IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) A QUALIFIED INSTITUTIONAL BUYER (a "QIB") WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR (2) OUTSIDE OF THE UNITED STATES IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT (AND, IF INVESTORS ARE RESIDENT IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA, A QUALIFIED INVESTOR).

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering memorandum. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached offering memorandum. In accessing the attached offering memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of your Representation: You have accessed the attached offering memorandum on the basis that you have confirmed your representation to the Issuer and to the Initial Purchaser (as such terms are defined in the attached offering memorandum) that (1) you consent to delivery of the attached offering memorandum and any amendments or supplements thereto by electronic transmission and agree to the terms set forth herein, (2) either (A) you are a QIB (within the meaning of Rule 144A under the Securities Act) or (B) (i) you are outside the United States and, to the extent you purchase the securities described in the attached offering memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (ii) the e-mail address to which the attached offering memorandum has been delivered is not located in the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; and its possessions include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands, (3) you will not transmit the attached offering memorandum (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person, and (4) you acknowledge that you will make your own assessment regarding any legal, taxation or other economic conditions with respect to your decision to subscribe for or purchase any securities.

The attached offering memorandum has been made available to you in electronic format. You are reminded that documents transmitted in an electronic format may be altered or changed during the process of transmission and consequently none of the Issuer, the Initial Purchaser and their respective affiliates, directors, officers, employees, representatives and agents or any other person controlling the Issuer, the Initial Purchaser or any of their respective affiliates accepts any liability or responsibility whatsoever with respect to any discrepancies between the document distributed to you in electronic format and the hard-copy version.

Restrictions: The attached offering memorandum is being furnished in connection with an offering exempt from registration under the Securities Act. Nothing in this electronic transmission constitutes an offer of securities for sale in the United States or any other jurisdiction where it is unlawful to do so.

ANY SECURITIES TO BE ISSUED HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES UNLESS REGISTERED UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, SUCH REGISTRATION. YOU ARE NOT AUTHORIZED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED OFFERING MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFERING MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED OFFERING MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. No action has been or will be taken in any jurisdiction by the Initial Purchaser or the Issuer that would, or is intended to, permit a public offering of the securities, or possession or distribution of the offering memorandum (in preliminary, proof or final form) or any other offering or publicity material relating to the securities, in any country or jurisdiction where action for that purpose is required. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial Purchaser or any affiliate of the Initial Purchaser is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Initial Purchaser or such affiliate on behalf of the Issuer in such jurisdiction.

Under no circumstances shall this offering memorandum constitute an offer to sell or the solicitation of an offer to buy nor shall there by any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The attached offering memorandum is not a prospectus for the purposes of the European Union's Regulation (EU) 2017/1129 (including as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020 (the "**EUWA**")).

IMPORTANT – EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the Insurance Distribution Directive), as amended or superseded, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law in the UK by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law in the UK by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law in the UK by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

This document is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Financial Promotion Order**"), (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations etc.) of the Financial Promotion Order, (iii) are outside the UK, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

NOTIFICATION UNDER SECTION 309B(1) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE – The Notes shall be "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04 N12: Notice on the Sale of Investment Products and MAS Notice FAA N16: Notice on Recommendations on Investment Products).

You are reminded that the attached offering memorandum has been delivered to you on the basis that you are a person into whose possession the attached offering memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this document, electronically or otherwise, to any other person. If you receive this document by e-mail, you should not reply by e-mail to this announcement. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

US$350,000,000

PT Sorik Marapi Geothermal Power

(incorporated in the Republic of Indonesia with limited liability)

7.75% Senior Secured Notes due 2031

PT Sorik Marapi Geothermal Power ("**we**", the "**Issuer**", the "**Company**" or "**our Company**"), a company incorporated in the Republic of Indonesia with limited liability, is offering an aggregate principal amount of US$350,000,000 7.75% Senior Secured Notes due 2031 (the "**Notes**").

The Notes will bear interest at the rate of 7.75% per year. Interest on the Notes is payable on February 5 and August 5 of each year, beginning on February 5, 2025. The Notes will mature on August 5, 2031. At any time on or after August 5, 2027, we may redeem the Notes, in whole or in part, at the redemption prices set forth in this offering memorandum plus accrued and unpaid interest, if any, to the redemption date. In addition, we may redeem the Notes, in whole or in part, at any time prior to August 5, 2027, by paying a "make-whole" premium plus accrued and unpaid interest. Upon the occurrence of a Change of Control (as defined under "*Description of the Notes*"), we must make an offer to repurchase all Notes outstanding at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of purchase. For a detailed description of the Notes, see "*Description of the Notes*".

Our Company will pay amortization amounts on the Notes as described under "*Description of the Notes – Amortization of Principal*". The Notes are also subject to partial mandatory cash sweep amortization redemptions on the dates and in the amounts set forth under "*Description of the Notes – MCS Amortization Redemptions*". On the Original Issue Date (as defined under "*Description of the Notes*"), our Company will enter into an escrow agreement (the "**Escrow Agreement**") with the Trustee (as defined under "*Description of the Notes*") and The Bank of New York Mellon, Singapore Branch, as escrow agent (the "**Escrow Agent**"), under which our Company will deposit an amount in cash equal to the gross proceeds of the offering of the Notes into an escrow account (the "**Escrow Account**") held by our Company in Singapore with the Escrow Agent (such funds deposited, the "**Escrowed Funds**"). The Escrow Account shall be pledged in favor of the Offshore Collateral Agent.

The deposited funds will be released from the Escrow Account to fund the repayment of the Existing Senior Debt Facilities (as defined under "*Description of the Notes*"). In connection with such repayment, we will be required to obtain consent from the lenders under the Existing Senior Debt Facilities to issue the Notes and repay the Existing Senior Debt Facilities (the "**Transaction**"). If we fail to obtain such consent within 60 days from the Original Issue Date, we will be required to undertake a mandatory redemption of the Notes at a redemption price equal to 100% of the issue price of the Notes, plus accrued and unpaid interest (and any Additional Amounts), if any, up to (but not including) the redemption date (the "**Special Mandatory Redemption**"). See "*Description of the Notes – Escrow of Proceeds*".

The Notes will be our direct, unconditional and senior secured obligations. The Notes will be secured by a first priority security interest over the Collateral (as defined in the "*Description of the Notes*") as further described under "*Description of the Notes – Security*" and "*Description of the Security Documents and the Collateral*".

The Notes are expected to be rated "Ba1" by Moody's Investors Service, Inc. and "BB+" by Fitch Ratings Inc. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization.

As described under "*Use of Proceeds*," we intend to allocate an equivalent amount of the net proceeds of this offering to finance and/or refinance Eligible Green Projects (as defined under "*Green Finance Framework*"). We believe the Notes meet the environmental eligibility criteria for green bonds as defined by the International Capital Market Association's Green Bond Principles.

Investing in the Notes involves risks. See "*Risk Factors*".

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, they are being offered and sold in the United States only to qualified institutional buyers in accordance with Rule 144A under the Securities Act and outside the United States in accordance with Regulation S under the Securities Act. Prospective purchasers that are qualified institutional buyers are hereby notified that the seller of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on transfers of the Notes see "*Transfer Restrictions*".

Application will be made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of and quotation for the Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this offering memorandum. Approval-in-principle received from the SGX-ST for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of our merits or the merits of the Issuer, any of its associated companies or the Notes. Currently, there is no public market for the Notes. For so long as the Notes are listed and quoted on the SGX-ST and the rules of the SGX-ST so require, the Notes will be traded on the SGX-ST in a minimum board lot size of US$200,000.

The Notes will be in denominations of US$200,000 each or integral multiples of US$1,000 in excess thereof.

Price: 100.00%

We expect that delivery of the Notes will be made to purchasers on or about August 5, 2024 through the book-entry facilities of The Depository Trust Company ("**DTC**").

Sole Global Coordinator, Bookrunner and Green Structuring Agent

Deutsche Bank

Offering Memorandum dated July 29, 2024

You should rely only on the information contained in this offering memorandum. We have not, and the Initial Purchaser (as defined in the section entitled "*Plan of Distribution*") has not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we nor the Initial Purchaser are making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this offering memorandum is accurate as of any date other than the date on the cover page of this offering memorandum.

IMPORTANT INFORMATION

This offering memorandum is confidential. We have prepared this offering memorandum solely for use in connection with the proposed offering of the securities described herein. This offering memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire securities. Distribution of this offering memorandum to any person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorized, and any disclosure of any of its contents, without our prior written consent, is prohibited. Each prospective investor, by accepting delivery of this offering memorandum, agrees to the foregoing and agrees to make no photocopies of this offering memorandum or any documents referred to herein.

The Initial Purchaser, the Collateral Agents (as defined herein), the Agents (as defined herein) and the Trustee (as defined herein) make no representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained in this offering memorandum. Nothing contained in this offering memorandum is, or should be relied upon as, a promise or representation by the Initial Purchaser or the Trustee as to the past or future. No representation or warranty, express or implied, is made by the Initial Purchaser or the Trustee, or any of their affiliates or advisors as to the accuracy or completeness of the information set forth herein, and nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation, whether as to the past or the future. The Initial Purchaser, the Collateral Agents, the Agents and the Trustee assume no responsibility for the accuracy or completeness of any such information. Neither the Second Party Opinion nor the Green Finance Framework (each, as defined herein) are incorporated into or form part of this offering memorandum.

By receiving this offering memorandum, you acknowledge that: (i) you have not relied on the Initial Purchaser, the Collateral Agents, the Agents or the Trustee, or any person affiliated with them in connection with any investigation of the accuracy of such information or your investment decision; and (ii) no person has been authorized to give any information or to make any representation concerning us, our subsidiaries, affiliates, the Notes (other than as contained herein and information given by our duly authorized officers and employees in connection with investors' examination of us and the terms of the offering of the Notes) and, if given or made, any such other information or representation should not be relied upon as having been authorized by us, the Initial Purchaser, the Collateral Agents, the Agents or the Trustee.

To the fullest extent permitted by law, the Initial Purchaser does not accept any responsibility whatsoever for the contents of this offering memorandum or for any other statement, made or purported to be made by the Initial Purchaser or on their behalf in connection with the Company of the offering of the Notes. The Initial Purchaser accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this offering memorandum or any such statement.

We have furnished the information contained in this offering memorandum. The information contained in this offering memorandum is as of the date of this offering memorandum and is subject to change, completion or amendment without notice. Neither the delivery of this offering memorandum at any time nor the offer, sale or delivery of any Notes shall, under any circumstances, create any implication that there has been no change in the information set forth in this offering memorandum or in our affairs since the date of this offering memorandum.

No person is authorized in connection with the offering to give any information or to make any representation not contained in this offering memorandum, and, if given or made, such other information or representation must not be relied upon as having been authorized by us, the Initial Purchaser, the Collateral Agents, the Agents, the Trustee or any of our or their respective representatives.

The Initial Purchaser, the Collateral Agents, the Agents and the Trustee have not independently verified all of the information contained herein (financial, legal or otherwise) and assume no responsibility for the accuracy or completeness of any such information.

Neither the US Securities and Exchange Commission, any state securities commission nor any other regulatory authority, has approved or disapproved the securities nor has any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this offering memorandum. Any representation to the contrary is a criminal offense.

This offering memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Notes to any person in any jurisdiction where it is unlawful to make such an offer or solicitation.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and the applicable state securities laws pursuant to registration or exemption therefrom. As a prospective purchaser, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. Please refer to the sections entitled "*Plan of Distribution*" and "*Transfer Restrictions*".

In making an investment decision, prospective investors must rely on their own independent examination of us and the terms of the offering, including the merits and risks involved. Prospective investors should not construe anything in this offering memorandum as legal, business or tax advice. Each prospective investor should consult its own advisors as needed to make its investment decision and to determine whether it is legally permitted to purchase the Notes under applicable legal investment or similar laws or regulations.

This offering memorandum contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference.

Each prospective investor must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Notes or possesses or distributes this offering memorandum and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and neither we nor the Initial Purchaser nor any of our or their respective representatives shall have any responsibility therefore.

We reserve the right to withdraw this offering of the Notes at any time and we and the Initial Purchaser reserve the right to reject any commitment to subscribe for the Notes, in whole or in part. We also reserve the right to allot to you less than the full amount of Notes sought by you. The Initial Purchaser and certain related entities may acquire for their own account a portion of the Notes.

In connection with the offering of the Notes, the Initial Purchaser (or person(s) acting on its behalf) may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Initial Purchaser (or person(s) acting on its behalf) may over-allot the offering, creating a syndicate short position. In addition, the Initial Purchaser may bid for, and purchase, the Notes in the open market to cover syndicate shorts or to stabilize the price of the Notes. Any of these activities may support, stabilize or maintain the market price of the Notes above independent market levels that which might otherwise prevail. However, stabilization may not necessarily occur. The Initial Purchaser is not required to engage in these activities, and may end any of these activities at any time. Any stabilization action or over-allotment must be conducted by the Initial Purchaser (or person(s) acting on its behalf) in accordance with all applicable laws and rules. No assurance can be given as to the liquidity of, or the trading market for, the Notes.

MiFID II Product Governance/Professional investors and ECPs only target market – For the purposes of Directive EU 2014/65/EU (as amended, "**MiFID II**") (i) the target market in respect of the Notes is eligible counterparties and professional clients only, each as defined in MiFID II and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person offering, selling or recommending the Notes (a "**distributor**") should take into consideration such target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes and determining appropriate distribution channels.

UK MiFIR Product Governance/Professional investors and ECPs only target market – For the purposes of Regulation (EU) No 600/2014 as it forms part of domestic law (the "**UK MiFIR**") (i) the target market in respect of the Notes is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in the UK MiFIR and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration such target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes and determining appropriate distribution channels.

Prohibition of sales to EEA retail investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Prohibition of sales to UK retail investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No600/2014 as it forms part of domestic law; or (iii) not a qualified investor as defined in the Prospectus Regulation as it forms part of domestic law. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law (the "**UK PRIIPs**

Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation. All applicable provisions of the FSMA with respect to anything done by any person in relation to the Notes in, from or otherwise involving the United Kingdom must be complied with. See "*Plan of Distribution*".

Singapore SFA Product Classification – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), we have determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to Prospective Investors – Prospective investors should be aware that certain intermediaries in the context of this offering of the Notes, including the Initial Purchaser, are "capital market intermediaries" ("**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association ("**Association**") with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders paced are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset manager arm affiliated with the Initial Purchaser, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Initial Purchaser or its group company has more than 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with the Initial Purchaser, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the Bookrunner when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to this offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Initial Purchaser and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

Notice to Prospective Investors in Indonesia – The offering of the Notes does not constitute a public offering or private placement in Indonesia under Law No. 8 of 1995 on Capital Market as amended by Law No. 4 of 2023 on Development and Strengthening of Financial Sectors ("**Indonesian Capital Markets Law**") and Indonesian Financial Services Authority (*Otoritas Jasa Keuangan* or "**OJK**") Regulation No. 30/POJK.04/2019 on the Issuance of Debt-Linked Securities and/or Sukuk issued by way of Private Placement ("**POJK No. 30/2019**") and its implementing regulations. This offering memorandum may not be distributed in Indonesia and the Notes may not be offered or sold in Indonesia, to Indonesian citizens (wherever domiciled or located) or to Indonesian residents, in a manner which constitutes a public offering or private placement under the laws and regulations in Indonesia. The OJK does not review or declare its approval or disapproval of the issue of the Notes nor does it make any determination as to the accuracy or adequacy of this offering memorandum. Any statement to the contrary is a violation of Indonesian law.

Available Information

To permit compliance with Rule 144A in connection with resales of the Notes, we are required to furnish upon request of a holder of a Note and a prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) if at the time of such request we are not subject to the periodic reporting requirements of Section 13 or Section 15(d) of the US Securities Exchange Act of 1934, as amended, (the "**Exchange Act**") nor exempt from such reporting requirements pursuant to Rule 12g3-2(b) thereunder.

Forward-Looking Statements

This offering memorandum contains forward-looking statements and information that involves risks, uncertainties and assumptions. Forward-looking statements are statements that concern plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact, including, but not limited to, those that are identified by the use of words such as "**may**", "**will**", "**anticipates**", "**believes**", "**estimates**", "**expects**", "**intends**", "**plans**", "**predicts**", "**projects**" and similar expressions. Such forward-looking statements include, without limitation, statements relating to the competitive environment in which we operate, general economic, industry and business conditions, political, economic and social developments in the Asia Pacific region (in particular, changes in economic growth rates in Indonesia and other Asian economies), our production and expansion plans, our costs and liabilities, growth forecasts for us and our industry and other factors beyond our control. Risks and uncertainties that could affect us include, without limitation:

- changes in our relationship with the sole off-taker of electricity from our plant, PT PLN (Persero) ("**PLN**");
- risks associated with our dependence on our key contract and permits;
- economic, social and political conditions in Indonesia;

- changes in conditions that affect geothermal power production, including factors that affect our operations and estimates of geothermal energy resources at our power plant;
- the ability to maintain good relations with the local community;
- difficulties with executing our expansion plan;
- difficulties in raising additional financing to fund future capital expenditures;
- the ability to attract and retain key employees;
- risks associated with our dependence on third-party contractors;
- changes in government regulations and increases in regulatory burdens in Indonesia;
- changes in our relationship with the government of Indonesia, our regulators and regional government authorities in Indonesia; and
- the interruption of our business due to forces of nature or human induced events and the insufficiency of our insurance to compensate us for any related losses.

Should one or more of such risks and uncertainties materialize, or should any underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated in the applicable forward-looking statements. Any forward-looking statement or information contained in this offering memorandum speaks only as of the date the statement was made.

All of our forward-looking statements made herein and elsewhere are qualified in their entirety by the risk factors discussed in "*Risk Factors*" and other cautionary statements appearing in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Overview of the Indonesian Power Industry*". These risk factors and statements describe circumstances that could cause actual results to differ materially from those contained in any forward-looking statement.

Prospective investors are cautioned not to place undue reliance on forward-looking statements. We do not intend to update forward-looking statements made herein to reflect actual results or changes in assumptions or other factors that could affect those statements. Our past performance is not an indication of our future results.

Use of Certain Terms

In this offering memorandum, all references to "**we**", "**us**", "**our**" and "**our Company**" refer to PT Sorik Marapi Geothermal Power, incorporated in Indonesia. Unless the context otherwise requires, references to "**Management**" are to our directors and senior management team as of the date of this offering memorandum, and statements in this offering memorandum as to our beliefs, expectations, estimates and opinions are those of our Management.

References to the "**PPA**" refer to the Sorik Marapi Geothermal Power Plant 3 x 80 MW power purchase agreement which was executed on August 29, 2014 among our Company and PLN, as subsequently amended by the first amendment of the PPA for PLTP (*Pembangkit Listrik Tenaga Panas Bumi*/Geothermal Power Plant) Sorik Marapi (3 x 80 MW) on August 8, 2016, the second amendment agreement of the PPA for the development of PLTP Sorik Marapi (240 MW) on June 27, 2019 and the third amendment of the PPA on March 2, 2023.

As used in this offering memorandum, all references to "**Indonesia**" are references to the Republic of Indonesia, all references to "**Singapore**" are references to the Republic of Singapore and all references to "**BVI**" are references to the British Virgin Islands. All references to the "**Government**" or the "**State**" are references to the government of Indonesia. As used in this offering memorandum, all references to "**Rupiah**", "**IDR**", "**Rp.**" and "**Rp**" are to Indonesian Rupiah, the lawful currency of Indonesia, and all references to "**US$**", "**USD**", "**US dollars**" or to "**US cents**" are to the lawful currency of the United States of America (the "**US**" or "**United States**").

