

Case study from Indonesia: Muara Laboh 168.7MW Geothermal Power Project



Unit 1: 86MW

Sponsors	Sumitomo Corp, INPEX, PT Supreme Energy
ADB Financing	\$109.25 million consisted of (1) \$70 million ADB OCR loan (2) \$19.25 million CTF loan administered by ADB (3) \$20 million LEAP loan administered by ADB
Status	Loan Agreement signed in December 2016, achieved COD in December 2019

Unit 2: 82.7MW

Sponsors	Sumitomo Corp, INPEX, PT Supreme Energy
ADB Financing	\$92.6 million consisted of (1) \$38.8 million ADB OCR loan (2) \$38.8 million ADB B-loan (3) \$15 million Australian Climate Finance Partnership (ACFP) administered by ADB
Status	Loan Agreement signed in January 2025, under construction

Project Features

- (Unit 1) **Lenders shared in the geothermal resource risks** which carries higher risks compared to other forms of renewables (e.g. solar/wind) in order to encourage private sector investment into a challenging sector. The project is cofinanced by the Japan Bank for International Cooperation (JBIC), and commercial banks covered by Nippon Export Investment and Insurance (NEXI).
- (Unit 2) The project is an expansion of Muara Laboh Geothermal Project Phase 1. Sponsors are all the same as Unit 1 which has been operating successfully since its COD. Lenders are also the same as Unit 1, which are JBIC, and commercial banks covered by NEXI.

ADB's Value Addition

- **ADB led the financing group** in providing long term loans for geothermal projects that is not locally available, which will support the development of geothermal power financing market in Indonesia.
- **ADB provided flexible tranche structured to address geothermal resource performance risks** over the tenor of the proposed ADB financing, thus enabling crowding-in of private sector. This project is the first instance of a **commercial bank (as B-loan lender)** taking uncovered geothermal project risk in Indonesia.

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ADB's value addition to your businesses

Solving Complex Challenges Together

- Risk mitigating products and structuring
- Connections with host country governments
- Halo effect (comfort to co-financiers)
- Local currency funding, if required

Most of all, solution oriented!!