitz also owns a stake in the Tangguh LNG project in West Papua, Indonesia. LNG produced at Tangguh is supplied to PLN and Japanese utility companies, helping to meet energy demand in Indonesia as well as provide a stable supply of energy to Japan.

With the involvement in this Gas-to-Power project, Sojitz will continue to contribute to Indonesia's further industrial development and economic growth as well as the development and the enhancement of an energy and infrastructure value chain in the country, taking the company's experience not only in large-scale, gas-fired IPP projects in the Middle East, Asia, and the Americas, but in the LNG business in the country.

*Project finance is a financing scheme in which repayments for a loan are made solely from the cash flow generated by the project.

[Related Information]

[Jawa 1 Gas-to-Power Project – Project Overview]

Operating Companies	PT Jawa Satu Power and PT Jawa Satu Regas
Location	Cilamaya, West Java, Indonesia (approx. 100km east of Jakarta)
Generating Capacity	1,760MW
Project Cost	About USD 1.8 billion
Contract Period	25 years

[PT Jawa Satu Power – Company Overview]

Established	2016
Ownership	Pertamina: 40%, Marubeni: 40%, Sojitz: 20%
Main Business	Management and operation of gas-fired, combined cycle power plants

[PT Jawa Satu Regas – Company Overview]

Established	2018
Ownership	Pertamina: 26%, Marubeni: 20%, Mitsui O.S.K. Lines: 19%, Sojitz: 10%, Others: 25%
Main Business	Management and operation of floating storage and regasification units (FSRU)

[PT Pertamina (Persero) – Company Overview]

Established	1957
Head Office	Jl. Medan Merdeka Timur 1A, Jakarta
Representative Director	Nicke Widyawati (President & CEO)
Main Business	Energy

[Marubeni Corporation – Company Overview]

Established	1949
Head Office	Tokyo Nihombashi Tower, 7-1, Nihonbashi 2-chome, Chuo-ku, Tokyo
Representative Director	Fumiya Kokubu (President & CEO)
Main Business	General trading company

[Mitsui O.S.K. Lines, Ltd. – Company Overview]

Established	1884
Head Office	1-1, Toranomom 2-chome, Minato-ku, Tokyo
Representative Director	Junichiro Ikeda (President)
Main Business	Marine transport

[For questions regarding this press release, contact:]

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