Presentation of Financial and Other Information

Financial Information

Our audited financial statements as of December 31, 2021, 2022 and 2023 and for the years then ended, which are included in this offering memorandum, have been prepared in accordance with the Indonesian Financial Accounting Standards ("**IFAS**") issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants and are presented in US dollars (the "**Audited Financial Statements**"). The Audited Financial Statements have been audited in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants ("**IICPA**"), by KAP Purwantono, Sungkoro & Surja ("**PSS**") (a member firm of Ernst & Young Global Limited), as independent auditors, as stated in their audit report included at F-7 in this offering memorandum.

Our unaudited financial statements as of March 31, 2023 and 2024 and for the three-month periods then ended, which are included in this offering memorandum, have been prepared in accordance with the IFAS issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants and are presented in US dollars (the "**Unaudited Financial Statements**" and together with the Audited Financial Statements, the "**Financial Statements**"). The Unaudited Financial Statements have been reviewed in accordance with Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("**SRE 2410**") established by the IICPA, by PSS (a member firm of Ernst & Young Global Limited), as independent auditors, as stated in their review report included at F-2 in this offering memorandum. A review conducted in accordance with SRE 2410 established by the IICPA is substantially less in scope than an audit conducted in accordance with Standards on Auditing established by the IICPA, and consequently, does not enable PSS (a member firm of Ernst & Young Global Limited), as independent auditors, to obtain assurance that PSS would become aware of all significant matters that might be identified in an audit. Accordingly, PSS did not audit and does not express any opinion on the Unaudited Financial Statements included in this offering memorandum.

Unless otherwise stated or the context otherwise requires, all financial information as of December 31, 2021, 2022 and 2023 and for the years then ended have been extracted from the Audited Financial Statements and all financial information as of March 31, 2023 and 2024 and for the three-month periods then ended have been extracted from the Unaudited Financial Statements.

IFAS differs in certain material respects from generally accepted accounting principles in the United States ("**U.S. GAAP**") and are not comparable to the financial statements of a company under U.S. GAAP. See "*Summary of Certain Significant Differences Between IFAS and U.S. GAAP*."

Except as otherwise indicated or the context otherwise requires, our financial information included in this offering memorandum is presented on a standalone basis.

We maintain our accounts in US dollars. See "*Exchange Rates and Exchange Control*" for information regarding rates of exchange between Rupiah and US dollars.

In this offering memorandum, certain financial information, including percentages, have been rounded for convenience. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to such rounding.

Non-GAAP Financial Measures

EBITDA, Total Debt, Net Debt, Total Debt to EBITDA, Net Debt to EBITDA, Total Debt to Equity, Net Debt to Equity, EBITDA to Interest Expense, EBITDA Margin, Cash Flow Available for Debt Service, Debt Service, Debt Service Coverage Ratio, Net Profit Margin, Operating Cash Flows and Capital Expenditures and related metrics as presented in this offering memorandum are supplemental measures of performance and liquidity that are not required by, or presented in accordance with, IFAS or U.S. GAAP. These measures are not measurements of financial performance or liquidity under IFAS or U.S. GAAP and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with IFAS or U.S. GAAP or as alternatives to cash flow from operating activities as a measure of liquidity. In addition, these measures are not standardized terms, hence a direct comparison between companies using terms may not be comparable to similarly titled measured by other companies.

We believe that EBITDA may facilitate comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense and finance charges), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses), the age and booked depreciation and amortization of assets (affecting relative depreciation and amortization of expense) and certain non-recurring items. EBITDA and other non-GAAP measures have been presented because we believe that they are frequently used by securities analysts, investors and other interested parties in evaluating similar companies, many of whom present such non-GAAP financial measures when reporting their results. Finally, EBITDA and other non-GAAP measures are presented as supplemental measures of our ability to service debt. Nevertheless, EBITDA and other non-GAAP measures have limitations as analytical tools, and you should not consider them in isolation from, or as a substitute for analysis of our financial condition or results of operations, as reported under IFAS.

Industry and Other Data

Market, economic and certain other information, including information relating to our Company, which are used throughout this offering memorandum has been obtained from internal surveys, market research, publicly available information, Government data and industry publications. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Although we believe that such industry sources are reliable, we take responsibility for only the accurate reproduction and extraction of such summaries and data, but accept no other responsibility for such information. The accuracy and completeness of such information are not guaranteed and have not been independently verified by us or the Initial Purchaser. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and neither we nor the Initial Purchaser make any representation as to the accuracy or completeness of this information.

Certain information set forth in the section titled "*Overview of the Indonesian Power Industry*" has been based on information derived from public and private sources, including market research, publicly available information and industry publications. Although we believe the information in this offering memorandum that is based on such sources is reliable, neither we nor the Initial Purchaser have independently verified the accuracy and completeness of this information.

Enforceability of Foreign Judgments

The Notes and the Indenture entered into with respect to the issue of the Notes are governed by the laws of the State of New York.

We are a limited liability company established under the laws of Indonesia. Although most of our directors and senior management reside outside Indonesia, substantially all of our assets are located in Indonesia. As a result, it may not be possible for investors to (i) effect service of process upon us or such persons outside of Indonesia or (ii) enforce court judgments obtained in courts outside of Indonesia against us or such persons outside of Indonesia, in an Indonesian court, including judgments predicated upon the civil liability provisions of the US federal securities laws or the securities laws of any state or territory within the United States.

We have been advised by our Indonesian legal adviser, Assegaf Hamzah & Partners, that judgments of non-Indonesian courts, including any judgments on original actions brought in Indonesian courts based solely upon the civil liability provisions of the US federal securities laws or the securities laws of any state or territory within the United States, are not enforceable in Indonesian courts. A claimant may be required to pursue claims in Indonesian courts on the basis of Indonesian law. The judgement of a foreign court could be offered and accepted as evidence in proceedings of the underlying claim in an Indonesian court and may be given such evidentiary weight as the Indonesian court may deem appropriate, in its sole discretion. Re-examination of the underlying claim de novo would be required before the Indonesian court. We cannot assure you that the claims or remedies available under Indonesian laws will be the same, or as extensive, as those available in other jurisdictions.

We will designate Cogency Global Inc. in New York City as our agent for service of process in the United States with respect to the Notes executed pursuant to the provisions of the Indenture. However, we have been advised by legal counsel in Indonesia, Assegaf Hamzah & Partners, that such designation by us would or may terminate upon the bankruptcy of us or the process agent.

Indonesian Regulation of Offshore Borrowings

Under Presidential Decree No. 59 of 1972 dated October 12, 1972 (as partially revoked, "**PD 59/1972**") and Presidential Regulation No. 86 of 2006 dated October 18, 2006, as amended by Presidential Regulation No. 91 of 2007 dated September 19, 2007, the Issuer is required to report the particulars of offshore borrowings to the Minister of Finance of Indonesia and Bank Indonesia on the acceptance, implementation, and repayment of principal and interest. The Ministry of Finance Decree No. KEP-261/MK/IV/5/73 dated May 3, 1973, as amended by the Ministry of Finance Decree No. 417/KMK.013/1989 dated May 1, 1989 and the Ministry of Finance Decree No. 279/KMK.01/1991 dated March 18, 1991, which implemented PD 59/1972, sets forth the requirement to submit periodic reports to the Minister of Finance of Indonesia and Bank Indonesia on the effective date of the offshore borrowing contract and each subsequent three-month period.

On December 29, 2014, Bank Indonesia issued Bank Indonesia Regulation No. 16/21/PBI/2014 on Application of Prudential Principles in Management of Offshore Loan of Non-Bank Corporations ("**PBI 16/21/2014**"), as amended by Bank Indonesia Regulation No. 18/4/PBI/2016. PBI 16/21/2014 applies to non-bank corporations that obtain offshore loans in foreign currencies. Further to PBI 16/21/2014, Bank Indonesia also issued Circular Letter No. 16/24/DKEM dated December 30, 2014 as amended by Circular Letter No. 17/18/DKEM dated June 30, 2015 and Circular Letter No. 18/6/DKEM dated April 22, 2016 (the "**SEBI 16/24/DKEM**"). PBI 16/21/2014 requires non-bank corporations that have offshore loans in foreign currencies to fulfill the following prudential ratios:

(i) *Minimum hedging ratio*. The minimum hedging ratio for non-bank corporations that have offshore loans in foreign currencies is set at 25.0% of the "negative difference" between (a) the foreign exchange assets and the foreign exchange liabilities that will become due within three months from the end of the relevant quarter and (b) the foreign exchange assets and the foreign exchange liabilities that will become due in the period between three and six months after the end of the relevant quarter. Pursuant to SEBI 16/24/DKEM, only corporations that have "negative difference" of more than US$100,000 are required to fulfill the minimum hedging ratio. In addition, effective January 1, 2017, PBI 16/21/2014 requires that such hedging transactions can only be conducted with banks in Indonesia.

(ii) *Minimum liquidity ratio*. Non-bank corporations that have offshore loans in foreign currencies are also required to comply with a minimum liquidity ratio of at least 70.0% liquidity by providing sufficient foreign exchange assets against foreign exchange liabilities that will become due within three months from the end of the relevant quarter.

(iii) *Minimum credit rating*. Non-bank corporations that obtain offshore loans signed or issued after January 1, 2016 in a foreign currency must have a minimum credit rating of "BB-" (or equivalent) for offshore borrowings issued by a rating agency recognized by Bank Indonesia, which includes PT Pemeringkat Efek Indonesia ("BB-" equivalent rating is "BB-(id)"), Fitch Ratings Indonesia ("BB-" equivalent rating is "(Idn)BB-"), Moody's Investors Service ("BB-" equivalent rating is "Ba3"), Standard & Poor's, Fitch Ratings, Japan Credit Rating Agency and Rating and Investment Information Inc. Such credit rating will be in the form of a rating over the relevant corporation and/or bonds. In addition, PBI 16/21/2014 provides that a corporation may use its parent company's credit rating if (i) such corporation enters into an offshore debt in a foreign currency with its parent company or the offshore debt is guaranteed by its parent company, or (ii) such corporation is a newly established corporation that began commercial operations within the prior three years. The obligation to have a minimum credit rating does not apply to offshore loans in foreign currencies that are in the form of trade credit, which refers to debt arising from credit that is granted by offshore suppliers over transactions relating to goods and/or services. Exemptions from the requirement to satisfy the minimum credit rating are available for foreign currency offshore loans that are (i) for the purpose of refinancing to the extent that the new foreign currency offshore loans will not add to the amount of debt outstanding, or the new foreign currency offshore loan does not exceed US$2.0 million or 5.0% of the facility amount to be refinanced if such 5.0% is above the equivalent of US$2.0 million; (ii) for the purpose of financing infrastructure projects that are (a) wholly funded by international (bilateral/multilateral) institutions or (b) syndicated loans with contributions from the international (bilateral/multilateral) institutions exceeding 50.0%; (iii) for the purpose of funding government (central and regional) infrastructure projects; (iv) guaranteed by international (bilateral/multilateral) institutions; (v) in the form of trade credit; (vi) in the form of other loans; (vii) by financing companies who are deemed "healthy" by OJK and fulfill the maximum gearing ratio as regulated by OJK; and (viii) by the Indonesian Export Financing Institution (*Lembaga Pembiayaan Ekspor Indonesia* or "**LPEI**").

On December 31, 2014, Bank Indonesia issued Bank Indonesia Regulation No. 16/22/PBI/2014 regarding the Reporting on Foreign Exchange Activities and Reporting on the Implementation of Prudential Principles in the Management of Non-Bank Corporation's Offshore Debt (as partially revoked, "**PBI 16/22**"). PBI 16/22 requires any non-bank entity which applies prudential principles to submit reports which cover (i) the implementation of prudential principles which has complied with an attestation procedure; (ii) notification of compliance of credit ratings; (iii) financial statements; and (iv) a report on the implementation of prudential principles (the "**Implementation of Prudential Principle Report**"). The Implementation of Prudential Principle Report is required to be submitted quarterly or on any other submission deadline as elaborated under PBI 16/22. However, on January 7, 2019, Bank Indonesia issued Bank Indonesia Regulation No. 21/2/PBI/2019 on Reporting of Foreign Exchange Activity ("**PBI 21/2**") which came into effect on March 1, 2019. PBI 21/2 revokes all provisions on the reporting of foreign exchange activities under PBI 16/22. Pursuant to PBI 21/2, PBI 16/22 remains valid only in relation to the regulation of reports on the implementation of prudential principles.

PBI 21/2, and its implementing regulations, requires any entity engaged in activities that cause a movement of (i) financial assets and/or liabilities and/or risk participation transaction between an Indonesian resident and a non-Indonesian resident or (ii) offshore financial assets and/or liabilities and/or risk participation transaction between Indonesian residents, to submit a report on such foreign exchange activities to Bank Indonesia. PBI 21/2 applies to bank and non-bank financial entities, non-financial entities, individuals and entities other than enterprises, whether in the form of legal entities or non-legal entities established by government or public. The report must include, among other things, information relating to (i) trade activities in goods, services or other transactions between an Indonesian resident and a non-Indonesian resident; (ii) principal data of risk participation transaction and/or offshore loan; (iii) any plans to draw on and/or repay the offshore loan and/or risk participation transactions; (iv) realization from drawing and/or repaying the offshore loan and/or risk participation transactions; (v) the position and changes of offshore financial assets, offshore financial liabilities and/or risk participation transactions; and/or (vi) any plans to incur new offshore loans and/or amendments to such plans. Bank Indonesia has issued implementing regulations for PBI 21/2, namely (i) the Members of the Board of Governor of Bank Indonesia Regulation No. 21/3/PADG/2019 dated February 15, 2019 on Offshore Debt of Bank and Other Bank's Liabilities in Foreign Exchange ("**PADG 21/3**"); and (ii) the Members of the Board of Governor of Bank Indonesia Regulation No. 21/4/PADG/2019 dated February 28, 2019 on the Reporting of Foreign Exchange Activities in the form of Offshore Debt and Risk Participation Transactions as amended by Bank Indonesia Regulation No. 23/28/PADG/2021 dated December 28, 2021 ("**PADG 21/4**"). Both implementing regulations came into effect on March 1, 2019. The report on foreign exchange activities must be submitted using an online system in accordance with the implementing regulations of PBI 21/2 as applicable, namely PADG 21/4.

According to PADG 21/4, any individual or entity that obtains offshore debt in a foreign currency and/or Rupiah and conducts risk participation transactions pursuant to loan agreements, debt securities, trade credits or other loans, such as dividend loans and royalty loans, must report such activities to Bank Indonesia. There is no minimum loan amount threshold to trigger the reporting obligation with regard to offshore debt obtained by an entity (whether a financial or non-financial institution). In contrast, an individual's offshore debt is only required to be reported if such debt exceeds an amount of US$200,000 or its equivalent in any other currency. The reports consist of the main data report and/or amendments, the monthly recapitulation data report and the offshore debt plan data report. The main data report must be submitted to Bank Indonesia by no later than the 15th day of the following month between 07:10 and 16:15 Western Indonesia time after the signing of the loan agreement or the issuance of the debt securities and/or the debt acknowledgment over the trade credits and/or other loans, and a monthly recapitulation data report must be submitted to Bank Indonesia by no later than the 15th day of the following month at 24:00 Western Indonesia time, until the offshore debt has been repaid in full. In addition, data reports for new offshore debt plans must be submitted to Bank Indonesia by no later than the March 15th of the respective year, and any changes to an existing offshore debt plan must be submitted by June 15th of the respective year.

On April 12, 2019, Members of the Board of Governor of Bank Indonesia issued another implementing regulation of PBI 21/2, namely Members of the Board of Governor of Bank Indonesia Regulation No. 21/7/PADG/2019 dated April 12, 2019 on the Reporting of Foreign Exchange Activities for Non-Bank Corporations ("**PADG 21/7**"). PADG 21/7 replaced Bank Indonesia Circular No. 17/26/DSta dated October 15, 2015 on the Reporting of Foreign Exchange Activities Other than Offshore Loan. PADG 21/7 regulates the reporting mechanism of non-bank entities' foreign exchange activities including, among others, media announcements (online submission), submission deadlines and Bank Indonesia's supervisory roles with respect to such reporting.

In addition to reporting on foreign exchange activities, for the purpose of PBI 16/21 (as defined below), PBI 16/22 also requires reporting on the implementation of the prudential principles. Under the implementing regulation of PBI 16/22, namely Bank Indonesia Circular No. 17/3/DSta dated March 6, 2015 on the Reporting of the Implementation of Prudential Principles in the Offshore Loan Management for Non-Bank Corporations, as lastly amended by Bank Indonesia Circular No. 17/24/DSta dated October 12, 2015 ("**SEBI 17/3/DSta**"), non-bank corporations must submit:

(1) the prudential principle implementation activity report ("**KPPK report**") including (i) a non-attested KPPK Report, which is to be submitted on quarterly basis, no later than the end of the third month after the end of the relevant quarter; and (ii) an attested KPPK report (attested by a public accountant), which is to be submitted no later than the end of June of the following year;

(2) information on the fulfillment of credit ratings, which is to be submitted at the latest at the end of the month following the execution or issuance of the offshore debt; and

(3) the financial statements of the company, consisting of: (i) unaudited financial statements, to be submitted on a quarterly basis, by no later than the end of the third month after the end of the relevant quarter; and (ii) annual audited financial statements, which must be submitted by no later than end of June of the following year.

Bank Indonesia examines the accuracy of the foreign exchange activities report and the prudential principle implementation activity report. It can also request clarifications, evidence, records or other supporting documents from the relevant party or institutions, including direct inspection to the company or appoint a third party to do so.

As of January 1, 2016, submissions of and corrections to the prudential principle implementation activity report shall be made online. The requirement to submit credit ratings fulfillment only applies to offshore debt executed or issued as of January 1, 2016.

On May 14, 2014, Bank Indonesia issued Bank Indonesia Regulation No. 16/10/PBI/2014 on The Receipt of Foreign Exchange Proceeds from Export and Withdrawal of Foreign Exchange Offshore Loan ("**PBI 16/10/2014**"), as amended by Bank Indonesia Regulation No. 17/23/PBI/2015 dated December 23, 2015, partially revoked by Bank Indonesia Regulation No. 21/14/PBI/2019 on Foreign Exchange Export Proceeds and Foreign Exchange Import Payments and implemented by Bank Indonesia Circular No. 18/5/DSta dated April 6, 2016 on Withdrawal of Foreign Exchange Offshore Loan. Based on PBI 16/10/2014, every Indonesian debtor of an offshore loan must withdraw revenue from the loan through an Indonesian foreign exchange bank. This obligation applies to every loan that is derived from (i) a non-revolving loan agreement (ii) debt securities or (iii) the margin between the new foreign loan for refinancing purposes and the initial foreign loan.

The accumulated amount of foreign exchange received from an offshore loan should be equal to the total commitment. If the accumulated amount of foreign exchange received from an offshore loan is less than the committed amount under the offshore loan by more than the equivalent of Rp.50,000,000, the debtor must submit a written explanation and supporting documents to Bank Indonesia prior to the expiry of the loan term. An Indonesian debtor must report the withdrawal of revenue from the offshore loan to Bank Indonesia on a monthly basis using the recapitulation data report as regulated under PBI 16/10/2014 and Bank Indonesia Circular No. 18/5/DSta dated April 6, 2016 on Withdrawal of Foreign Exchange Offshore Loan. Every submission of a report must be supported with documentation evidencing that the relevant offshore loan was withdrawn through an Indonesian foreign exchange bank. Any Indonesian debtor that fails to comply with the obligation may be imposed with an administrative sanction in the form of fine equal to 0.25% of the amount of every withdrawal that is not withdrawn through an Indonesian foreign exchange bank, up to a maximum fine of Rp.50,000,000. PBI 16/10/2014 does not specifically require the foreign currency brought into Indonesia to be converted into Rupiah or kept in Indonesia for a specified period of time.

