

PRESS RELEASE

President of Indonesia Joko Widodo Inspects the Development Progress of Indonesia's Largest Aluminum Smelter

Tanah Kuning, North Kalimantan, 28th February 2023 – Today, Tuesday (28/2), Indonesian President Joko Widodo inspected the development progress of Indonesia's largest aluminum smelter of PT Kalimantan Aluminium Industry (KAI). The President was accompanied by Coordinating Minister for Maritime and Investment Affairs Luhut Binsar Pandjaitan, Minister of Investment / Chairman of Indonesian Investment Coordinating Board Bahlil Lahadalia, Cabinet Secretary Pramono Anung, Governor of North Kalimantan Zainal Arifin Paliwang, Regent of Bulungan Syarwani, Chairman of Indonesia Consortium Garibaldi Thohir, President Director of PT Adaro Minerals Indonesia Tbk Christian Ariano Rachmat, President Director of PT Kalimantan Industrial Park Indonesia (KIPI) Justarina S. M. Naiborhu, and President Director of PT Kalimantan Aluminium Industry Wito Krisnahadi, on this visit at Tanah Kuning Kalimantan Utara. The aluminum smelter, built for an estimated total investment of approximately US\$2 billion, is part of the development of North Kalimantan Green Industrial Park by KIPI to support the government's programs to downstream the natural resources industries to generate added value out of raw materials and green energy utilizations.

President Director of PT Adaro Minerals Indonesia Tbk Christian Ariano Rachmat said, "To support the government's vision and mission to downstream Indonesian minerals to generate added value for supporting the country's income and foreign exchange revenue, we are committed to building the largest aluminum smelter in Indonesia. Our serious efforts to realize this project is expected to deliver positive impacts to Indonesia, by reducing aluminum imports, generating processes and added value for alumina, increasing tax revenues and providing work opportunities for more than 6,000 local workers at the construction phase and for around 1,500 local workers at the operational phase. Furthermore, we will continue to work hard to achieve the COD (commercial operations date) target in the first half of 2025."

PT Kalimantan Aluminium Industry, a subsidiary of PT Adaro Minerals Indonesia Tbk, is building an aluminum smelter on a land of 600 hectares, with production capacity of 500,000 tpa on its first phase. On the subsequent production and development phase, this aluminum smelter will be operated with new and renewable energy produced by hydropower plants of ecofriendly modern construction standard.

The project is progressing well. The process of various required permits have been completed, such as the environmental permit obtained in December 2021, which has been expanded to accommodate the jetty. The masterplan and detailed engineering design are being prepared.

KAI has also made several developments in the pre-construction stage. Several long lead items have been ordered and paid, the jetty for construction activities is being constructed, and heavy equipment and materials have been delivered to the location. The main equipment for the power plant to support the smelter's operations on the first phase is being fabricated.



KAI's efforts to increase aluminum supply for strengthening the competitiveness of Indonesia's natural resource products are expected to support the government's development of electric vehicle ecosystem in the country as well as contributing to realizing low carbon industries towards achieving Indonesia's target of net zero emission.

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