

Press Release

Pertagas and Chandra Asri Collaborate to Seek Business Opportunities in Green Energy and Petrochemicals as well as Increasing Local Content of Natural Gas Infrastructure

JAKARTA, August 1st 2022 - Affiliated company of Pertamina's gas sub-holding, namely PT Pertamina Gas (Pertagas) and PT Chandra Asri Petrochemical Tbk (Chandra Asri), one of Indonesia's largest integrated petrochemical company, signed a Memorandum of Understanding (MoU) on the Potential and Analysis of Green Energy and Petrochemical Business Development as well as Increasing Local Content of Natural Gas Infrastructure.

The MoU was signed by Gamal Imam Santoso, President Director of Pertagas, Edi Rivai, Director of Legal, External Affairs & Circular Economy Chandra Asri, and Ruly Aryawan, Director of Supply Chain Chandra Asri at Grha Pertamina.

Through this collaboration, Pertagas and Chandra Asri will synergize to support the program of 1 Million Gas Network Connections per year by supplying raw materials supply for gas pipelines. Chandra Asri and Pertagas will also develop the use of natural gas and its derivatives owned by Pertagas to meet the production needs of the Chandra Asri Plant in Cilegon, Banten as well as analyzing utilization of Chandra Asri facilities for the development of the Liquefied Natural Gas (LNG) terminal infrastructure or Pertagas pipeline distribution network.

This action is part of both parties' commitment to support Government programs in reducing dependence on imported products by encouraging the use of Domestic Content Levels (TKDN) in Indonesia and the use of green energy to reduce carbon emissions by 29 percent in 2030.

Director of Legal, External Relations & Circular Economy Chandra Asri, Edi Rivai said, "We are committed to continue to provide the best raw material for gas pipelines that meet all SNI Standards for Pertagas. As one of the backbones of the strategic sector in the country, Chandra Asri continually strive to meet the needs of petrochemical products in the domestic industry. We hope that this collaboration will be able to increase the percentage of TKDN components usage in accordance with the Government program".

Chandra Asri has the excellency in producing PE 100 pipes which have high durability and thinner than the PE 80 that is commonly used in gas networks. Through this collaboration, Pertagas will develop the potential application of Chandra Asri's PE 100 pipe for Pertagas Group's gas line, one of which is the Jogja - Solo - Semarang gas network.

"Currently, Bimodal HDPE technology has capacity to produce PE 100 gas pipe application resin up to 136,000 tons per year from Chandra Asri's total polyethylene production of 736,000 tons per year. Chandra Asri's capacity is much higher than the national gas network target, which is 1 Million Household Gas Pipe Connections per year," added Edi Rivai.

Gamal Imam Santoso, President Director of Pertamina Gas said that this collaboration is also to support the government's program in equitable the use of gas as clean energy, especially for petrochemical plants, "This collaboration has a great business potential for the future of gas industry, not only in supplying gas for petrochemical plants but also to support energy utilization. This is more environmentally friendly as well as cleaner and in line with the government's program to reduce carbon emissions," said Gamal.

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About Pertamina Gas

PT Pertamina Gas is a company that engaged in the midstream and downstream sectors of the Indonesian gas industry. Owned by PT Perusahaan Gas Negara Tbk (PGN) and PT Pertamina (Persero), Pertamina Gas is part of the Gas sub holding in Indonesia which plays a role in gas trading, gas transportation, gas processing and gas distribution, as well as other businesses related to natural gas and its derivative products.

About Chandra Asri

Chandra Asri is Indonesia's largest integrated petrochemical company producing Olefins and Polyolefins. With a history of close to 30 years and over 2000 dedicated staff, the company incorporates state-of-the art technologies and supporting facilities located strategically in the country's petrochemical hub, Cilegon, and Serang.

As a Growth Partner, Chandra Asri is committed to creating high-value jobs, expanding the domestic petrochemical value chain, and serving the needs of the vibrant and growing Indonesian market. For more information, visit www.chandra-asri.com.

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