Language of Transaction Documents

Pursuant to Article 31 of Law No. 24 of 2009 regarding Flag, Language, Coat of Arms and National Anthem enacted on July 9, 2009 ("**Law No. 24**"), agreements to which Indonesian entities are a party are required to be executed in Bahasa Indonesia, although dual language documents are permitted when a foreign entity is a party. On September 30, 2019, the Government issued Presidential Regulation No. 63 of 2019 on Use of Indonesian Language as the implementing regulation of Law No. 24/2009 ("**Regulation No. 63/2019**"). Regulation No. 63/2019 stipulates that if an agreement is made in both Bahasa Indonesia language and a foreign language, parties to the agreement may choose either the Bahasa Indonesia language version or the foreign language version as the controlling language of such agreement.

In addition, Law No. 30 of 2004 on Notary Profession (as amended) provides that a notarial deed made after January 15, 2014 must be drawn up in Bahasa Indonesia. If the parties require, the notarial deed can be made in foreign language and in such event the notary must translate the deed into Bahasa Indonesia. In the event of different interpretation as to the contents of the foreign language deed, the Bahasa Indonesia version of the deed shall prevail.

On December 29, 2023, the Chief Justice of the Supreme Court of the Republic of Indonesia issued Circular Letter No. 3 of 2023 on the Enforcement of 2023 Supreme Court Chamber Plenary Meeting Result Formulations as Guidelines for the Implementation of the Duties of the Court ("**Circular Letter No. 3 of 2023**") which is a binding guideline for Indonesian courts. The Circular Letter No. 3 of 2023 states that the absence of a Bahasa Indonesia translation of an agreement involving a foreign party cannot be used as a basis to invalidate an agreement, unless the disputing parties can prove that the absence of such Bahasa Indonesia translation is due to bad faith.

We will simultaneously execute dual English and Bahasa Indonesia versions of all transaction documents to which the Issuer is a party. All of these documents will provide that in the event of a discrepancy or inconsistency, the parties intend that the English version would prevail. However, some concepts in the English language may not have corresponding terms in the Bahasa Indonesia language and the exact meaning of the English text may not be fully captured by or accurately translated into such Bahasa Indonesia language version. In the event that the Bahasa Indonesia language version of a transaction document must be submitted to Indonesian courts, we cannot assure you that such transaction document will be interpreted and enforced by the Indonesian courts in accordance with the parties' intention under the English version.

See "*Risk Factors – Risks Relating to Indonesia – Indonesian law requires agreements involving Indonesian parties to be made in the Indonesian language and allows parties thereto to also make and elect a foreign language version of such agreement as the governing language, however, in the event of proceedings in Indonesian court, there can be no assurance that judges render their decisions based on the foreign language version*."

CONTENTS

SUMMARY

The summary below is subject to the more detailed information set out elsewhere in this offering memorandum. All of our financial information, except for non-GAAP financial measures, is presented in US dollars and in accordance with IFAS. Prospective purchasers should carefully consider the information set forth in "Risk Factors" and the financial statements and related notes thereto included in the offering memorandum prior to making an investment decision with respect to the Notes. To understand the terms of the Notes, you should carefully read the section of this offering memorandum entitled "Description of the Notes".

Overview

We are among the top 10 geothermal energy producers in Indonesia, accounting for 6.9% of geothermal energy capacity in Indonesia in 2022, according to the MEMR Handbook of Energy and Economic Statistics Indonesia 2022. See "*Overview of the Indonesian Power Industry – Geothermal Resources and Reserves (as of December 2022)*". We own and operate a geothermal power plant with gross installed generation capacity of 185 MW (net installed generation capacity of 159 MW) across four geothermal generation units, with plans to develop additional geothermal generation unit(s). As of the date of this offering memorandum, we are in the process of developing our fifth geothermal unit, Unit 5, which is expected to increase our gross installed generation capacity by 27 MW to a total of 212 MW (net installed generation capacity of Unit 5 at 23 MW, bringing the total to 182 MW). Our facility is situated in the Sorik Marapi-Roburan-Sampuraga working area near the town of Panyabungan in North Sumatra, Indonesia, approximately 350 kilometers south/south-east of the city of Medan, the capital of North Sumatra, Indonesia. Pursuant to MEMR Decree No. 159.K/90/MEM/2020 dated September 3, 2020, the Sorik Marapi area has been designated as an Indonesian "National Vital Object". We have entered into an up to 240 MW long-term (over 30 years) take-or-pay power purchase agreement (the "**PPA**") with PT PLN (Persero) ("**PLN**"), Indonesia's state-owned electric utility provider. Our PPA with PLN is valid for 32 years from the commercial operation date ("**COD**") of Unit 1 and will expire in 2051.

We began commercial operations in October 2019 with Unit 1. We increased our gross installed generation capacity by 51 MW in July 2021 through the commercial operation of Unit 2, increasing our gross installed generation capacity to 103 MW. We later increased our gross installed generation capacity by 51 MW in October 2022 through the commercial operation of Unit 3, increasing our gross installed generation capacity to 154 MW, and further by 31 MW to 185 MW in December 2023, when we began commercial operations at Unit 4. We are in the process of developing Unit 5, which is expected to increase our gross installed generation capacity by 27 MW to 212 MW. The net installed generation capacity of Unit 1, Unit 2, Unit 3 and Unit 4 is 42 MW, 44 MW, 46 MW and 27 MW, respectively, which totals to 159 MW. Unit 5 is expected to have a net installed generation capacity of 23 MW, bringing the total to 182 MW. Our key equipment providers and engineering, procurement and construction ("**EPC**") contractors for the development of each of Unit 1, Unit 2, Unit 3 and Unit 4 were Zhejiang Kaishan Energy Equipment Co. Ltd. and Shanghai Kaishan Energy Equipment Co. Ltd. Unit 1 has maintained availability of 90.12%, 99.03%, 99.89%, 99.54% and 100.00% for the years ended December 31, 2021, 2022 and 2023 and for the three-month periods ended March 31, 2023 and 2024, respectively; Unit 2 has maintained availability of 97.31%, 97.90%, 99.85%, 99.40% and 100.00% for the years ended December 31, 2021, 2022 and 2023 and for the three-month periods ended March 31, 2023 and 2024, respectively; Unit 3 has maintained availability of 99.82%, 99.91%, 99.72% and 100.00% for the years ended December 31, 2022 and 2023 and for the three-month periods ended March 31, 2023 and 2024, respectively; and Unit 4 has maintained availability of 100.00% and 100.00% for the year ended December 31, 2023 and for the three-month period ended March 31, 2024, respectively.[1]

1 As each of Unit 2, Unit 3 and Unit 4 commenced operations at different times during the presented periods, the availability figures presented only reflect data for the time following which each Unit commenced commercial operations. See "*Business – Our Facility – Power Plant*".

Our business is mainly based on the *Izin Panas Bumi* ("**IPB**", or geothermal license), the *Izin Usaha Penyediaan Tenaga Listrik Untuk Kepentingan Umum* ("**IUPTLU**", or electricity supply for public interest business license) and one material contract, the PPA. Under the IPB, which was issued by the Ministry of Energy and Mineral Resources ("**MEMR**") in April 2015, we have the exclusive right to exploit and utilize geothermal energy in the Sorik Marapi-Roburan-Sampuraga working area for an area of 62,920 hectares. We also have the exclusive right to convert geothermal resources to electricity and to deliver such electricity to PLN pursuant to a long term take-or-pay PPA and are licensed to supply the electricity under our IUPTLU. See "*Description of Material Contracts – Power Purchase Agreement*", "*Business – Our Operations – The Power Purchase Agreement*" and "*Business – Our Operations – The Izin Panas Bumi*".

We intend to explore the potential growth of our business by expanding the gross installed generation capacity at Sorik Marapi to take advantage of the PPA with PLN. Following a series of geoscience studies that commenced in early 2017, we have commenced development of an additional geothermal unit, Unit 5, in Sorik Marapi. Any future development of our power plant is subject to the success of further exploratory drilling activities and the economic viability of such development.

Our total revenues for the years ended December 31, 2021, 2022 and 2023 and for the three-month periods ended March 31, 2023 and 2024 were US$37.5 million, US$66.1 million, US$83.3 million, US$20.1 million and US$25.6 million, respectively. Our EBITDA for the years ended December 31, 2021, 2022 and 2023 and for the three-month periods ended March 31, 2023 and 2024 was US$25.6 million, US$51.4 million, US$61.9 million, US$15.4 million and US$18.7 million, respectively, and our profit for the years ended December 31, 2021, 2022 and 2023 and for the three-month periods ended March 31, 2023 and 2024 was US$12.6 million, US$27.5 million, US$26.2 million, US$4.4 million and US$7.7 million, respectively. Our EBITDA Margin, which is the ratio of EBITDA to total revenues, for the years ended December 31, 2021, 2022 and 2023 and for the three-month periods ended March 31, 2023 and 2024 was 68.1%, 77.7%, 74.3%, 76.7% and 72.9%, respectively.

Strengths

We believe that we play an important role in the electricity sector of Indonesia, particularly in the development of renewable energy sources. We believe that the following are our key strengths:

Significant and de-risked operating geothermal asset in exclusive concession area

We are among the top 10 geothermal energy producers in Indonesia, accounting for 6.9% of geothermal energy capacity in Indonesia in 2022, according to the MEMR Handbook of Energy and Economic Statistics Indonesia 2022. See "*Overview of the Indonesian Power Industry – Geothermal Resources and Reserves (as of December 2022)*". We believe that we benefit from a significant and de-risked operating geothermal asset located in the Sorik Marapi area, which area was designated as a "National Vital Object" pursuant to MEMR Decree No. 159.K/90/MEM/2020 dated September 3, 2020. Our asset has been developed using screw expander technology patented by Kaishan Holding Group Co., Ltd. and its group of companies (the "**Kaishan Group**"), and in cooperation with established third parties, including Powerchina Huadong Engineering Corporation Limited, one of our EPC contractors, PT Halliburton Logging Services Indonesia, PT Schlumberger Geophysic Nusantara and PT Baker Hughes Indonesia, our drilling consultants, and other third-party technical consultants. Under the terms of the IPB, which was issued to us by the MEMR in April 2015, we have the exclusive right to exploit and utilize geothermal energy in the Sorik Marapi-Roburan-Sampuraga working area for an area of 62,920 hectares until 2045. The Sorik Marapi-Roburan-Sampuraga has significant high-temperature steam reserves that contain low levels of impurities, which is favorable for geothermal power production. See "*Description of Material Contracts*" for a description of the PPA, and "*Business – Our Operations – The Izin Panas Bumi*" for a description of the IPB.

As of the date of this offering memorandum, approximately 0.2% of the total working area is in use for the geothermal operations at our power plant. The current gross installed generation capacity of our power plant is 185 MW, comprising 52 MW, 51 MW, 51 MW and 31 MW for Unit 1, Unit 2, Unit 3 and Unit 4, respectively, and the current net installed generation capacity of our power plant is 159 MW, comprising 42 MW, 44 MW, 46 MW and 27 MW for Unit 1, Unit 2, Unit 3 and Unit 4, respectively, while the aggregate potential deliverable capacity based on the PPA (the "**PPA Deliverable Capacity**") is up to 240 MW. The most recent Sorik Marapi geothermal reservoir modeling prepared in June 2024 by an independent geothermal resources consultant, Geologica Geothermal Group, Inc. ("**Geologica**") indicates that, based on numerical reservoir modeling of the geothermal resource, the project can be maintained at net power generation output level of 173 MW until 2035 and 135 MW until 2051 with appropriate reservoir maintenance such as successful makeup well drilling. Models prepared by Geologica have also identified four areas in the Sorik Marapi-Roburan-Sampuraga working area which are suitable for geothermal operations, including Area 1 – Sibanggor area, where Unit 1, Unit 2, Unit 3 and Unit 4 are situated, and where Unit 5 is being developed, which has proven reserves of 168 MW (9.5 km^2), with a further 40 MW (11.3 km^2) of probable reserves and 32 MW (13.5 km^2) of possible reserves under investigation. This estimate takes into account the results of the most recent drilling campaign of 2023-2024, as well as field performance through the end of April 2024. The potential for exploiting the geothermal energy reserves beyond the output of Unit 1, Unit 2, Unit 3 and Unit 4 is subject to future well drilling results.

Strong operational track record

Our power plant has a demonstrated track record of operations, with consistently high operational reliability in terms of net generation, availability factor and net capacity factor. In the year ended December 31, 2023, the total power generated by Unit 1, Unit 2, Unit 3 and Unit 4 was 958 GWh, and the average availability factor across Unit 1, Unit 2, Unit 3 and Unit 4 was 99.9%. In the same year, we recorded total revenues of US$83.3 million, a 26.0% increase over our total revenues of US$66.1 million in the year ended December 31, 2022. Our first geothermal unit, Unit 1 commenced commercial operations in October 2019, with our second unit, Unit 2 commencing commercial operations in July 2021. This was followed by the commencement of commercial operations at our third unit, Unit 3, in October 2022, and most recently the commencement of commercial operations of our fourth unit, Unit 4 in December 2023. We are currently developing geothermal resources to supply additional unit(s), with our fifth unit, Unit 5, expected to commence commercial operations in December 2024.

The following tables set out certain operational performance and other data relating to the Sorik Marapi power plant as of the dates and for the periods/years presented:

		For the years ended December 31,			For the three-month periods ended March 31,	
	Unit	**2021**	**2022**	**2023**	**2023**	**2024**
Unit 1 Operating History						
Net Generation[(1)]	MWh	307,450[(4)(5)]	314,650	289,913	65,997	69,515
Availability Factor[(2)]	%	90.12[(4)(5)]	99.03	99.89	99.54	100.00
Net Capacity Factor[(3)]	%	82.71[(4)(5)]	90.30	105.76	98.67	87.07
Unit 2 Operating History						
Net Generation[(1)]	MWh	145,452[(5)(7)]	361,997	339,836[(6)]	85,860	86,303
Availability Factor[(2)]	%	97.31[(5)]	97.90	99.85[(6)]	99.40	100.00
Net Capacity Factor[(3)]	%	87.76[(5)]	95.91	93.98[(6)]	95.89	102.57
Unit 3 Operating History						
Net Generation[(1)]	MWh	–	81,331[(7)]	318,104[(6)]	77,883	85,652
Availability Factor[(2)]	%	–	99.82	99.91[(6)]	99.72	100.00
Net Capacity Factor[(3)]	%	–	84.97	79.37[(6)]	78.13	99.57
Unit 4 Operating History						
Net Generation[(1)]	MWh	–	–	10,048[(7)]	–	55,058
Availability Factor[(2)]	%	–	–	100.00	–	100.00
Net Capacity Factor[(3)]	%	–	–	94.23	–	93.14

Notes:

(1) Net generation means the net electricity sent out of the relevant geothermal generation unit to PLN (after the deduction of the electricity used to run our power plant).

(2) Availability means the number of hours during a period when the relevant geothermal generation unit is available for service divided by the total number of hours in the relevant period, expressed as a percentage.

(3) Net capacity factor means the ratio of the actual output of the relevant geothermal generation unit to the theoretical output assuming full capacity usage (excluding planned maintenance).

(4) In January 2021, Unit 1 experienced a forced shutdown for approximately one and a half months as a result of hydrogen sulfide gas exposure at Pad T. See "*Business – Environmental, Health and Safety Compliance – January 2021 Hydrogen Sulfide Gas Exposure*". Prior to the gas leak, for the month ended January 31, 2021, our net generation for Unit 1 was 23,147 MWh, our availability factor for Unit 1 was 77.42%, and our net capacity factor for Unit 1 was 73.41%.

(5) In August 2021, we experienced an unplanned shutdown of Unit 1 and Unit 2 for a period of seven days due to PLN grid blackouts and an all-unit trip.

(6) In May 2023, we experienced a partial shutdown at Unit 2 and Unit 3 for less than one hour at PAD AA due to an occupation by monkeys in the area.

(7) As each of Unit 2, Unit 3 and Unit 4 commenced operations at different times during the presented periods, the full period impact of their operations has not been reflected in net generation.

	Unit	For the years ended December 31, 2021	2022	2023	For the three-month period ended March 31, 2024
Average tariffs	US$/KWh	0.083	0.087	0.087	0.087

	Unit	As of July 31, 2021	October 31, 2022	December 31, 2023	April 30, 2024
End of period total steam/ brine supply extracted[1]					
Steam supply (A)	kg/s	149	201	233	231
Brine water supply (B)[2]	kg/s	723	861	791	695
Total mass supply (A) + (B)	**kg/s**	**871**	**1,062**	**1,023**	**926**

Notes:

(1) Unit 1 COD occurred in October 2019, Unit 2 COD occurred in July 2021, Unit 3 COD occurred in October 2022, Unit 4 COD occurred in December 2023 and Unit 5 COD is scheduled to be in December 2024.

(2) Net generation from brine organic rankine cycle ("**ORC**") accounted for less than 10% of our annual net generation from 2021-2023. The amount of brine has declined due to increasing enthalpy in some wells consistent with a decline in reservoir pressure. This is expected to level off with the optimization and continuous injection of brine to the reservoir.

	Unit	2025	2030	2035	2051
Total expected mass flow[1]					
Steam production (A)	kg/s	262	255	241	204
Brine water production (B)	kg/s	1,070	912	893	858
Total mass production (A) + (B)	**kg/s**	**1,333**	**1,167**	**1,134**	**1,062**

Note:

(1) The above expected production profile and figures are projections that are forward-looking in nature, and based on a numerical model that does not incorporate an improved condition resulting from Pad V, which were drilled in 2024. Accordingly, these projections involve risks and uncertainties, and actual results may differ materially from those discussed in or implied by any of the projections above as a result of various factors, including those listed in "*Risk Factors*" and "*Forward-Looking Statements*".

	Number
Wells	
Active production wells[1]	15
New production wells for Unit 1, Unit 2, Unit 3, Unit 4 and Unit 5 (to commence production in later 2024)[2]	6
Monitoring wells	4
Reinjection wells – common	18
Abandoned wells	0
Exploration wells	0
Total wells	**43**

Notes:

(1) Total active production well number includes six production wells which are shared between Unit 1, Unit 2, Unit 3 and Unit 4.

(2) Well drilling for these new production wells is complete. Well testing is expected to be conducted from August 2024, and completion is targeted for prior to Unit 5 COD in December 2024.

See "*Business – Our Operations*" below for further information on the key facility metrics and operational and financial performance of geothermal operations at our power plant.

Established revenue visibility from long term PPA with investment grade off-taker, PLN

Our cash flows are underpinned by a long-term PPA between us and PLN, which provides us with high cash flow generation visibility and a stable yield profile. Our PPA with PLN is set to last for 32 years from the COD of Unit 1, with expiry on October 1, 2051. We may enter into negotiations with the PLN to extend such date upon expiry, or otherwise enter into negotiations for a new PPA to be entered into to, to allow us to capture further value from our geothermal asset. PLN is wholly-owned by the Indonesian Government, which is obliged to subsidize PLN when its electricity production costs exceed the revenue from electricity sales at tariff rates set by the Indonesian Government. As Indonesia's state-owned electricity utility provider, PLN has had an indirect monopoly over the transmission and distribution of electricity in Indonesia, making it the sole off-taker of power for most independent power producers. PLN is rated "Baa2" by Moody's, "BBB" by S&P and "BBB" by Fitch as of the date of this offering memorandum.

