

# press release

**3 August 2016**

## Tangguh enters into financing agreements for the Train 3 Project

The Tangguh Production Sharing Contract (PSC) Contractors and the Indonesia Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas) have today signed agreements with a number of international banks, Indonesian banks and financial institution to finance the Tangguh LNG Train 3 Project, at SKK Migas office in Jakarta.

In the signing ceremony today, SKK Migas Chairman Amien Sunaryadi remarked, "For the first time, Indonesian financial institutions are involved in the financing for an LNG project."

The commercial tranche loan facilities signed today are part of the US\$3.745 billion loan package or equal to Rp 50.557 trillion. In addition to domestic banks and financial institution, the loan package also comes from lenders in China, Japan, Germany, South Korea, France, Singapore, and a multi-lateral agency. These agreements follow the announcement on 1 July 2016 for the project's final investment decision by the Tangguh PSC Contractors.

According to Amien, Indonesian lenders' participation in this major upstream LNG project is in line with the government's initiative to drive local content in strategic projects, and expands Indonesian banks' experience in a major international project financing.

The financing of the Tangguh Expansion Project is also an acknowledgement of the trust and confidence shown by the international financial market for this strategic LNG project. "Internal financial institutions are willing to take part in financing an LNG project where its substantial domestic sales will be allocated to domestic buyers," Amin said.

Indonesian parties in the commercial tranche financing are PT. Bank Mandiri (Persero) Tbk., PT. Bank Negara Indonesia (Persero) Tbk., and PT. Bank Rakyat Indonesia (Persero) Tbk. and PT. Indonesia Infrastructure Finance. International banks in the commercial tranche financing include affiliates of Mizuho Bank, Bank of China, China Construction Bank, The Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Banking Corporation, DBS Bank, United Overseas Bank, BNP Paribas, Credit Agricole Corporate and Investment Bank, Oversea-Chinese Banking Corporation, Korea Development Bank, Shinsei Bank, and KfW Bank.

The signing of the remaining loan facilities will be conducted at a later date.

The loans, implemented via a Trustee Borrowing Scheme (TBS) with HSBC (New York) appointed as Trustee and HSBC (Jakarta) as onshore account bank, have obtained approval from the offshore commercial loan team (Pinjaman Komersial Luar Negeri - PKLN) of the Indonesian government. SKK Migas together with BP, as project operator, have worked closely with the teams from the Ministry of Finance and the Indonesian Central Bank (Bank Indonesia) to support the Coordinating Minister's approval of the PKLN recommendation.

"We appreciate the continued support from the Indonesian government, particularly SKK Migas, and the Tangguh PSC Contractors throughout this process, so that we are able to

secure this project financing in a timely manner," BP Regional President Asia Pacific Christina Verchere said.

The Tangguh Expansion Project will add a third LNG process train (Train 3) and 3.8 million tons per annum (mtpa) of production capacity to the existing facility, bringing total plant capacity to 11.4 mtpa. The project also includes two offshore platforms, 13 new production wells, an expanded LNG loading facility, and supporting infrastructure.

The Tangguh Expansion Project will play an important role in supporting Indonesia's growing energy demand, with 75% of the Train 3 annual LNG production sold to the Indonesian state electricity company PT. PLN (Persero). To address the needs of Papua Barat for electricity, Tangguh has also committed up to 20mmscfd of LNG for sale. The remaining volumes are under contract to Kansai Electric Power Company in Japan, the other foundation buyer for Train 3.

The Tangguh Expansion Project will also bring significant multiplier effects to Indonesia and the Papua Barat Province, among others by supporting economic growth and providing 10,000 valuable jobs spread over the project period.

Notes to editors:

- The Tangguh LNG facility is located in Teluk Bintuni Regency, Papua Barat Province of Indonesia and consists of offshore gas production facilities supplying two 3.8 mtpa liquefaction trains that have been in operation since 2009. It is operated by BP Berau Ltd on behalf of the other production sharing contract partners as contractor to SKK Migas. BP Berau Ltd and its affiliates in Indonesia hold a 37.16% interest in the project. Other Tangguh production sharing contract partners are MI Berau B.V. (16.30%), CNOOC Muturi Ltd. (13.90%), Nippon Oil Exploration (Berau), Ltd. (12.23%), KG Berau Petroleum Ltd and KG Wiriagar Petroleum Ltd (10.00%), Indonesia Natural Gas Resources Muturi Inc. (7.35%), and Talisman Wiriagar Overseas Ltd. (3.06%).