



PRESS RELEASE

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ENEL STEPS INTO INDONESIAN RENEWABLES MARKET WITH GEOTHERMAL TENDER AWARD

- *The Enel Group's renewable energy division Enel Green Power, in consortium with local partner PT Optima Nusantara Energi (PT ONE), has been awarded the exploration and development license for the 55 MW Way Ratai geothermal power project in Indonesia following the public tender launched in December 2015*
- *Enel will be investing up to 30 million US dollars for the exploration phase of Way Ratai, which is the first renewables project to be developed by the Group in Indonesia.*

Rome, July 14th, 2016 – The Enel Group's renewable energy division Enel Green Power ("EGP"), in consortium with the Indonesian geothermal developer PT Optima Nusantara Energi (PT ONE), has been awarded the right to hold the license to explore geothermal resources and develop the 55 MW Way Ratai geothermal power project in the Way Ratai area, in Indonesia's Lampung province, following the tender launched by the Indonesian Ministry of Energy and Mineral Resources in December last year. The project will be the first to be developed by Enel in the country, marking the company's entry into Indonesia's renewables market. Enel will be investing up to 30 million US dollars for the exploration phase of the project, which is part of the investment programme set by the Group's current strategic plan.

*"Indonesia is the largest economy in Southeast Asia and one of the world's main emerging markets. This award represents a first step forward for the growth of Enel's activities in the area," said **Francesco Starace**, CEO and General Manager of Enel. "The award is also the starting point from which we intend to build a solid platform for future investment opportunities in the country. We are leveraging on the latest technology and our solid experience in the geothermal field, in collaboration with our partner, to contribute to Indonesia's ambitious energy plan for an increased share of renewables in the country's energy portfolio."*

Construction of the geothermal power plant, which depends on the results of the exploration phase, is expected to be completed and enter operation in 2022. EGP and PT ONE will jointly establish and own a special purpose vehicle (SPV) holding the project, with EGP having the majority stake in the SPV. In line with the tender rules, the energy produced by the geothermal power plant, which is expected to generate around 430 GWh per year, will be sold to the national utility PLN under a 30-year power purchase agreement (PPA).

Indonesia has a vast renewable energy potential which is still largely unexploited; in particular the country's geothermal potential is estimated to be 24 GW, 40% of the world's geothermal reserves. Moreover, the country has strong potential for growth in electricity demand due to its high economic growth rate (5% annual GDP growth) and its low electrification rate, with 27% of its 250 million-population still without access to electricity. The tender is part of the country's efforts to diversify its energy mix by increasing the share of renewables to up to 23% by 2025 from the current 12%.



In Asia, Enel owns a majority stake in BLP Energy, one of India's leading renewable energy players. The company owns operating wind farms for a total capacity of 172 MW which produce annually about 340 GWh. Currently in Indonesia, Enel owns a minority stake in the mining company Bayan Resources. Recently, Enel signed a Memorandum of Understanding (MoU) with Indonesian power utility PT PLN Persero to evaluate possible cooperation opportunities on projects in electricity generation in Indonesia starting from the joint assessment of the local market for renewables, conventional technologies and mini-grids. Last year, Enel's renewable energy division EGP signed an MoU with the Japanese company Marubeni Corporation to cooperate in evaluating potential business opportunities in renewable projects mainly in the Asia-Pacific region, including Indonesia. Finally, this year Enel signed with Marubeni another MoU to evaluate potential opportunities for joint development in the gas generation sector in the same region.

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