Under the PPA, we are obliged to make available the unit rated capacity of each geothermal turbine-generator unit after the COD of that geothermal turbine-generator unit to PLN, and PLN is obliged to make payments regardless of whether such electricity is dispatched by PLN, according to an agreed formula consisting of a fixed component and variable component, which includes a mechanism to allow the tariff to increase with inflation as measured by the US Producer Price Index ("**PPI**"). PLN is obliged to purchase power from us under an annual 'take-or-pay' payment mechanism, with the average of the monthly take-or-pay percentages over the contract year (being the specified percentage of the applicable time-weighted plant rated capacity multiplied by total hours in the relevant contract year) being equal to 90%. For the period from April 2024 to June 2024, the PPA tariff included a power price of US$0.0865/kWh, which is calculated with a base power price of US$0.0810/kWh, indexed to the PPI; and a fixed transmission power charge of US$0.00054/kWh, which is not subject to indexation. Under Indonesian law, PLN is obliged to make payments to us in Indonesian Rupiah. Nevertheless, our tariff is denominated in US dollars and our invoices are submitted in US dollars. Payments are made to us in US dollar by PT Bank Rakyat Indonesia Tbk ("**BRI**") as the converting bank under a tripartite converting agreement (the "**Tripartite Converting Agreement**"). Pursuant to the Tripartite Converting Agreement, on each relevant payment date, PLN will deposit Rupiah with BRI in an amount that when converted to US dollar by BRI using the Jakarta Interbank Spot Dollar Rate applicable on that date, will allow BRI to have sufficient US dollars to pay the full amount of the invoice in US dollars. This arrangement ensures both that payments under the PPA are compliant with Indonesian law, and that the foreign exchange risk lies with PLN and BRI. See "*Description of Material Contracts – Power Purchase Agreement – Tariff*" for further details on the tariff. Given our PPA with our committed off-taker, PLN, our dispatch and offtake risk is accordingly low.

Moreover, as our power plant relies on geothermal steam and brine to generate electricity, we do not incur fuel costs. As such, the stable cash flows that we are able to realize under the terms of the PPA are not exposed to market fluctuations in commodity prices. We also have a robust contractual framework for operational costs, through long-term operations and maintenance ("**O&M**") contracts with the Kaishan Group.

As our power plant is located in North Sumatra and is linked via a transmission system to the North Sumatra grid, we are well positioned to take advantage of future growth in power demand in this region. To reduce Indonesia's dependency on fuel oil and increase electricity production capacity to meet rising demand, the Government has mandated PLN, among others, through the Fast Track Programs ("**FTP**"), to procure renewable, gas and coal-fired energy. The FTP in Indonesia is a government initiative aimed at rapidly developing the country's electricity infrastructure to meet rising power demand and ensure energy security. By accelerating the construction of new power plants, including coal, gas, and renewable energy sources, the FTP aims to enhance the national grid's capacity and provide reliable electricity access to both urban and rural areas. This initiative supports industrial growth, economic development, and aligns with global sustainability goals through an increased focus on renewable energy. Additionally, the FTP encourages public-private partnerships to mobilize investment and expertise, reflecting the government's commitment to modernizing and expanding the energy sector. According to the MEMR Handbook of Energy and Economic Statistics Indonesia 2022, Indonesia has proven reserves of 3,210 MW and combined probable and possible reserves of 10,632 MW as of December 2022. In addition, Indonesian geothermal energy capacity is forecasted to reach 808 MW by 2030 from 136 MW in 2021, which is about 9.7% of Indonesia's total forecasted power capacity in 2030, from 5.5% in 2021, according to the latest Electricity Power Supply Business Plan ("**RUPTL**") for 2021-2030, which is a plan that outlines the 10-year demand forecast and the transmission and generation expansion plan to meet the forecasted demand prepared by PLN and approved by the MEMR. See "*Overview of the Indonesian Power Industry*".

Higher efficiency and operating flexibility from modular design and use of screw expander technology

We use a modular power plant which utilizes equipment and systems that are pre-fabricated and skid-mounted on site, and we are able to deploy and shift modules to strategic locations depending on the resources available in the working area and according to enthalpy and wellhead pressure, allowing us to maximize well power output. The modularity of our power plant presents several advantages over traditional, centralized turbine systems, including higher availability from utilization of lower temperature wells, where, for instance, steam with a pressure of less than 0.6 MPa can be used, whereas this may not be possible in a traditional system, and minimal downtime from unit maintenance. The modularity of our power plant also requires lower capital expenditure due, among other things, to reduced construction costs including as a result of not having to construct pipelines between the well and the generation modules, which also minimizes the land required for steam or brine water transmission pipelines, and minimal installation time, with a reduced construction cycle of 1.5 to two years, as compared to five to seven years in a traditional, non-modular system. This also allows us to phase development and reduce the initial investment and payback time compared to traditional on-site construction.

Our power plant also uses patented screw expander technology from the Kaishan Group, which has been implemented with success in other geothermal projects, including PT Sokoria Geothermal Indonesia, and presents us with several advantages over traditional turbine technology. For instance, we are able to use both geothermal steam and brine water for power generation, as compared to only steam in a traditional turbine system. Approximately 17 to 18% of all available heat resources (including dry steam, wet steam and brine) (collectively, "**working fluid**") are utilized in hybrid cycles in a cascade system at our power plant, allowing for greater well thermal efficiency. At our power plant, we use both steam expanders, which use a working fluid of saturated or wet steam or other gas with high pressure, and organic rankine cycle ("**ORC**") expanders, including brine ORC expanders and steam ORC expanders, which use a working fluid of organic fluid, such as brine and exhaust steam from steam expanders, or even a mixture of steam and brine or geothermal steam without pressure. Both these expander types can maintain high isentropic efficiency under a wide range of load capacity and have increased resistance to hot water corrosion and scaling, with a robust screw structure and material with less need for

regular descaling and balancing of screw rotors, as compared with traditional turbine systems, where the blade is more susceptible to corrosion and requires periodic descaling and rebalancing. Additionally, our screw expanders are also not sensitive to scaling or the fluctuation of steam flow capacity and pressure and are not affected by the presence of droplets in the working fluid. As a result of the modular screw expander technology used at our power plant, we have been able to enjoy increased annual available hours, at an average of above 8,200 hours per annum, with an overall average plant availability factor of 99.9% for the year ended December 31, 2023,[2] as compared to an average of 7,000 to 7,500 hours for traditional systems.

Strong focus on CSR and HSE initiatives

We believe in the connection between socially responsible management and our long-term growth and development. We take an active and leading role in community development and invest in the economic wellbeing of the community by providing assistance to the local community where we operate. Our community development approach rests on five pillars, including economic empowerment; education; health promotion; environmental protection; and socio-cultural and religious development, with activities organized to help in the development of the seven villages of Puncak Sorik Marapi, two villages of Lembah Sorik Marapi and the two villages of Panyabungan Selatan. We have received various awards such as an appreciation letter from the Directorate-General of New Energy, Renewable Energy, and Energy Conservation (*Direktorat Jenderal Energi Baru Terbarukan dan Konservasi Energi* or "**EBTKE**") dated February 21, 2024 for our corporate social responsibility efforts and our local business development program, as well as awards from the Regent of Mandailing Natal in respect of our educational initiatives, such as providing a scholarship program for students from less advantaged backgrounds and a special scholarship program for students who obtain educational achievements at a provincial and national level. We have discussions at regular intervals with community leaders on the scope and focus of our programs, to ensure that they continue to achieve an effective contribution to the community. While our corporate social responsibility program changes from year to year, we will maintain key programs in the areas of economic empowerment, education, health promotion, environmental protection and socio-cultural and religious development. For more details on our CSR efforts, see "*Business – Corporate Social Responsibility*".

We are also committed to environmental, health and safety ("**EHS**" or "**HSE**") practices into our operations. In particular, we engage in environmental monitoring and reporting and submit monthly, quarterly and semesterly (i.e., biannually) monitoring and compliance reports as required to the appropriate authorities in compliance with *Analisis Mengenai Dampak Lingkungan*–Analysis of Environmental Impact ("**AMDAL**"), Efforts for Environmental Management and Monitoring (*Upaya Pengelolaan dan Pemantauan Lingkungan Hidup* or "**UKL-UPL**") and environmental permit requirements. We also monitor the air quality, emissions, water, domestic liquid waste, hazardous waste, domestic waste and noise resulting from our operations on an ongoing basis and have a number of health, safety and environmental programs in place that seek to ensure our workers' health and safety in the workplace, as well as to ensure the health and safety of the local community where we operate. These programs include plans, procedures and policies regarding health and safety, administration, human resources and emergency action issues. As of March 31, 2024, we had operated for a period of 27,950 man-hours with no material accident or injury. In 2022 and 2023, we received the Blue PROPER award granted under the PROPER Rating Program administered by the Indonesian Ministry of Environment and Forestry ("**MOEF**"). Additionally, in 2023, we received the Subroto Award Pratama Rating for Environmental Protection and Management from the MEMR and were also awarded a Certificate of Award by the Environment Agency of North Sumatra in 2022, in recognition of our commitment to manage hazardous waste management based on information technology. For more details on our EHS efforts, see "*Business – Environmental, Health and Safety Compliance*".

2 Calculated as the average of the monthly availability factor for January to December in 2023.

Highly experienced management team with significant experience in geothermal industry

Our Board of Directors and management team have extensive experience in the relevant fields, and the geothermal industry in particular. Members of our Board and management team have held a variety of managerial and executive positions including at companies such as Star Energy Geothermal Salak, Ltd., PT Pertamina Geothermal Energy Tbk ("**PGE**"), Chevron Geothermal Indonesia and Energy Development Corporation. Our management team has extensive experience in the Indonesian geothermal power industry and the regulatory environment, having developed positive relationships with key industry participants such as PLN, PGE and Perusahaan Pertambangan Minyak Dan Gas Bumi Negara ("**Pertamina**") and governmental authorities such as EBTKE, MOF and MEMR, which are crucial to ensuring the sustainability of our operations. The top five technical team members of the Sorik Marapi project have cumulative experience of over 100 years.

In addition, our President Director, Dr. Yan Tang, has extensive experience and expertise in the screw expander technology which underpins the power generation capacities of our power plant, having developed air screw compressors, steam gas oil-free screw expanders and systems, lubricated ORC screw expanders and systems, screw blowers and vacuum pumps, screw refrigerant pumps for ORC applications, hybrid cycles for geothermal modular power plants, as well as two-stage air compressors in his concurrent role as General Manager of Kaishan Group Co., Ltd.. See "*Management*".

Commitment from sponsor Kaishan

Kaishan Group Co., Ltd. ("**Kaishan**") indirectly owns a 95.0% stake in our Company, which it acquired in August 2016. Kaishan has extensive expertise in the energy and power generation industry and is the third largest manufacturer of compressors globally and a fast-growing geothermal independent power producer (**"IPP**") and operator. Kaishan additionally has a market capitalization of US$1.3 billion, as of July 1, 2024, and exports its products to over 90 countries and regions. In 2015, Kaishan made its foray into the geothermal industry with projects in the United States, Turkey, Kenya, Indonesia and Hungary, as set out below:

Country	Project	Capacity	COD	Kaishan's scope
United States	Alaska Chena Spring	600 kW	August 2014	Equipment supplier
Hungary	Turawell	2.2 MW	November 2017	EPC contractor and sponsor
United States	Wabuska	3 MW	February 2018	EPC contractor and sponsor
Turkey	Transmark Gulpinar	3.2 MW	June 2021	EPC and O&M contractor; co-sponsor for phase 2
United States	Star Peak	12 MW	August 2021	EPC contractor and sponsor
Indonesia	Sokoria	8 MW	Unit 1: March 2022 Unit 2: July 2023	EPC contractor and sponsor
Indonesia	Lahendong Binary Plant	500 kW	December 2022	Equipment supplier
Kenya	Sosian-Menengai	35 MW	November 2023	EPC and O&M contractor
Turkey	K Block	11 MW	Third quarter of 2024	EPC contractor and sponsor

We believe that Kaishan is committed to our success as part of their objective to enter the Indonesian power industry and to develop multiple geothermal power plants in Indonesia, and that we benefit from the experience that they provide to our operations. In addition, with Kaishan's involvement, we benefit from an enhanced ability to access Kaishan's proprietary technology and buy equipment from Kaishan's wide portfolio of key products, which include air compressors (i.e. screw, centrifugal, scroll and piston compressors), which are widely used all kinds of industries and mining; process gas and refrigeration screw compressors; screw expanders, which are used for power generation; rock drillers, which are applied in the mining and construction industry; and digging machines, which are majorly applied in road construction. Specifically, we have been able to leverage our relationship with Kaishan to obtain products such as screw expanders from Zhejiang Kaishan Energy Equipment limited and Shanghai Kaishan Energy Equipment Limited, which are both wholly-owned by Kaishan.

In addition, our relationship with Kaishan allows us to obtain support in project funding for feasible renewable energy projects, which provides liquidity for our Company. The Kaishan Group was also one of the key EPC contractors for our Company, with Zhejiang Kaishan Energy Equipment Co. Ltd. and Shanghai Kaishan Energy Equipment Co. Ltd. having been contracted for the development of each of Unit 1, Unit 2, Unit 3, Unit 4 and Unit 5. See "*Related Party Transactions*".

Through our relationship with Kaishan, we are also able to obtain O&M services and have entered into a contract for O&M services with Zhejiang Kaishan Geothermal Power Plant O&M Service Co. Ltd., a member of the Kaishan Group. As of the date of this offering memorandum, the Kaishan Group is in the process of establishing a new company, PT Kaishan Group Geothermal Indonesia ("**KGGI**"), with the intention that all O&M services currently undertaken by Zhejiang Kaishan Geothermal Power Plant O&M Service Co. Ltd. will be transferred to the new entity, KGGI.

Strategy

Our strategic objectives aim to maximize our Company's potential while maintaining a sustainable business model.

Optimize our assets and uphold our high level of reliability and long-term availability

We will continue to focus on improving our dispatch capability to PLN. We will also strive to continue to optimize the efficiency of the geothermal units in our power plant and maintain and improve our high standards through critical equipment monitoring; enhanced work processes; an enhanced and proactive approach to O&M, including O&M training programs and procedures, to minimize plant outages; a proactive approach to third-party review of our power plant to improve its design, operational performance and reliability; and energy loss monitoring and mitigation. We also intend to continue to refine our operating procedures and maintenance plans, and to further develop our computer-based management system, a suite of programs which handles maintenance data, inventory needs and activity scheduling and also provides financial management systems.

We intend to remain a cost-efficient power producer by managing costs through strict cost-control initiatives that help reduce unit operating costs, while continuing to maintain high availability. We have developed in-house drilling team and internalize some of drilling services that have resulted in lower capital expenditures for drilling compared to if these activities were outsourced. We expect drilling campaigns in the future will also see further cost reductions as a result of continuous operational and technological enhancements which we have implemented.

Continue to leverage screw expander technology to optimize steam use and achieve superior operating efficiency

We believe our use of patented screw expander technology from the Kaishan Group allows us to achieve superior operating efficiency as compared to traditional turbine systems and intend to continue using such technology to optimize steam and brine water use and electricity production at our power plant. As our screw expanders can operate in two phases (i.e., with steam and brine water), and are not sensitive to inlet dryness, the inlet steam can be saturated or wet steam, and we are able to utilize 17 to 18% of all heat resources in a cascade system in our power plant. Additionally, our screw expanders also allow flexibility in flowing wellhead pressure of the wells, which may be reduced over the time of productive period while still optimizing generation levels from the available resource supply. Once more make-up steam (which is additional steam gained at a later time as a result of drilling to fill in the declined production over time) is available to the plant at a higher pressure, the operability of the power plant can accommodate this closer to the returned initial setting. We expect to continue taking advantage of the flexibility of operating characteristics of screw expander technology in our power plant in order to optimize generation levels from the resource and ensure high operating efficiency, as measured by our net generation, availability factor and net capacity factor.

Sustain and develop positive relationships with our key stakeholders

In order to achieve success in our business, we believe it is imperative to continuously maintain a positive relationship with the communities in which we operate. Our operations are designed to adhere to strict environmental standards. As a result, in 2022 and 2023, we received the Blue PROPER award granted under the PROPER Rating Program for environmental, safety and corporate social responsibility management, administered by the MOEF, and were awarded the Subroto Award for the 2022-2023 period issued by EBTKE. We also received an appreciation letter from EBTKE dated February 21, 2024 for our corporate social responsibility efforts and our local business development program.

We also consider it vital to maintain relations with local stakeholders, which we have done through our community development and community relations programs, which rest on five pillars, namely economic empowerment, health promotion, education, environmental protection and socio-cultural and religious development. Specifically, in relation to economic empowerment, we provide assistance in agriculture to members of the local community, including providing capital, training, packaging, assistance in obtaining licenses as well as assistance in the sales of products such as coffee, palm sugar, pumpkin chips, catfish and tempeh. In relation to health promotion, we provide clean water piping to eight villages in the vicinity of our power plant. For education, we invest in the local community by improving education levels and awarding scholarships to local students. In relation to environmental protection, we compost domestic waste from our kitchens and pantries for use as organic fertilizers and train villagers to provide their own fertilizer to replace the use of chemical fertilizers, which are expensive and less environmentally friendly. Finally, in relation to socio-cultural and religious development, we organize events in the local community to observe the Islamic holy month of Ramadhan, provide donations of basic groceries to commemorate the end of Ramadhan/Eid al-Fitr and also provide assistance for the renovations of mosques. Furthermore, we actively manage our relationships with other key stakeholders, such as PLN, our employees and governmental authorities, as well as with the Kaishan Group, who we leverage for their considerable technical expertise in the geothermal industry.

Utilize geothermal resources optimally and assess economic feasibility to further grow revenues

We intend to grow our business by expanding the gross installed generation capacity at the Sorik Marapi power plant to take full advantage of the PPA with PLN, which has a maximum PPA Deliverable Capacity of 240 MW.

As of the date of this offering memorandum, we are in the process of developing a fifth geothermal unit, Unit 5, which we anticipate to be operational by December 2024. Once complete, we expect Unit 5 to increase our gross installed generation capacity by up to 27 MW from 185 MW to up to 212 MW. Correspondingly, we expect our net installed generation capacity to grow by 23 MW from 159 MW to 182 MW. We would explore the possibilities of proceeding with the development of additional unit(s) in the Sorik Marapi-Roburan-Sampuraga working area if certain conditions are favorable, such as obtaining necessary financing and governmental approvals, including either an amendment of the existing PPA or the execution of a new PPA in respect of additional units in excess of the number currently permissible under our PPA, and an attractive tariff rate under any PPA with PLN.

The most recent Sorik Marapi geothermal reservoir modeling prepared in June 2024 by independent geothermal resources consultant, Geologica, indicates that, based on numerical reservoir modeling of the geothermal resource, the project can be maintained at net power generation output level of 173 MW until 2035 and 135 MW until 2051 with appropriate reservoir maintenance such as successful makeup well drilling. Models prepared by Geologica have also identified four areas in the Sorik Marapi-Roburan-Sampuraga working area which are suitable for geothermal operations, including Area 1 – Sibanggor area, where Unit 1, Unit 2, Unit 3 and Unit 4 are situated, and where Unit 5 is being developed, which has proven reserves of 168 MW (9.5 km^2), with a further 40 MW (11.3 km^2) of probable and 32 MW (13.5 km^2) of possible reserves under investigation. This estimate takes into account the results of the most recent drilling campaign of 2023-2024, as well as field performance through the end of April 2024. The potential for exploiting the geothermal energy reserves beyond the output of Unit 1, Unit 2, Unit 3 and Unit 4 is subject to future well drilling results.

We expect to continue to maintain financial discipline when evaluating growth opportunities.

Maintain and strengthen our workforce to support our operations

The capability, motivation and performance of our workforce is critical to our success. As we seek to implement the strategies discussed above and to expand our operations, we will continue to devote the resources required for recruiting, training and retaining a talented workforce, including through task-specific training, on-the-job learning and periodic assessments in line with our annual people development plans and relevant government rules and regulations. We intend to offer competitive compensation packages, training and career opportunities to attract and retain talented employees.

Preserve a stable operating profile with a robust and conservative financing profile

We expect to generate stable, predictable and sufficient cash flows to support our working capital requirements, while servicing and repaying our debt on a timely basis. Our financial objectives include balancing our capital structure, maintaining adequate liquidity and managing our debt amortization schedule according to cash flow generation to prevent earnings volatility. We believe that our forecasted steady cash flow generation capability is attributable to several sustainable and long-term factors, including stable and secure demand from PLN, a robust tariff structure with numerous price protection mechanisms, operational optimization, reliable and long-term fuel supply, high-quality generation facilities, our efficient in-house O&M capabilities and an experienced and proven management team.

