

PRESS RELEASE

Minister of Energy and Mineral Resources Launches Biogas Power Plant in Tungkal Ulu

Minister of Energy and Mineral Resources, Ignatius Jonan and the Governor of Jambi, Zumi Zola, officially inaugurated Asian Agri's biogas power plant at Tungkal Ulu in Indonesia's Jambi province on Wednesday.

The establishment of biogas power plants is one way for the private sector to support the Indonesian government's commitment to achieve a 23 per cent renewable energy rate in the country by 2025.

"The Ministry of Energy and Mineral Resources fully supports the President of Indonesia Joko Widodo's commitment towards combating climate change, which he mentioned during the Conference of the Parties (COP) in December 2015. On that, we invite other private sector members to begin taking similar initiatives and roles as Asian Agri has, in creating green energy," Jonan said.

Bukit Sanjaya, Asian Agri Head of Operations said: "We really appreciate the government's support towards Asian Agri's initiative to invest in the processing of Palm Oil Mill Effluent (POME) into renewable green energy via operation of our biogas power plants."

In its efforts to support the national palm oil industry, Asian Agri has operated biogas power plants since 2015, in line with the company's zero-waste management policy.

"Asian Agri's support through the creation of renewable energy represents real commitment towards environmental sustainability and energy security, which is one of the Indonesian government's focus areas via the Ministry of Energy and Mineral Resources," Bukit added.

The availability of energy is also required for economic and industrial growth in the Jambi province, and the existence of Asian Agri's biogas power plant is in line with the province's development program in fulfilling the community's energy needs, and in encouraging ongoing growth of the regional economy.

Asian Agri's biogas power plant in Tungkal Ulu is the company's seventh plant thus far, with the company intending to build a total of 20 biogas plants by 2020.

With a capacity of 2.2 megawatts (MW) each, one biogas power plant is capable of generating the energy needs of a palm oil mill (700 kilowatts), and an extra 1.5 MW of electricity which is distributed to the communities surrounding Asian Agri's mills.

Asian Agri's biogas power plant initiative was recently recognized at the <u>Anugerah Energy Lestari Awards 2017</u>, as well as at the <u>Indonesia CSR Awards 2017</u>, where the company received the highest-ranking Platinum Award in one category.

"We will be equipping each of Asian Agri's palm oil factories with these biogas power plants, and establishing cooperation with related institutions so that more people will be able to enjoy an environmentally-friendly electricity supply at affordable prices," Bukit said.

About Asian Agri:

Asian Agri is one of the leading private companies in Indonesia producing crude palm oil (CPO) since 1979 and employs around 25,000 people today. Since 1987, Asian Agri has been a pioneer of the Indonesian government's Trans-National Government Migration (PIR-Trans) program. Today, the company manages 100,000 Ha of land and partners 29,000 smallholder families in Riau and Jambi who operate 60,000 Ha of palm oil plantation.

Asian Agri's success in becoming one of the leading CPO companies has been acknowledged internationally with the ISO 14001 certification for all of its operations. Its Learning Institute in Pelalawan, Riau, as well as its nursery research center in Kampar, Riau are ISO 9001 certified. In addition, Asian Agri's R&D Center in Tebing Tinggi has also obtained certification by the International Plant-Analytical Exchange at the WEPAL lab at Wageningen University in The Netherlands, for its high standards.

More than 86% of both owned plantations in North Sumatra, Riau & Jambi provinces & scheme smallholder plantations in Riau & Jambi provinces have been RSPO certified.

All plantations have also been ISCC-certified (International Sustainability & Carbon Certification), including plantation owned by smallholders. Palm oil mills and plantation in Buatan, Ukui, Soga, Tungkul Ulu, and Muara Bulian have been ISPO (Indonesian Sustainable Palm Oil) certified.

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