Corporate Information

We were incorporated as a limited liability company on June 11, 2010 in Indonesia under the name PT Sorik Marapi Geothermal Power.

Our registered office is located at Menara Sentraya 19th Floor Unit A4-B4, Jl. Iskandarsyah Raya No. 1A, Melawai, Kebayoran Baru, Jakarta Selatan 12160, Indonesia. We also have a site office located at Basecamp SMGP, Desa Purba Lamo, Kecamatan Lembah Sorik Marapi, Kabupaten Mandailing Natal, North Sumatra, 16514, Indonesia.

SUMMARY OF THE OFFERING

The following is a general summary of the terms of the offering and is qualified in its entirety by the remainder of this offering memorandum. This summary is derived from, and should be read in conjunction with, the full text of the "*Description of the Notes*" and "*Description of the Security Documents and the Collateral*". Phrases used in this summary and not otherwise defined shall have the meanings given to them in the "*Description of the Notes*".

Company	PT Sorik Marapi Geothermal Power.
Notes Offered	US$350,000,000 aggregate principal amount of 7.75% Senior Secured Notes due 2031.
Offering Price	100.00% of the principal amount of the Notes.
Original Issue Date	August 5, 2024.
Maturity Date	August 5, 2031.
Amortization of Principal	The aggregate principal amount of the Notes will be amortized as described under "*Description of the Notes – Amortization of Principal*".
Interest	The Notes will bear interest from and including August 5, 2024 at the rate of 7.75% per annum, payable semi-annually in arrears. The first payment of interest to be made on February 5, 2025 will be in respect of the period from (and including) August 5, 2024 to (but excluding) February 5, 2025.
Interest Payment Dates	February 5 and August 5 of each year, commencing February 5, 2025.
Ranking	The Notes will: • be general obligations of the Company; • be senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; • rank at least *pari passu* in right of payment with all unsubordinated obligations of the Company (subject to any priority rights of such unsubordinated obligations pursuant to applicable law); • be effectively subordinated to secured obligations of the Company, to the extent of the value of the assets serving as security therefor (other than the Collateral, to the extent applicable); and • be secured by a first priority lien over the Collateral (subject to Permitted Liens and the Intercreditor Agreement) as described under "*Description of the Notes – Security*," on an equal and ratable basis with all Permitted Pari Passu Secured Obligations incurred by the Company.

Use of Proceeds	For more detailed information about the use of the proceeds of the Notes, see "*Use of Proceeds*".
Security	The obligations of the Company under the Notes will be secured by a first priority security interest (except as noted below and subject to Permitted Liens and the Intercreditor Agreement) in favor of the Secured Parties pursuant to the security documents (the "**Security Documents**") for the benefit of the Holders of the Notes and the creditors of Permitted Pari Passu Secured Obligations which are permitted to be incurred under the Indenture over the following (collectively, the "**Collateral**"): (i) an assignment of all present and future Subordinated Shareholder Loans of the Company; (ii) a charge over each of the Offshore Accounts; (iii) a share pledge to be executed by OTP Geothermal PTE. Limited ("**OTP Geothermal**") over its entire present and future shares in the Company; (iv) pledge over each of the Onshore Accounts; (v) fiduciary security over present and future moveable assets of the Company; (vi) security rights or *hak tanggungan* over 110 plots of land owned by the Company; and (vii) fiduciary security over present and future insurance claim proceeds received by the Company, except to the extent such asset constitutes "**Excluded Assets**". The Collateral described in clauses (i) and (ii) are collectively referred to herein as the "**Offshore Collateral**" and the Security Documents creating the Offshore Collateral are collectively referred to herein as the "**Offshore Security Documents**." The Collateral described in clauses (iii) to (vii) are collectively referred to herein as the "**Onshore Collateral**" and the Security Documents creating the Onshore Collateral are collectively referred to herein as the "**Onshore Security Documents**." See "*Description of the Notes – Security*".

Escrow Account

On the Original Issue Date, the Company will enter into an escrow agreement (the "**Escrow Agreement**") with the Trustee and The Bank of New York Mellon, Singapore Branch, as escrow agent (the "**Escrow Agent**"), under which the Company will deposit an amount in cash equal to the gross proceeds of the offering of the Notes into an escrow account (the "**Escrow Account**") held by the Company in Singapore with the Escrow Agent (such funds deposited, the "**Escrowed Funds**"). The Escrow Account shall be pledged in favor of the Offshore Collateral Agent.

The Escrow Agreement provides that the Escrowed Funds may be released from the Escrow Account either to: (i) repay the Existing Senior Debt Facilities in full, including associated costs and expenses as described under "*Description of the Notes – Escrow of Proceeds – Release for the Loan Repayment*," or (ii) fund the redemption (the "**Special Mandatory Redemption**") by the Company at a redemption price (the "**Special Mandatory Redemption Price**") equal to 100% of the issue price of the Notes, together with accrued and unpaid interest (including any Additional Amounts), if any, up to, but not including, the date fixed for redemption (the "**Special Mandatory Redemption Date**"), upon the occurrence of the Special Mandatory Redemption Event as described below under "*Description of the Notes – Escrow of Proceeds – Release for the Special Mandatory Redemption*."

Optional Redemption

At any time and from time to time on or after August 5, 2027, the Company may redeem the Notes, in whole or in part, at a redemption price equal to the percentage of the principal amount of the Notes to be redeemed set forth below *plus* accrued and unpaid interest to the redemption date if redeemed during the twelve-month period beginning on August 5 of the years indicated below.

Year	Percentage
2027	105.813%
2028	103.875%
2029	101.938%
2030 and thereafter	100.00000%

At any time and from time to time before August 5, 2027, the Company may at its option redeem the Notes, in whole or in part, at a redemption price equal to the greater of:

(1) 100% of the principal amount of the Notes to be redeemed as at the redemption date; and

(2) the sum of (a) 100% of the principal amount of the Notes to be redeemed as would otherwise have been outstanding as at August 5, 2027 (assuming the due payment of all Notes Amortization Amounts in accordance with the amortization profile set out in "*Description of the Notes – Amortization of Principal*" and no other subsequent redemptions) and (b) the present value of each remaining scheduled payment of principal and interest on the Notes to be redeemed (exclusive of interest accrued and unpaid to (but not including) the redemption date) up to August 5, 2027 (assuming the due payment of all Notes Amortization Amounts in accordance with the amortization profile set out in "*Description of the Notes – Amortization of Principal*" and no other subsequent redemptions) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points (the "**Make-Whole Amount**"),

plus in each case, accrued and unpaid interest on the principal amount of the Notes to be redeemed up to, but not including, the date of redemption (subject to the right of the holder of record on the relevant Notes Record Date to receive interest due on the relevant interest payment date). Neither the Trustee nor the Agents shall be under any duty to monitor, determine, calculate or verify the redemption amount (including, but not limited to, the Make-Whole Amount) payable hereunder and none of the Trustee or the Agents will be responsible to the Holders for any loss or liability arising from any failure by any of them to do so. See "*Description of the Notes – Optional Redemption*".

Redemption Upon Special Mandatory Redemption

A "Special Mandatory Redemption Event" will occur if the Company fails to obtain consent from the lenders under the Existing Senior Debt Facilities to issue the Notes and repay the Existing Senior Debt Facilities in full (the "**Transaction**") within 60 days from the Original Issue Date.

Upon the occurrence of the Special Mandatory Redemption Event, the Company shall redeem the Notes, in whole and not in part, by promptly (but in no event later than three (3) Business Days following the Special Mandatory Redemption Event) giving a notice (the "**Special Mandatory Redemption Notice**") to the Holders and the Trustee. The Special Mandatory Redemption Price shall be equal to 100% of the issue price of the Notes, together with accrued and unpaid interest (including any Additional Amounts), if any, up to, but not including, the Special Mandatory Redemption Date.

Following a Special Mandatory Redemption, the redeemed Notes will be canceled.

MCS Amortization Redemptions	The Notes are subject to partial mandatory cash sweep ("**MCS**") amortization redemptions (each such redemption, an "**MCS Amortization Redemption**") on each of the dates shown under the heading "*Description of the Notes – MCS Amortization Redemption*" (each such date, an "**MCS Amortization Redemption Date**") at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable MCS Amortization Redemption Date (subject to the right of Holders on the relevant Notes Record Date to receive interest due on such date). See "*Description of the Notes – Brief Description of the Notes – MCS Amortization Redemptions*".
Mandatory Redemption Without Premium	If (i) the Project or any Geothermal Unit is subject to an Expropriation Event or a Loss Event for which the Available Proceeds are in excess of US$60.0 million has occurred and either the conditions set forth in the immediately succeeding paragraph are not satisfied or the PPA is terminated, and (ii) the Company receives any proceeds from indemnification, casualty or property damage insurance, condemnation or otherwise as a result of any of the events described in (i) (the "**Available Proceeds**"), then the Company will use such Available Proceeds to redeem the maximum principal amount of the Notes and other Permitted Pari Passu Secured Obligations that may be redeemed out of the Available Proceeds in accordance with the procedures set forth under "*Description of the Notes – Selection and Notice*." The redemption price for the Notes will be equal to 100% of the outstanding principal amount of the Notes being redeemed, plus accrued and unpaid interest (if any) to (but not including) the redemption date, plus Additional Amounts, if any (but without payment of any Make-Whole Amount), which will be payable in cash. If the aggregate principal amount of the Notes and other Permitted Pari Passu Secured Obligations that may be redeemed exceeds the amount of Available Proceeds, the Notes and such other Permitted Pari Passu Secured Obligations will be redeemed on a *pro rata* basis. If the Project or any Geothermal Unit is subject to a Loss Event for which the Available Proceeds are in excess of US$60.0 million, the Available Proceeds may be applied to repair or restore the Project or the relevant Geothermal Unit (as the case may be) or to reimburse the Company for the cost of such repairs or restoration (in each case, instead of applying the Available Proceeds to the redemption of the Notes and other Permitted Pari Passu Secured Obligations), if certain specified conditions as set out under "*Description of the Notes – Mandatory Redemption of Notes Without Premium*" have been satisfied.

	If a Loss Event occurs for which the Available Proceeds are less than US$60.0 million, such Available Proceeds shall be applied to the payment of the cost of the repair or restoration of such damage or destruction or, if the cost of the repair or restoration of such damage or destruction has previously been paid by the Company, to the Company as reimbursement for the cost of such repair or restoration paid by the Company. See "*Description of the Notes – Mandatory Redemption of Notes Without Premium*".
Withholding Tax: Additional Amounts	All payments of principal of and premium (if any) and interest or any other payment made by or on behalf of the Company under or with respect to the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, imposed or levied (collectively, "**Taxes**") by or within Indonesia or any other jurisdiction in which the Company or a Surviving Person (as defined under the caption "*Description of the Notes – Consolidation, Merger and Sale of Assets*") is organized, resident for tax purposes or doing business for tax purposes or from or through which payment is made by or on behalf of the Company or a Surviving Person (or, in each case, any political subdivision or taxing authority thereof or therein) (each, as applicable, a "**Relevant Jurisdiction**"), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Company or a Surviving Person, as the case may be, will make such deduction or withholding, make payment of the amount so withheld to the appropriate governmental authority and, subject to certain exceptions, will pay such additional amounts ("**Additional Amounts**") as will result in receipt by the holder or beneficial owner of each Note of such amounts payable under the Notes as would have been received by such holder or beneficial owner had no such withholding or deduction been required. See "*Description of the Notes – Additional Amounts*".

Redemption for Taxation Reasons	Subject to certain exceptions and as more fully described under "*Description of the Notes – Redemption for Taxation Reasons*", the Notes may be redeemed at the option of the Company or a Surviving Person, in whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to (but not including) the date fixed by the Company or the Surviving Person, as the case may be, for redemption (the "**Tax Redemption Date**") and all Additional Amounts (if any) then due and that will become due on the Tax Redemption Date as a result of the redemption or otherwise (subject to the right of holders on the relevant Notes Record Date to receive interest due on an interest payment date that is prior to the Tax Redemption Date and Additional Amounts (if any) in respect thereof). See "*Description of the Notes – Redemption for Taxation Reasons*".
Change of Control	Following a Change of Control, the Company will be required to make an offer to repurchase the Notes at a price equal to 101% of the principal amount plus accrued and unpaid interest, if any, to (but excluding) the date of repurchase. See "*Description of the Notes – Change of Control*".
Accounts	The Company shall establish or redesignate in Singapore the following accounts (the "**Offshore Accounts**") denominated in US dollars with an offshore account bank or banks to be specified in the Intercreditor Agreement (including any replacement, the "**Offshore Account Bank**"): • the Debt Service Reserve Account; • the Major Maintenance Reserve Account; • the Restricted Surplus Account; • the Restricted Debt Service Account; and • the Surplus Account. As of the Original Issue Date, the Company has established the following accounts in Indonesia (the "**Onshore Accounts**") with certain onshore account banks (the "**Onshore Account Banks**"): • the Revenue Account; • the Operating Accounts; and • the Onshore Corporate and Tax Account.

	On or after the Original Issue Date, the Company may establish or redesignate and maintain certain other local accounts in Indonesia (the "**Other Onshore Accounts**"), which may be denominated in either US dollars or Indonesian rupiah, *provided* that (i) the balance in such accounts shall at all times not exceed US$10.0 million (or the Dollar Equivalent thereof) on an aggregate basis; and (ii) such accounts are maintained with a bank that is a Permitted Account Bank. The Other Onshore Accounts will not be pledged for the benefit of the Holders of the Notes. The Company will procure that: (i) all revenues and any monies or proceeds received or arising from the Project by the Company from time to time (other than Available Proceeds (as defined under "*Description of the Notes – Mandatory Redemption of Notes Without Premium*")); (ii) any revenues and other proceeds arising from any Geothermal Unit; and (iii) the net proceeds of any Additional Notes, shall, in each case, be paid into the Onshore Accounts or the Other Onshore Accounts.
Covenants	The Indenture will, among other things, restrict the ability of the Company to • incur additional indebtedness; • pay dividends, repurchase stock or pay subordinated debt; • make investments; • create or incur liens; • enter into transactions with affiliates; • sell assets or effect a consolidation or merger; • engage in different business activities; • amend certain key project documents; or • issue any shares. In addition, we will be required (subject to certain exceptions) to, among other things: (1) maintain insurance, (2) maintain a Debt Service Coverage Ratio, (3) maintain, preserve or perfect a first priority security interest (subject to Permitted Liens) granted under the Security Documents, (4) maintain corporate existence and all material licenses, (5) maintain books, accounts and records, (6) comply with all applicable laws (including any environmental laws), (7) use reasonable efforts to cause the Notes to be rated by at least two Rating Agencies, (8) pay taxes and (9) provide financial statements and reports.

	These covenants are subject to important exceptions which are described in the section entitled "*Description of the Notes – Certain Covenants*".
Transfer Restrictions	The Notes have not been registered under the Securities Act, or any securities laws of any other place. The Notes are subject to certain restrictions on transfer and may only be offered or sold in transactions exempt from or not subject to the registration requirements of the Securities Act. See "*Transfer Restrictions*".
Listing	Application will be made to the SGX-ST for the listing of and quotation for the Notes on the Official List of the SGX-ST. The Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies), for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Note is exchanged for certificated Notes. In addition, in the event that the Global Note is exchanged for certificated Notes, an announcement of such exchange will be made by the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the certificated Notes, including details of the paying agent in Singapore.
Form, Denomination and Registration	The Notes will be issued only in fully registered form, without coupons, in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof and will be initially represented by one or more Global Notes registered in the name of a nominee of DTC.
Book-Entry Only	The Notes will be issued in book-entry form through the facilities of DTC for the accounts of its participants, including Euroclear and Clearstream. For a description of certain factors relating to clearance and settlement, see "*Description of the Notes – Book-Entry; Delivery and Form*".
Delivery of the Notes	We expect to make delivery of the Notes, against payment in same-day funds, on or about August 5, 2024, which we expect will be the fifth business day following the date of this offering memorandum, referred to as "T+5." You should note that initial trading of the Notes may be affected by the T+5 settlement. See "*Plan of Distribution*".
Trustee	The Bank of New York Mellon.
Paying Agent, Transfer Agent and Registrar	The Bank of New York Mellon.

Offshore Collateral Agent	The Bank of New York Mellon, Singapore Branch.
Onshore Collateral Agent	PT Bank CIMB Niaga Tbk.
Governing Law for the Notes and the Indenture	The laws of the State of New York.
Governing Law for the Offshore Security Documents	The laws of Singapore.
Governing Law for the Onshore Security Documents	The laws of Indonesia.
CUSIP/ISIN Identifiers	Rule 144A Global Note: CUSIP: 74390TAA7 ISIN: US74390TAA79 Regulation S Global Note: CUSIP: Y7150KAA9 ISIN: USY7150KAA98
Risk Factors	For a discussion of certain factors that should be considered in evaluating an investment in the Notes, see "*Risk Factors*".

SUMMARY FINANCIAL AND OTHER INFORMATION

The summary statements of profit or loss and other comprehensive income, statements of financial position and statements of cash flows as of December 31, 2021, 2022 and 2023 and for the years then ended have been derived from the Audited Financial Statements, which have been audited in accordance with Standards on Auditing established by the IICPA, by PSS (a member firm of Ernst & Young Global Limited), as independent auditors, as stated in their audit report included at F-7 in this offering memorandum.

The summary statements of profit or loss and other comprehensive income, statements of financial position and statements of cash flows as of March 31, 2023 and 2024 and for the three-month periods then ended have been derived from the Unaudited Financial Statements, which have been reviewed in accordance with SRE 2410 established by the IICPA, by PSS (a member firm of Ernst & Young Global Limited), as independent auditors, as stated in their review report included at F-5 in this offering memorandum. A review conducted in accordance with SRE 2410 established by the IICPA is substantially less in scope than an audit conducted in accordance with Standards on Auditing established by the IICPA, and consequently, does not enable PSS (a member firm of Ernst & Young Global Limited), as independent auditors, to obtain assurance that PSS would become aware of all significant matters that might be identified in an audit. Accordingly, PSS did not audit and does not express any opinion on the Unaudited Financial Statements.

The financial information and operating data included in this offering memorandum do not reflect our results of operations, financial position and cash flows in the future and our past operating results are no guarantee of our future operating performance.

The Financial Statements have been prepared in accordance with IFAS and are presented in US dollars. For a summary of material accounting policies and the basis of the presentation of our financial statements, you should refer to the notes to the Financial Statements included elsewhere in this offering memorandum. Investors should read the summary financial information below in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Financial Statements and the accompanying notes included elsewhere in this offering memorandum.

Statements of Profit or Loss and Other Comprehensive Income

	For the years ended December 31,			For the three-month periods ended March 31,	
	2021	**2022**	**2023**	**2023**	**2024**
		(audited)		**(unaudited)**	
			(US$ in full amount)		
Revenues					
Revenue from contract with customer	8,514,436	18,707,140	18,898,070	3,973,823	6,941,702
Lease	28,983,180	47,414,290	64,385,165	16,096,291	18,677,670
Total revenues	**37,497,616**	**66,121,430**	**83,283,235**	**20,070,114**	**25,619,372**
Operating expense					
Depreciation	(10,091,843)	(17,215,675)	(26,067,049)	(6,150,539)	(9,084,231)
Plant operation and maintenance	(5,677,241)	(8,543,544)	(11,946,847)	(2,484,799)	(3,480,624)
Administrative expenses	(5,116,835)	(4,058,068)	(6,767,525)	(1,440,412)	(2,498,831)
Permits	(1,151,454)	(2,123,202)	(2,655,131)	(745,344)	(963,585)
Operating income	**15,460,243**	**34,180,941**	**35,846,683**	**9,249,020**	**9,592,101**
Finance expense	(4,123,476)	(7,112,091)	(12,406,944)	(3,344,296)	(3,514,216)
Foreign exchange gain (loss)	(344,724)	(269,816)	1,986,815	(1,712,153)	1,433,968
Interest income	1,567,318	676,083	738,468	191,852	185,181
Profit before income tax expense	**12,559,361**	**27,475,117**	**26,165,022**	**4,384,423**	**7,697,034**
Income tax expense	–	–	–	–	–
Profit for the year/period	12,559,361	27,475,117	26,165,022	4,384,423	7,697,034
Other comprehensive income					
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent years:					
Remeasurement on defined benefit plan	62,533	(33,622)	61,526	–	–
Total comprehensive income for the year/period	**12,621,894**	**27,441,495**	**26,226,548**	**4,384,423**	**7,697,034**

Statements of Financial Position

	As of December 31,			As of March 31,
	2021	2022	2023	2024
		(audited) (US$ in full amount)		(unaudited)
Current Assets				
Cash on hand and in banks	1,810,638	1,837,803	10,084,607	12,685,398
Trade receivables	10,026,936	14,383,276	8,542,326	16,875,380
Prepayments	1,288,062	1,630,460	1,673,553	1,591,407
Finance lease receivables – current maturities	–	90,514	123,519	126,106
Other current assets	575,359	1,311,061	3,053,591	4,121,439
Total Current Assets	**13,700,995**	**19,253,114**	**23,477,596**	**35,399,730**
Non-Current Assets				
Property on operating lease	483,196,198	773,093,063	910,927,210	902,719,512
Fixed assets	24,342,645	23,432,103	22,493,412	22,001,140
Exploration and evaluation assets	26,817,368	32,440,609	73,753,951	76,223,955
Construction in progress	396,604,421	202,634,059	116,531,665	126,675,755
Advances	1,317,627	244,329	296,192	250,300
Finance lease receivables – net of current maturities	12,683,565	12,857,941	13,042,633	13,064,275
Other non-current assets	7,451,286	8,064,214	6,166,284	4,898,704
Total Non-Current Assets	**952,413,110**	**1,052,766,318**	**1,143,211,347**	**1,145,833,641**
Total Assets	**966,114,105**	**1,072,019,432**	**1,166,688,943**	**1,181,233,371**
Liabilities and Equity				
Current Liabilities				
Accounts payables and other liabilities	177,418,901	198,032,823	240,286,459	247,643,567
Taxes payable	7,073,993	6,897,165	3,266,252	2,725,219
Current maturities of loans payable	180,127,834	88,022,048	288,001,473	268,402,047
Total Current Liabilities	**364,620,728**	**292,952,036**	**531,554,184**	**518,770,833**
Non-Current liabilities				
Long-term employee benefits liability	652,807	715,250	829,942	883,479
Loans payable – net of current maturities	213,171,377	346,010,577	175,210,143	194,787,351
Total Non-Current Liabilities	**213,824,184**	**346,725,827**	**176,040,085**	**195,670,830**
Total Liabilities	**578,444,912**	**639,677,863**	**707,594,269**	**714,441,663**
Equity				
Share capital Par value – US$20,000 per share Authorized – 15,000 shares Issued and fully paid – 7,455 shares	149,100,000	149,100,000	149,100,000	149,100,000
Deposit for future stock subscription	217,157,393	234,388,274	234,914,831	234,914,831
Retained earnings	21,411,800	48,853,295	75,079,843	82,776,877
Total Equity	**387,669,193**	**432,341,569**	**459,094,674**	**466,791,708**
Total Liabilities and Equity	**966,114,105**	**1,072,019,432**	**1,166,688,943**	**1,181,233,371**

Statements of Cash Flows

	For the years ended December 31,			For the three-month period ended March 31,	
	2021	2022	2023	2023	2024
		(audited)		(unaudited)	
			(US$ in full amount)		
Net Cash Provided by Operating Activities	51,079,382	52,201,578	87,221,330	28,177,355	11,709,547
Net Cash Used in Investing Activities	(238,169,138)	(114,230,843)	(98,635,416)	(27,723,149)	(7,108,756)
Net Cash (Used in) Provided by Financing Activities	188,634,802	62,056,430	19,660,890	410,727	(2,000,000)
Net increase in cash on hand and in banks	1,545,046	27,165	8,246,804	864,933	2,600,791
Cash on hand and in banks at beginning of year/period	265,592	1,810,638	1,837,803	1,837,803	10,084,607
Cash on hand and in banks at end of year/period	1,810,638	1,837,803	10,084,607	2,702,736	12,685,398

Other Financial Data

	As of and for the years ended December 31,			As of and for the three-month periods ended March 31,	
	2021	2022	2023	2023	2024
			(US$ in full amount except ratios)		
EBITDA[(1)]	25,552,086	51,396,616	61,913,732	15,399,559	18,676,332
Total Debt[(2)]	179,045,000	139,037,911	106,828,807	140,536,108	106,131,986
Net Debt[(3)]	177,234,362	137,200,108	96,744,200	137,833,372	93,446,588
Total Debt to EBITDA[(4)]	7.0x	2.7x	1.7x	9.1x	5.7x
Net Debt to EBITDA[(5)]	6.9x	2.7x	1.6x	9.0x	5.0x
Total Debt to Equity[(6)]	0.5x	0.4x	0.3x	0.4x	0.3x
Net Debt to Equity[(7)]	0.5x	0.4x	0.3x	0.4x	0.2x
EBITDA to Interest Expense[(8)]	6.2x	7.2x	5.0x	4.6x	5.3x
EBITDA Margin[(9)]	68.1%	77.7%	74.3%	76.7%	72.9%
Cash Flow Available for Debt Service[(10)]	61,599,695	65,793,567	104,357,654	34,969,423	16,149,420
Debt Service[(11)]	39,890,100	38,791,762	38,086,699	1,927,471	1,668,272
Debt Service Coverage Ratio[(12)]	1.5x	1.7x	2.7x	18.1x	9.7x
Net Profit Margin[(13)]	33.5%	41.6%	31.4%	21.8%	30.0%
Operating Cash Flows[(14)]	51,079,382	52,201,578	87,221,330	28,177,355	11,709,547
Capital Expenditures[(15)]	247,649,489	118,765,419	119,988,677	35,204,931	12,614,094
Related Party Loan[(16)]	214,254,211	294,994,714	356,382,809	298,874,134	357,057,412

Notes:

(1) EBITDA represents profit for the year/period plus (i) income tax expense, (ii) finance expense, (iii) depreciation, (iv) foreign exchange loss less (x) interest income and (y) foreign exchange gain. EBITDA and the related ratios in this offering memorandum are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with IFAS or U.S. GAAP. Furthermore, EBITDA is not a measure of our financial performance or liquidity under IFAS or U.S. GAAP and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with IFAS or U.S. GAAP or as alternatives to cash flow from operating activities or as measures of our liquidity. In addition, EBITDA is not a standardized term, hence a direct comparison between companies using such a term may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure. You should note that EBITDA as presented herein is calculated differently from EBITDA as defined in the Indenture. See "*Description of the Notes – Definitions*" for a description of the manner in which EBITDA is defined for purposes of the Indenture. Set forth below is a reconciliation of our profit for the year/period from operations to EBITDA for the years ended December 31, 2021, 2022 and 2023 and for the three-month periods ended March 31, 2023 and 2024.

	As of and for the years ended December 31,			As of and for the three-month periods ended March 31,	
	2021	**2022**	**2023**	**2023**	**2024**
			(US$ in full amount)		
Profit for the year/period	12,559,361	27,475,117	26,165,022	4,384,423	7,697,034
Plus:					
Income tax expense	–	–	–	–	–
Finance expense	(4,123,476)	(7,112,091)	(12,406,944)	(3,344,296)	(3,514,216)
Depreciation	(10,091,843)	(17,215,675)	(26,067,049)	(6,150,539)	(9,084,231)
Foreign exchange loss	(344,724)	(269,816)	–	(1,712,153)	–
Less:					
Interest income	1,567,318	676,083	738,468	191,852	185,181
Foreign exchange gain	–	–	1,986,815	–	1,433,968
EBITDA	**25,552,086**	**51,396,616**	**61,913,732**	**15,399,559**	**18,676,332**

(2) Total Debt represents loans payable to third party, which is the total loan payables excluding related party loans. Please note that Total Debt defined herein is different from the total debt defined in the "*Capitalization*" section in this offering memorandum.

(3) Net Debt represents Total Debt as defined in (2) above, less cash on hand and in banks.

(4) The ratio of Total Debt to EBITDA is calculated by dividing Total Debt as of the end of the period by EBITDA for the same period.

(5) The ratio of Net Debt to EBITDA is calculated by dividing Net Debt as of the end of the period by EBITDA for the same period.

(6) The ratio of Total Debt to Equity is calculated by dividing Total Debt as defined in (2) above as of the end of the period by total equity as of the end of the same period.

(7) The ratio of Net Debt to Equity is calculated by dividing Net Debt as defined in (3) above as of the end of the period by total equity as of the end of the same period.

(8) The ratio of EBITDA to Interest Expense is calculated by dividing EBITDA for the relevant period by finance expense for the same period.

(9) EBITDA Margin is calculated by dividing EBITDA for the relevant period by total revenues for the same period.

(10) Cash Flow Available for Debt Service represents EBITDA for the year/period plus (a) interest income, (b) working capital adjustments (including trade receivables, other current assets, accounts payables and other liabilities, and taxes payable) and (c) cash interest received.

(11) Debt Service represents the aggregate of: (i) interest paid for that relevant period, and (ii) all scheduled and mandatory repayments of loans payable to third parties falling due and any voluntary prepayments made during that relevant period.

(12) Debt Service Coverage Ratio is calculated by dividing Cash Flow Available for Debt Service for the relevant period by Debt Service for the same period.

(13) Net Profit Margin is the ratio of profit for the year/period to total revenues (expressed as a percentage).

(14) Operating Cash Flows is taken from net cash flows provided by operating activities shown in the statements of cash flows.

(15) Capital Expenditure is the use of funds or an assumption of a liability in order to obtain or upgrade physical assets.

(16) Related party loan is a form of debt financing that represents the funds received by the related parties of our Company at fixed interest terms in the subordination level.

Operating Data

		For the years ended December 31,			For the three-month periods ended March 31,	
	Unit	**2021**	**2022**	**2023**	**2023**	**2024**
Unit 1 Operating History						
Net Generation[(1)]	MWh	307,450[(4)(5)]	314,650	289,913	65,997	69,515
Availability Factor[(2)]	%	90.12[(4)(5)]	99.03	99.89	99.54	100.00
Net Capacity Factor[(3)]	%	82.71[(4)(5)]	90.30	105.76	98.67	87.07
Unit 2 Operating History						
Net Generation[(1)]	MWh	145,452[(5)(7)]	361,997	339,836[(6)]	85,860	86,303
Availability Factor[(2)]	%	97.31[(5)]	97.90	99.85[(6)]	99.40	100.00
Net Capacity Factor[(3)]	%	87.76[(5)]	95.91	93.98[(6)]	95.89	102.57
Unit 3 Operating History						
Net Generation[(1)]	MWh	–	81,331[(7)]	318,104[(6)]	77,883	85,652
Availability Factor[(2)]	%	–	99.82	99.91[(6)]	99.72	100.00
Net Capacity Factor[(3)]	%	–	84.97	79.37[(6)]	78.13	99.57
Unit 4 Operating History						
Net Generation[(1)]	MWh	–	–	10,048[(7)]	–	55,058
Availability Factor[(2)]	%	–	–	100.00	–	100.00
Net Capacity Factor[(3)]	%	–	–	94.23	–	93.14

Notes:

(1) Net generation means the net electricity sent out of the relevant geothermal generation unit to PLN (after the deduction of the electricity used to run our power plant).

(2) Availability means the number of hours during a period when the relevant geothermal generation unit is available for service divided by the total number of hours in the relevant period, expressed as a percentage.

(3) Net capacity factor means the ratio of the actual output of the relevant geothermal generation unit to the theoretical output assuming full capacity usage (excluding planned maintenance).

(4) In January 2021, Unit 1 experienced a forced shutdown for approximately one and a half months as a result of hydrogen sulfide gas exposure at Pad T. See "*Business – Environmental, Health and Safety Compliance – January 2021 Hydrogen Sulfide Gas Exposure*". Prior to the gas leak, for the month ended January 31, 2021, our net generation for Unit 1 was 23,147 MWh, our availability factor for Unit 1 was 77.42%, and our net capacity factor for Unit 1 was 73.41%.

(5) In August 2021, we experienced an unplanned shutdown of Unit 1 and Unit 2 for a period of seven days due to PLN grid blackouts and an all-unit trip.

(6) In May 2023, we experienced a partial shutdown at Unit 2 and Unit 3 for less than one hour at PAD AA due to an occupation by monkeys in the area.

(7) As each of Unit 2, Unit 3 and Unit 4 commenced operations at different times during the presented periods, the full period impact of their operations has not been reflected in net generation.

	Unit	For the years ended December 31, 2021	2022	2023	For the three-month period ended March 31, 2024
Average tariffs	US$/KWh	0.083	0.087	0.087	0.087

	Unit	As of July 31, 2021	October 31, 2022	December 31, 2023	April 30, 2024
End of period total steam/ brine supply extracted[1]					
Steam supply (A)	kg/s	149	201	233	231
Brine water supply (B)[2]	kg/s	723	861	791	695
Total mass supply (A) + (B)	**kg/s**	**871**	**1,062**	**1,023**	**926**

Notes:

(1) Unit 1 COD occurred in October 2019, Unit 2 COD occurred in July 2021, Unit 3 COD occurred in October 2022, Unit 4 COD occurred in December 2023 and Unit 5 COD is scheduled to be in December 2024.

(2) Net generation from brine organic rankine cycle ("**ORC**") accounted for less than 10% of our annual net generation from 2021-2023. The amount of brine has declined due to increasing enthalpy in some wells consistent with a decline in reservoir pressure. This is expected to level off with the optimization and continuous injection of brine to the reservoir.

	Unit	2025	2030	2035	2051
Total expected mass flow[1]					
Steam production (A)	kg/s	262	255	241	204
Brine water production (B)	kg/s	1,070	912	893	858
Total mass production (A) + (B)	**kg/s**	**1,333**	**1,167**	**1,134**	**1,062**

Note:

(1) The above expected production profile and figures are projections that are forward-looking in nature, and based on a numerical model that does not incorporate an improved condition resulting from Pad V, which were drilled in 2024. Accordingly, these projections involve risks and uncertainties, and actual results may differ materially from those discussed in or implied by any of the projections above as a result of various factors, including those listed in "*Risk Factors*" and "*Forward-Looking Statements*".

	Number
Wells	
Active production wells[(1)]	15
New production wells for Unit 1, Unit 2, Unit 3, Unit 4 and Unit 5 (to commence production in later 2024)[(2)]	6
Monitoring wells	4
Reinjection wells – common	18
Abandoned wells	0
Exploration wells	0
Total wells	**43**

Notes:

(1) Total active production well number includes six production wells which are shared between Unit 1, Unit 2, Unit 3 and Unit 4.

(2) Well drilling for these new production wells is complete. Well testing is expected to be conducted from August 2024, and completion is targeted for prior to Unit 5 COD in December 2024.

RISK FACTORS

This offering memorandum contains forward-looking statements that involve risks and uncertainties. Prior to making an investment decision, you should carefully consider all of the information in this offering memorandum, including the following risk factors. You should pay particular attention to the fact that our business is located in Indonesia and is governed by a legal and regulatory environment which in many respects may differ from that which prevails in other countries. The risk factors described below are not the only ones that may be relevant to us or the Notes. Additional risks and uncertainties that we are not aware of or that we currently believe are immaterial may also adversely affect our business, prospects, financial condition or results of operations. If any of the possible events described below occur, our business, prospects, financial condition or results of operations could be materially and adversely affected. In such case, we may not be able to satisfy our obligations under the Notes, and you could lose all or part of your investment.

Risks Relating to our Business

We are subject to risks associated with reliance on PLN as the sole off-taker of electricity from our plant.

We derive substantially all of our revenue from tariff payments by PT PLN (Persero) ("**PLN**"), Indonesia's state-owned electric utility provider, under the Power Purchase Agreement ("**PPA**"), as amended. The tariff payable to us under the PPA is our primary source of funds to meet our obligations under the Notes. We conduct no business and own no material assets other than in connection with the exploration, exploitation, development and utilization of geothermal resources in the Sorik Marapi-Roburan-Sampuraga working area. Our ability to make payments of principal and interest in respect of the Notes is dependent upon PLN's ability to meet its payment obligations to us under the PPA. PLN is rated "Baa2" by Moody's, "BBB" by S&P and "BBB" by Fitch. Our operations and our ability to meet our obligations under the Notes could be materially and adversely affected by any occurrence or circumstance that reduces, suspends or cancels PLN's payment obligations under the PPA or any failure or delay of PLN to fulfill its obligations under the PPA.

PLN's ability to meet its obligations under the PPA is dependent on its financial condition, results of operations and cash flows and upon Government support in the form of subsidies. Additionally, our ability to provide electricity to PLN is dependent on the functionality of PLN's grid, which has, on occasion, including on August 5, 2021, been the subject of blackouts and trips. PLN has experienced serious financial difficulty in the past, and following the 1997 Asian financial crisis, the Government through PLN renegotiated energy sales contracts with independent power producers ("**IPPs**"). On August 29, 2014, we signed the PPA with PLN. On August 8, 2016, we and PLN signed the first amendment to the PPA, which documented PLN's consent to KS Orka Renewables Pte Ltd ("**KS Orka**")'s indirect acquisition of a 95% ownership stake in our Company. We and PLN signed the second amendment to the PPA on June 27, 2019, whereby, among other things, the potential deliverable capacity based on the PPA (the "**PPA Deliverable Capacity**") for our units was changed from three units with a PPA Deliverable Capacity of 80 MW each, to five units with unit generation capacity of 45 MW, 45 MW, 50 MW, 50 MW, and 50 MW, respectively with a combined PPA Deliverable Capacity not to exceed 240 MW plus 10% thereof. We subsequently signed the third amendment to the PPA on March 2, 2023, which adjusted the commercial operation date ("**COD**") for Unit 2 from December 2020 to May 2021, Unit 3 from December 2021 to May 2022, Unit 4 from December 2022 to May 2023 and Unit 5 from December 2023 to May 2024. Pursuant to the terms of the PPA, PLN is obliged to purchase power from us under an annual 'take-or-pay' payment mechanism, with the average of the monthly take-or-pay percentages over the contract year (being the specified percentage of the applicable time-weighted plant rated capacity multiplied by total hours in the relevant contract year) being equal to 90%.

The current PPA tariff is set at a base power price of US$0.0810/kWh, and a transmission power charge of US$0.00054/kWh. Such tariff may change over time, in accordance with the following index (I), which allows the tariff to increase with inflation, where $I = 0.75 + (0.25 \times (Y_p/Y_{pb}))$, Y_p = the United States Producer Price Index for all commodities as issued by the U.S. Department of Labor, Bureau of Labor Statistics, Producer Prices and Indexes (series ID WPU 00000000) ("**PPI**") averaged over the most recently completed calendar quarter (ending March, June, September or December) ending prior to the beginning of the relevant contract month, and Y_{pb} = PPI averaged over the most recently completed calendar quarter (ending March, June, September or December) ending prior to the initial COD. While the tariff under the PPA (including the base power price and transmission power charge) has remain unchanged since the signing of the original PPA on August 29, 2014, there can be no assurance that PLN will be able to perform its obligations to us under the PPA or that the Government and/or PLN will not require us to renegotiate the tariff or other terms of the PPA, which may include a reduction in the tariff. As our revenue is dependent on the PPA, such renegotiation may have a material adverse effect on our Company and our business, prospects, financial condition and results of operations.

In accordance with current Indonesian law and Bank Indonesia regulations, PLN is obliged to make payment in Rupiah under the PPA. Nevertheless, our tariff is denominated in US dollars and our invoices are submitted in US dollars. Payments are made to us in US dollars by PT Bank Rakyat Indonesia Tbk. ("**BRI**") as the Converting Bank under a tripartite converting agreement (the "**Tripartite Converting Agreement**"). Pursuant to the Tripartite Converting Agreement, on each relevant payment date, PLN will deposit Rupiah with BRI in an amount that when converted to US dollars by BRI using the Jakarta Interbank Spot Dollar Rate applicable on that date, will allow BRI to have sufficient US dollars to pay the full amount of the invoice in US dollars. BRI is obligated to source the US dollars and PLN's payment obligation is not satisfied until our Company receives the full amount due in US dollars into our Company's US dollar bank account as agreed in the Tripartite Converting Agreement. Economic and monetary conditions and other factors in Indonesia could influence the availability of US dollars in Indonesia. There can be no assurance that BRI will be able to obtain sufficient US dollars or that available US dollars will be allocated to pay the US dollar-denominated obligations owed to us. Furthermore, the Rupiah has in the past experienced, and continues to experience, significant volatility. See "*Exchange Rates and Exchange Control*". As a result of the depreciation of the Rupiah, the cost of power sold to PLN by us or to other power producers may become unaffordable or otherwise uneconomical to PLN. PLN's primary sources of revenue are denominated in Rupiah and there can be no assurance that PLN will continue to have sufficient Rupiah revenues to meet its obligations to us or that the Government will continue to provide PLN with sufficient subsidies to cover its costs to produce electricity or that any subsidy will be provided in a timely manner.

The PPA expires on the 32nd anniversary of October 1, 2019, starting from the COD of Unit 1, and may be extended. As such, the PPA will expire in 2051. See "*Description of Material Contracts – Power Purchase Agreement*". In the event we are unable to extend the terms of the PPA on or prior to their expiry, our business would cease to operate.

Under the terms of the PPA, we will not be able to directly distribute electricity to consumers or other parties other than PLN. The Government's move towards a more competitive electricity industry and the passing of the new Law No. 30 of 2009 on Electricity on September 8, 2009, as further amended by Government Regulation in lieu of Law No. 2 of 2022 on Job Creation as promulgated into Law by Law No. 6 of 2023 ("**Law No. 30 of 2009**") and its implementing regulation, Government Regulation No. 14 of 2012 on Electricity Supply Business License, as amended by Government Regulation No. 23 of 2014 ("Government Regulation No. 14 of 2012"), could result in the emergence of new and numerous competitors (including private business enterprises that may distribute electricity to end customers) for PLN, which is the sole off-taker of electricity from our plant. See "*Regulation and Regulatory Framework of the Indonesian Geothermal Power and Electricity Industry – Electricity Industry – Law No. 30 of 2009 on Electricity*". PLN may be unable to meet the competitive challenges it may face in the future,

causing its market position, financial condition and results of operations to be materially and adversely affected, which, in turn, could materially and adversely affect our business, prospects, financial condition and results of operations.

Our business is fully dependent on the IPB, IUPTLU, PPKH and the PPA.

Our business relies on, the (i) Geothermal License (*Izin Panas Bumi* or "**IPB**") granted by the Minister of Energy and Mineral Resources of the Republic of Indonesia ("**MEMR**"), (ii) Electricity Supply Business License for Public Interest (*Izin Usaha Penyediaan Tenaga Listrik Untuk Kepentingan Umum* or "**IUPTLU**") granted by the MEMR, and (iii) Forestry Area Utilization Approval (*Persetujuan Penggunaan Kawasan Hutan* or "**PPKH**") issued by Minister of Environment and Forestry of the Republic of Indonesia ("**MOEF**") which authorized our geothermal exploration, exploitation and utilization operations in our designated geothermal working area as well as the generation and supply of electricity from our geothermal power plant. The revocation or expiration of the IPB, IUPTLU or PPKH could materially and adversely affect our business, prospects, financial condition and results of operations. Additionally, our business depends on the PPA, pursuant to which the rights and obligations regarding the electricity tariff are set out. Our business, prospects, financial condition and results of operations could be similarly affected, if for any reason, PLN breaches its obligations under the PPA or any part thereof is cancelled, amended, terminated, becomes invalid or unenforceable or otherwise ceases to have full force and effect.

IPB

Following a competitive bidding process, we obtained a geothermal mining license (*Izin Usaha Pertambangan Panas Bumi* or "**IUP**") No. 540/525/K/2010 which was issued by the Regent of Mandailing Natal on September 2, 2010. Such IUP is valid for 35 years since the date of issuance. Pursuant to such IUP, we were initially eligible for a 62,900-hectare geothermal working area located in Mandailing Natal, North Sumatra.

In late 2014, Law No. 21 of 2014 on Geothermal as lastly amended by Government Regulation in lieu of Law No. 2 of 2022 on Job Creation as promulgated into Law by Law No. 6 of 2023 ("**2014 Geothermal Law**"), was enacted with the purpose of boosting and promoting the use of geothermal energy in Indonesia's energy mix. The 2014 Geothermal Law distinguishes geothermal activities from mining activities. Consequently, geothermal activities in certain conservation forests (*kawasan hutan konservasi*), production forests (*kawasan hutan produksi*) and protected forest areas (*kawasan hutan lindung*),[3] where the majority of Indonesia's geothermal resources are located, are permitted by obtaining an environmental service permit for geothermal (now referred to as PBPJL Approval) or 'borrow-and-use' approval for forest areas (now referred to as PPKH). Under the 2014 Geothermal Law, project developers must obtain an IPB from the central Government before the commencement of geothermal exploration, exploitation and utilization operations. Although an IPB is required for new geothermal working area, the 2014 Geothermal Law grandfathers all of the geothermal permits issued prior to the 2014 Geothermal Law. Following the 2014 Geothermal Law, the MEMR converted our IUP to an IPB as evidenced by IPB No. 2765 K/30/MEM/2015 dated April 21, 2015. There is no difference in the validity of the license after we converted our IUP to IPB whereby the validity period remains up to 35 years from September 2, 2010. To allow us to fully monetize the PPA until 2051, we will need to apply for extension to our IPB.

3 Pursuant to Law No. 41 of 1999 on Forestry as amended, depending on its characteristic and function, forest area is divided into several classifications. Protected Forest is defined as forest areas whose main function is to provide protection for life support systems by regulating water management, preventing flooding, controlling erosion, preventing seawater intrusion, and maintaining soil fertility.

For each of our units that are between 10 MW up to 60 MW, pursuant to Ministry of Industry ("**MOI**") Regulation No. 54/M-IND/IND/PER/3/2012 regarding Guidelines for the Use of Domestic Products for the Development of Electricity Infrastructure, as recently amended by MOI Regulation No. 23 of 2023, we are obliged to fulfil a local content of goods requirement of 15.7%, local content of services requirement of 74.1% and combined goods and services local content requirement of 33.24%. We are in the process of appointing a third party to conduct the verification of the fulfilment of the local content requirement.

In July 2019, the MEMR issued MEMR Decree No. 139K/30/MEM/2019 on the Amendment to MEMR Decree No. 2963K/30/MEM/2008 regarding the Geothermal Mining Working Area Determination in Sorik Marapi-Roburan-Sampuraga, Mandailing Natal Regency, North Sumatra Province, which amended our geothermal working area from 62,900 hectares to 62,920 hectares.

IUPTLU

MEMR Regulation No. 11 of 2021 on the Implementation of Electricity Business, as partly revoked by MEMR Regulation No. 2 of 2024 ("**MEMR Regulation No. 11 of 2021**") provides that the license for electricity supply business for public interest will be issued in the form of an IUPTLU. An IUPTLU covers electricity generation, electricity transmission, electricity distribution, and sales of electricity. Based on MEMR Regulation No. 11 of 2021, an IUPTLU can be issued separately for each type of electricity business activity. However, the integration of such electricity business activities by the business entity is also permitted under MEMR Regulation No. 11 of 2021.

We have obtained our IUPTLU that was issued by the central government on June 8, 2018. According to MEMR Regulation No. 11 of 2021, any IUPTLU issued prior to the enactment of MEMR Regulation No. 11 of 2021 (i.e., before June 2, 2021), remains valid until the expiry of its validity period, which is for 30 years, as may be extended.

PPKH

Based on Law No. 41 of 1999 on Forestry, as amended by Government Regulation in lieu of Law No. 2 of 2022 on Job Creation as promulgated into Law by Law No. 6 of 2023 ("**Forestry Law**"), Government Regulation No. 23 of 2021 on the Organization of Forestry and MOEF Regulation No. 7 of 2021 on Forestry Planning, Forest Area Designation Change and Forest Area Function Change, and Forest Area Use, as partly revoked by MOEF Regulation No. 14 of 2023 on the Settlement of Businesses and/or Activities Built in Natural Reserve Areas, Nature Conservation Areas, and Hunting Parks ("**MOEF Regulation No. 7 of 2021**"), the use of forest areas for geothermal purposes needs to be conducted based on a PPKH, which was formerly in the form of a Forest Area Borrow and Use Permit (*Izin Pinjam Pakai Kawasan Hutan* or IPPKH) issued by the MOEF (formerly known as Minister of Forestry).

We have obtained a PPKH pursuant to MOEF Decree No. SK.899/MENLHK/SETJEN/PLA/0/10/2021 dated October 8, 2021, which was amended by MOEF Decree No. SK.1134/MENLHK/SETJEN/PLA/0/11/2022 dated November 2, 2022, to reflect the increase of our forest utilization area in relation to our geothermal operations from 121.67 hectares to 131.82 hectares in the protected forest area in Mandailing Natal Regency, North Sumatra Province. Our PPKH is valid until October 7, 2025, pursuant to the latest extension as set out under MOEF Decree No. 80 of 2024 dated January 26, 2024.

Even though the PPKH may be extended, there is no assurance that we will obtain the extensions. If we are not able to obtain, maintain or renew our PPKH, our business, prospects, financial condition, and results of operations would be materially adversely affected.

Discrepancy in Validity Periods between the IPB and PPA

Our PPA with PLN is valid for 32 years from the COD of Unit 1 and will expire in 2051. In contrast, our IPB is valid for 35 years from September 2, 2010 and will expire in 2045. Without an effective IPB, we cannot conduct geothermal operations and supply electricity to PLN under the PPA, necessitating an extension of the IPB. According to the 2014 Geothermal Law, we can apply for an extension of the IPB no earlier than five years and no later than three years before expiration of the IPB. The MEMR has the authority to grant an extension of the IPB for a period of up to 20 years for each extension. Given that approval for the IPB extension is at the sole discretion of the MEMR and beyond our control, there is a risk that the extension may be denied, and we would no longer be able to supply electricity to PLN under the PPA. If we fail to extend our IPB, this will constitute a default in pursuant to the PPA and if not remedied within 45 days, such event will constitute as non-remediable event and PLN will have the option to terminate the PPA and purchase the project within 90 days at a set price.

PPA

While PLN has not reduced the base tariff payable to us pursuant to the terms of the PPA, PLN has, in the past, reduced the tariff that it is required to pay to other independent power producers pursuant to the terms of their respective power purchase agreements. See "*Description of Material Contracts – Power Purchase Agreement*". The mechanism of tariff (base power price) adjustment is provided in Appendix 4 of the PPA, and provides that such base power price may be amended in the event of a triggering event (change of law, government action or inaction) or force majeure. Although the PPA specifies that the base power price is fixed, the base power price can still be subject to adjustment due to change of law. Such change of law includes any issuance of new regulation by the MEMR to replace the existing MEMR No. 17 of 2014, and the Presidential Regulation No. 112 of 2022 on Acceleration of Development of Renewable Energy for the Supply of Electricity which supersedes the purchase price of electricity as previously provided in Regulation of Minister of Energy and Mineral Resources No. 50 of 2017 on the Utilization of renewable energy Resources for the production of Electricity, as has been amended several times, most recently by MEMR Regulation No. 4 of 2020. There can be no assurance that similar tariff re-negotiations or adjustment will not take place in the future with respect to our PPA. Nor can there be any assurance that macro-economic factors will not lead PLN nor MEMR to reevaluate and seek reduction of the tariff under our PPA. As our revenue is dependent on the PPA, such further re-negotiations may have a material adverse effect on our Company and its business, prospects, financial condition and results of operations.

Moreover, the PPA is a complex long-term agreement, which has been amended over time. The PPA was first signed between our Company and PLN on August 29, 2014, and was subsequently amended on August 8, 2016, June 27, 2019 and March 2, 2023. See "*Description of Material Contracts – Power Purchase Agreement*". Disagreements may arise from time to time as to the interpretation or application of the terms of the PPA. For example, there is ambiguity regarding the expiry date of the PPA. In the initial version of the PPA, it was stated that the expiry date would fall on the 30th anniversary of the "Project Commercial Operation Date" with the "Project Commercial Operation Date" being defined as the earlier of the date on which the unit rated capacity for the last unit has been: (i) established or (ii) has been deemed to be established in accordance with the PPA. The definition of the expiry date was amended in the second amendment of the PPA, changing it to the 32nd anniversary of the initial commercial operation date, or the date on which the unit rated capacity of any unit has been established in accordance with the PPA, whichever is later, which is set to be October 1, 2051, being the date of the COD declaration of Unit 1 was issued by the PLN. However, in the third amendment of the PPA, the "Project Commercial Operation Deadline" was amended to be May 5, 2024, and the required commercial operation date of Unit 1 was agreed to have been accomplished on October 1, 2019. In addition, there is ambiguity in the operation of the force majeure clause, which may not be

exercisable despite the availability of clear supporting documents and evidence. We have been late in meeting the COD for Unit 3 and Unit 4 in the past. There is no guarantee that a delay for the next COD will not occur.

There can be no assurance that disagreements in interpretation of the PPA will not arise in future. If such disagreements are material and are not resolved in our favor, there may be a material adverse impact on us and on our business, prospects, financial condition and results of operations.

Our financial performance depends on the quantity and quality of geothermal resources in the Sorik Marapi-Roburan-Sampuraga working area.

Our financial performance depends on the quantity and quality of geothermal resources in the Sorik Marapi-Roburan-Sampuraga working area, which are subject to various risks. The quantity and quality of a geothermal resource are affected by a number of factors, including the size of the reservoir, the temperature and pressure of the geothermal fluids in such reservoir, the depth and capacity of the production and injection wells, the amount of dissolved solids and dissolved gases (mainly carbon dioxide) contained in such geothermal fluids, and the permeability of the subsurface rock formations containing such geothermal resource, including the presence, extent and location of fractures in such rocks. The quantity and quality of a geothermal resource may decline as a result of a number of factors, including the intrusion of lower-temperature fluid into the producing zone. An incorrect estimate by us of the quantity and quality of a geothermal resource or a decline in such quantity or quality could have a material adverse effect on our business, prospects, financial condition and results of operations.

We do not have full control over the performance of our wells. From time to time, any well could, and certain of our wells have, experienced unexpected declines in steam and brine production. A decline in steam and brine production at any of our wells may adversely affect our ability to generate electricity. A number of events could cause such a decline or shorten the operational duration of a geothermal resource, which could cause the applicable geothermal resource to become a non-renewable wasting asset. These events include:

- extraction above the amount that the applicable geothermal resource will support;
- long periods of drought, earthquakes, volcanic eruptions or other geological events; and
- failure to properly maintain the hydrological balance of the applicable geothermal resource.

If the geothermal resources available to our existing or any future power plants decrease, this could reduce our revenues and materially and adversely affect our business, prospects, financial condition, results of operations and cash flow. See also "*– Our exploration, development and production of geothermal energy resources are subject to geological risks and uncertainties.*" below.

Our financial performance depends on the successful operation of our facility, which is subject to various operational risks.

Both the cost of operations and the operating performance of our facility, which comprises the power plant, steam gathering and re-injection system ("**SGRS**"), wells and all other structures and equipment needed to generate and deliver electrical power to PLN from the Sorik Marapi field (the "**Facility**"), may be adversely affected by a variety of operating factors. Production and injection wells may require unexpected maintenance or replacement arising from issues such as corrosion, erosion, scale deposition, and seismic events. Erosion caused by high-temperature and high-velocity geothermal fluids may require the replacement or repair of certain equipment, vessels or pipelines. New production and make-up wells may be required for the maintenance of current

operating levels, thereby requiring substantial capital expenditure during the term of the Notes. In addition, we may in the future incur a substantial amount of indebtedness in connection with further expansion of our Facility. Because we sell all of the electricity generated at the Facility to PLN pursuant to a long-term contract, we may find it difficult to pass through to PLN any cost increases that we face.

From time to time, some of the wells that supply steam and brine to our units display scaling, which results in declines in their production. Although we may clean the wells using water or acid jetting and mechanical reaming techniques to remove scale that has formed, there is no guarantee that such efforts will return the wells to their previous levels of production or injection capacity. Further, there is no assurance that our wells will not in the future suffer declining production due reasons including mechanical problems such as those caused by failures in the casing integrity of the wells. Any scaling or other declines that our wells experience and that we are not able to prevent or reverse through our maintenance programs may adversely affect our production, results of operations and financial condition. Further, we may not be able to successfully connect new wells on time, on budget or at all.

We are exposed to the risk of malfunctions and interruptions in service resulting from events outside of our control, including accidents, natural disasters, defects or failures in machinery or control systems. We are also subject to the risk of casualties or other similar extraordinary events. On January 25, 2021, there was an incident at Pad T, where hydrogen sulfide exposure resulted in the deaths of five civilians who were within the 300-meter perimeter of Pad T and the hospitalization of 50 civilians from Sibanggor Tonga and Sibanggor Julu. This incident was investigated by the Directorate General of New and Renewable Energy and Energy Conservation (*Energi Baru Terbarukan dan Konservasi Energi*, or "**EBTKE**"), which issued a report on January 29, 2021 stating that this was a geothermal incident and enforcing sanctions on our Company in the form of (i) a stern warning to the drilling manager and all his team members, (ii) a warning to the HR manager, (iii) requiring our board of directors to undertake not to intervene in the recruitment process, so as to, among other things, ensure the competency of employees occupying key positions, (iv) requiring our Company to ensure the coordination pattern is in accordance with the work unit standard operating procedure ("**SOP**"), (v) requiring our Company to strengthen our drilling organizational structure, and (vi) requiring our Company to work with local and national media to disseminate education related to geothermal exploitation. On April 8, 2021, the police subsequently issued an investigation dismissal letter due to insufficient evidence of any criminal wrongdoing in connection with the incident. We have also on occasion experienced suspected gas leaks, with investigation results from EBTKE and/or the police showing that such incidents were not related to Sorik Marapi activity and which were categorized as non-geothermal incidents. There have also been non-fatal safety incidents involving our employees, including related to injuries caused by heat and issues relating to working at height. Our lost time incident rate ("**LTIR**") for the years ended December 31, 2021, 2022 and 2023 and for the three-month period ended March 31, 2024 was 1.83, 0.76, 1.38 and 2.46 respectively. Any such events could result in economic losses or an increase in our cost of operations. Additionally, service interruptions, malfunctions, casualties or other significant events could result in us being exposed to litigation, which could result in obligations to pay damages.

There is no assurance that our key equipment or processes will not break down or fail due to aging, obsolescence or malfunction which may result in the suspension of our operations or a shutdown of our Facility. We may experience a breakdown or failure of power generation equipment, pipelines or other equipment such as transformer connections or processes and perform below expected levels of output or efficiency. Such breakdowns or failures of equipment or processes may negatively affect us even if they occur in relation to third-party equipment or processes on which we rely, such as transmission lines owned by PLN. For example, on August 5, 2021, we experienced an unplanned shutdown of Unit 1 and Unit 2 which resulted in one day of total shutdown of Unit 1 and Unit 2 and downtime of six days for Unit 1 and Unit 2 to achieve full recovery. This incident was due to PLN grid blackouts and an all-unit trip.

Further, our Facility may be impacted by natural disasters, extreme weather conditions or other natural phenomena. For instance, on May 29, 2023, Unit 2 and Unit 3 experienced a blackout related to an occupation by monkeys in the area, which resulted in our operations being shut down for around six hours. There is no assurance that similar suspensions of our operations or a shutdown of Unit 1, Unit 2, Unit 3 or Unit 4 will not occur in the future, and there is no assurance that such future suspensions or shutdowns will not have a material adverse effect on our operations and results of operations.

Some of the equipment that we use in our operations is sufficiently large and project-specific, meaning that replacement units may not be readily available. Any extended period of time needed to obtain, manufacture or transport replacement units could give rise to delays in replacement beyond that for which we may have purchased insurance coverage for lost revenues. The occurrence or continuance of any of these risks could increase our cost of operating the Facility, reduce the tariff payments due from PLN under the PPA or otherwise adversely affect our business, prospects, financial condition and results of operation.

Our exploration, development and production of geothermal energy resources are subject to geological risks and uncertainties.

Our business involves the exploration, development and production of geothermal energy resources from the Sorik Marapi-Roburan-Sampuraga working area. Geothermal exploration, development, production and operations are subject to uncertainties and include the drilling of non-commercial wells, the uncontrolled release of high-pressure steam or brine and uncertainty of pressure and temperature declines. For example, we drilled two complete wells and one unfinished well that were found to be non-commercial, as they were situated outside Sibanggor's main reservoir. Wells are abandoned when they either constitute a safety hazard due, for example, to corroded or damaged casing, and they are deemed not to be economical to repair, or they are considered to be of no further commercial use as when they appear to have been drilled outside of the geothermal reservoir area. We retain these wells for possible future workovers or, where possible, as injection wells. We may temporarily abandon a well if it offers future potential but it also needs some repair work (possibly due to formation damage). The occurrence of any of these or other uncertainties, which may occur naturally or as a result of human error, can increase our operating costs and capital expenditures, or reduce the efficiency of the Sorik Marapi field and our power plant and negatively affect our financial performance. In a particular incident, on April 21, 2022, well T-12 inadvertently intersected with the nearby production well, T-11, resulting in the drilling rig breaching its casing and triggering a blowout in T-12. Subsequently, T-12 had to be controlled for security and safety reasons, and T-11 required remedial work to cap the compromised section of its casing. This incident decreased the well's capacity, reducing it from an expected output of over 15 MW to 10.4 MW. This incident occurred at one out of 47 or 2.1% of the total wells drilled to date.

Due to the geological complexities of geothermal reservoirs, the geographic area and sustainable output of geothermal reservoirs can only be estimated and cannot be definitively established. There is, accordingly, a risk of an unexpected decline in the capacity of geothermal wells and a risk that geothermal reservoirs will not be sufficient for sustained generation of the desired electrical capacity of our power plant. As a result, there can be no assurance that the Sorik Marapi geothermal reservoirs will be able to supply geothermal energy at sufficient levels for the term of the Notes. As of the date of this offering memorandum, we are in the process of expanding our operations westward from Pad V to harness the potential resources identified in the sector through ongoing drillings. As of the date of this offering memorandum, there have not been any test results on the geothermal resources in this area and there can be no assurance that these wells will yield commercially viable results, or that we will recover the costs incurred in the development of such wells. Neither we, the Initial Purchaser nor any other person can provide any representations or assurances with respect to the capacity, productivity or deliverability of, or the steam and brine characteristics of, geothermal energy from the Sorik Marapi-Roburan-Sampuraga working area.

Our current and future operations depend on our ability to maintain good relations with the local community where our Facility is located.

Our current and future operations depend on our ability to maintain good relations with the local community where our Facility is located. Although we take an active and leading role in community development and invest in the economic well-being of the community by providing assistance to the local community where we operate, there have been incidents in the past when relations with the local community have been strained. For example, on January 25, 2021, a number of civilians demonstrated at our operations site due to the hydrogen sulfide exposure incident on January 25, 2021. See "– *Our financial performance depends on the successful operation of our facility, which is subject to various operational risks.*" If we are unable to maintain or continue to develop our good relationship with the local community, our operations could be materially adversely affected, which could in turn materially adversely affect our business, prospects, financial condition and results of operations.

In the future, any expansion plans may not be successful, additional facilities may not commence operation as planned and we may have difficulty securing necessary financing or financing on terms favorable to us for our facility expansion plans.

We intend to continue to explore the potential to expand our gross installed generation capacity at Sibanggor to take advantage of our PPA with PLN. Any exploration and development of, and construction of facilities and power plants in, the Sorik Marapi-Roburan-Sampuraga working area are subject to significant risks, including the need to incur significant expenses for preliminary engineering, exploration and development activities. In the future we may pursue the development of a new unit in other prospective areas in the Sorik Marapi-Roburan-Sampuraga working area in accordance with the PPA. In the event we proceed with this expansion, we would expect to increase our gross installed generation capacity by an amount that depends on exploration drilling and further resource assessment results.

We are also working to increase the project's gross installed generation capacity by developing an additional geothermal unit, Unit 5, with a net installed generation capacity of at least 23 MW (and up to 50 MW in accordance with the PPA). There can be no assurance that any plan to construct additional units will be successful, that the new unit(s) will commence operation as planned or at all, or that there will not be any issues in the commissioning of such unit(s). Pursuant to the terms of the PPA, any delay in the COD of Unit 5 could result in our Company being liable for certain penalties as follows:

(a) If Unit 5 does not achieve its COD within 90 days of May 5, 2024 (the "**Required COD**"), PLN will draw an amount equal to (i) the relevant percentage applicable to Unit 5 (being 50MW (the committed unit rated capacity of Unit 5) divided by 240 MW) (the "**Relevant Percentage**") multiplied by (ii) $2,298,974 from the performance security stage II under the PPA.

(b) If Unit 5 still has not achieved its COD within 120 days after the Required COD, PLN will again draw the same amount as abovementioned in point (a) from the performance security stage II under the PPA.

(c) If Unit 5 does not achieve its COD within 180 days after the Required COD, PLN will draw an amount equal to the Relevant Percentage of $3,065,300 from the performance security stage II under the PPA. Additionally, PLN has the right to terminate the PPA for that specific unit by giving written notice to our Company, provided that Unit 5 still has not achieved COD by the time the notice is given. However, such termination will not affect the validity and application of the PPA to other units that have already achieved their COD.

(d) If both parties agree not to terminate the PPA under point (c) above and instead mutually agree to extend the Required COD to a new date (the "**New Required COD**"), our Company will be required to pay liquidated damages to PLN. These damages will be calculated as the notional rated capacity in kilowatts multiplied by $0.0118, multiplied by 90%, multiplied by 24 hours per day, for each day of delay from 180 days after the Required COD until the earlier of either the new actual COD or the mutually agreed extended New Required COD. Additionally, our Company must extend the validity of the performance security stage II to 30 days after the New Required COD and increase the maximum amount claimable under the performance security stage II by the additional liquidated damages that would be payable if the COD had occurred on the extended New Required COD.

Although we have been in ongoing discussions with PLN to waive these penalties, which include efforts to agree to an extension of the Required COD in respect of Unit 5, there can be no assurance that PLN will grant such waiver and/or extension.

We have also in the past failed to meet our scheduled COD in respect of Unit 3 and Unit 4 as a result of supply chain issues during the Covid-19 pandemic. Our expansion plans are also subject to the risk that we may encounter drilling, engineering and environmental problems, construction and operational delays, failure by contractors and vendors to timely and properly perform under their contracts and adverse environmental and geological conditions, including inclement weather conditions.

Successful development and construction are contingent upon, among other things, negotiation of terms satisfactory to us of engineering, procurement and construction contracts with other project participants, receipt of required governmental permits and consents including land use rights and timely implementation of construction. There can be no assurance that development efforts on any particular facility or power plant, or our efforts generally, will be successful.

The development of the Sorik Marapi-Roburan-Sampuraga working area for additional generating units, and the construction of an additional unit, would require substantial capital investment, the availability of which depends on our ability to generate cash flow from operations, borrow funds on satisfactory terms or at all or raise funds in the capital markets or from our shareholder. For instance, the additional estimated development cost of Unit 5 could be in excess of US$46.5 million. There can be no assurance that we, given our substantial leverage, will obtain access to the debt and/or equity capital required to develop and construct new units or to refinance projects. If we seek other third-party financing in the future, our ability to arrange for such financing will depend on numerous factors, including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence in us, and political and economic conditions in Indonesia. There can be no assurance that such additional financing, either on a short-term or a long-term basis, will be available to us in the future or, if available, that such financing would be obtained on terms favorable to us.

Our success depends on our ability to attract and retain key employees.

Our success depends, in part, upon the continued commitment of our key management and technical personnel with specialized skills and abilities to our geothermal exploration and power production activities and on our ability to motivate and retain highly qualified employees. External factors, such as employment regulations governing minimum working hours and redundancy, could affect our ability to meet our labor needs and control our labor costs. In particular, regency governments in Indonesia annually issue new regulations governing the rates of minimum wages in their regencies. These rates typically increase each year. Any inflation of wages in the Indonesian energy industry could have a significant impact on the operating costs of our business and on our profit margin.

While we from time to time take reference to compensation and benefits surveys periodically conducted among companies in the Indonesian geothermal industry by an independent third-party consultant, maintain human resources policies that are based on the principles of fairness, non-discrimination and equal opportunity, and have put in place a talent strategy in terms of hiring, as well as an in-house expert team and people development program designed to adapt to changes in the industry and our business needs, there can be no assurance that the benefits and compensation packages that we provide to our employees, or our policies, are or will remain attractive, competitive and in line with the market, and, accordingly, that we will be able to retain existing and recruit new employees necessary for our operations. As competition in the Indonesian geothermal industry increases, we may find it increasingly difficult to attract and retain key employees, and any failure to do so may have an adverse effect on our financial condition and results of operations.

We outsource some of our operations and maintenance services to third parties and a related party.

In order to obtain the relevant technical expertise, some of our operations and maintenance services are outsourced to a related party, Zhejiang Kaishan Geothermal Power Plant O&M Service Co. Ltd. In addition, we have entered into contracts with a third party, PT Harapan Abadi Lestari, a local manpower services company, to provide contract labor, including support and unskilled workers, in relation to certain work activities, including O&M activities.

While the operations and maintenance of power transmission and interconnection equipment, the resource gathering system, the field as well as balance of plant is done in-house by our own trained and competent personnel, the spare parts and the operations and maintenance of certain equipment, including our steam expanders, steam ORC turbines and brine ORC turbines is outsourced to Zhejiang Kaishan Geothermal Power Plant O&M Service Co. Ltd. pursuant to an agreement dated January 1, 2020, which expires on December 31, 2024, and renewed by an agreement dated May 15, 2024, which will be in effect from January 1, 2025 and expires on December 31, 2029. As of the date of this offering memorandum, Kaishan Holding Group Co., Ltd. and its group of companies (the "**Kaishan Group**") is in the process of establishing a new company, PT Kaishan Group Geothermal Indonesia ("**KGGI**"), with the intention that all licenses obtained and all operations and maintenance services currently undertaken by Zhejiang Kaishan Geothermal Power Plant O&M Service Co. Ltd. will be transferred to the new entity, KGGI. There can be no assurance that the transfer of such functions and obligations will not result in disruption in the services that we obtain from the Kaishan Group, which could have a material effect on our results of operations.

We expect that these arrangements will achieve cost savings and efficiencies. However, if the service providers to which we outsource these functions do not perform effectively, we may not be able to achieve the expected cost savings and may have to incur additional costs in connection with such failure to perform. Moreover, if these companies default on their obligations to provide services to us, we may find it difficult to replace such services in a satisfactory manner, or at all. Such failures may also lead to business disruption, decreased operating efficiency at our power plant, decreased output, or other problems. Any such damage or interruption could have a material adverse effect on our business, cause us to face significant harm to our reputation with PLN or otherwise adversely affect our operations and prospects.

Our largest shareholder is able to influence our corporate actions and may have interests that are not aligned with yours.

Since February 27, 2018, Kaishan Compressor (Hong Kong) Co. Ltd. has, indirectly owned 95.0% of, and effectively controlled, our Company, through their 100.0% interest in KS Orka, which has a 100.0% interest in OTP Geothermal PTE. Limited, our parent company, which, in turn, holds a 95.0% interest in our Company. The remaining 5.0% interest in our company is held by an unrelated third party, PT Supraco Indonesia. See "*Major Shareholders*". Under the shareholders'

agreement among OTP Geothermal PTE. Limited, PT Supraco Indonesia and our Company, executed on May 13, 2014, as amended on May 25, 2016 (the "**Shareholders' Agreement**"), PT Supraco Indonesia is entitled to appoint one Director and one Commissioner. Notwithstanding this, OTP Geothermal PTE. Limited has the ability to influence the day-to-day operations and management of our Company as it holds 95.0% of the issued and paid-up share capital of our Company and has the ability to appoint the majority of the members of the board of directors and board of commissioners of our Company. No assurance can be given that the objectives of our largest shareholder will not conflict with our business goals and objectives. Our shareholders may also be able to deter or delay a future takeover or change of control of our Company. See "*Major Shareholders*".

Our operations are subject to legal and regulatory risks including uncertainty as to the implementation of certain legislation.

Since 2001 the Indonesian oil and gas industry has been significantly impacted by the development and implementation of a regulatory framework for the geothermal sector. Government Regulation in Lieu of Law No. 44 of 1960 on Oil and Gas Mining and Presidential Decree No. 22 of 1981 on Granting the Power of Attorney for the Exploration and Exploitation of Geothermal Resources for Energy/Electricity Generation to Pertamina in Indonesia, as amended by Presidential Decree No. 45 of 1991 and later revoked by Presidential Decree No. 76 of 2000, formerly regulated the geothermal sector. However, an oil and gas law, passed in October 2001, namely the Law No. 22 of 2001 on Oil and Gas, removed geothermal power from the purview of oil and gas regulation.

Subsequent to the separation of the geothermal sector from the oil and gas regulatory framework, the Government issued Law No. 27 of 2003 on Geothermal ("**Old Geothermal Law**") as replaced and revoked by the 2014 Geothermal Law (the Old Geothermal Law and the 2014 Geothermal Law, together, the "**Geothermal Laws**"). Several implementing regulations have been issued with respect to geothermal activities, among others Government Regulation No. 59 of 2007 on Geothermal Business Activities, which has been amended by Government Regulation No. 75 of 2014 and then revoked and replaced by Government Regulation No. 7 of 2017 on Geothermal For Indirect Utilization as amended by Government Regulation No. 25 of 2021 ("**Government Regulation No. 7 of 2017**"), Government Regulation No. 28 of 2016 on Amounts and Procedures for the Deposit Of Geothermal Production Bonuses ("**Government Regulation No. 28 of 2016**"), MEMR Regulation No. 44 of 2016 on The Form and Procedures of Deposit and Release of Geothermal Exploration Commitment, MEMR Regulation No. 21 of 2017 on the Management of Drilling Mud and Drilling Powder Wastes in Geothermal Drilling, MEMR Regulation No. 23 of 2017 on the Procedure for Reconciliation, Depositing and Reporting of Geothermal Energy Production Bonuses ("**MEMR Regulation No. 23 of 2017**"), MEMR Regulation No. 36 of 2017 on the Procedures for Assignment of Preliminary Survey and Assignment of Preliminary Survey and Exploration of Geothermal and MEMR Regulation No. 37 of 2017 on the Geothermal Working Area for Indirect Utilization ("**MEMR Regulation No. 37 of 2017**"), MEMR Regulation No. 33 of 2018 on Management and Utilization of Geothermal Data and Information for Indirect Utilization (the "**MEMR Regulation No. 33 of 2018**") and MEMR Regulation No. 37 of 2018 on the Offering of Geothermal Working Areas, Granting of Geothermal License and Assignment on the Geothermal Commercialization.

The Old Geothermal Law introduced significant changes in the geothermal industry. For example, pursuant to the Old Geothermal Law, geothermal activities could only be implemented by virtue of geothermal mining business permits (*izin usaha pertambangan panas bumi* or "**IUP**") issued by the MEMR or the relevant local government (i.e. the governor/mayor), in accordance with their respective authority (i.e. based on where the geothermal area was located). Furthermore, Law No. 21 of 2014, which introduced the geothermal permit (*izin panas bumi* or "**IPB**") regime, provided that the authority to issue the geothermal permit for indirect utilization of geothermal would pass to the central government (i.e. MEMR) and revoked the local government's authority to issue geothermal mining permits (as was set out in the Old Geothermal Law).

In addition, on June 3, 2014, the MEMR issued MEMR Regulation No. 17 of 2014 on the Purchase of Electricity from Geothermal Power Plants and Geothermal Steam for Geothermal Power Plants by PT Perusahaan Listrik Negara (Persero) ("**MEMR Regulation No. 17 of 2014**"), which requires PLN to purchase electricity generated from geothermal power plants operated by IUPTLU holders that are also holding an IPB. Initially, under MEMR Regulation No. 50 of 2017 on the Utilization of Renewable Energy for Electricity Supply as amended most recently by MEMR Regulation No. 4 of 2020 on Utilization of Renewable Energy Resources for the Production of Electricity ("**MEMR Regulation No. 50 of 2017**"), renewable power generation projects were benchmarked against PLN's average electricity generation basic cost (also known as *Biaya Pokok Penyediaan* or "**BPP**") for the preceding year in the area where that project was located. The low generating BPPs in most of the relevant areas are the result of Indonesia's principal reliance on coal-fired power plants, which are not comparable for the calculation of renewable power generation prices. The ceiling price for the purchase of electricity produced by a geothermal power plant was set (i) at a maximum of 100% of the local basic production price applicable in the area where the power plant is located if the local basic production price for the local electrical system was above the average national basic production price; or (ii) based on mutual agreement if the local basic production price for the electrical systems in Java, Sumatra and Bali or the other local electrical systems were equal to or lower than the national basic production price, subject always to approval from MEMR. In response to the relatively low ceiling price, the government introduced Presidential Regulation No. 112 of 2022 on the Acceleration of the Development of Renewable Energy for the Supply of Electrical Power, whereby specifically for geothermal energy, a pre-determined ceiling tariff is used as a base for determining PLN's purchase price. This regulation replaces the system established under MEMR Regulation No. 50 of 2017. The tariff, which is subject to escalation, now differs based on the size of the project and the contract year. Other multiplying factors include the location of the plant and the cost of transmission to PLN's grid. Under Presidential Regulation No. 112 of 2022, the base ceiling tariff for geothermal power plant with nameplate capacity of more than 100 MW is US$0.0765/kWh, and for geothermal power plant with capacity between 50 – 100 MW the base ceiling tariff is US$0.0864/kWh.

The Government has also introduced another financial obligation, known as a "Production Bonus", payable by all geothermal businesses, to the regional governments within the jurisdictions in which the geothermal projects are located pursuant to Law No. 21 of 2014, Government Regulation No. 28 of 2016 on Amounts and Procedures for the Deposit of Geothermal Production Bonuses and MEMR Regulation No. 23 of 2017 on Procedure for Reconciliation, Depositing and Reporting of Geothermal Energy Production Bonuses. The amount of Production Bonus is 1% for sale of steam and 0.5% for the sale of electricity calculated based on the companies' gross revenues.

An implementing regulation concerning the mechanism of reimbursement of the Production Bonus to geothermal businesses was issued in December 2017 by the Minister of Finance under Regulation No. 201/PMK.02/2017 on the Reimbursement Mechanisms for the Payment of Production Bonus to Geothermal Entrepreneurs ("**MOF Regulation No. 201 of 2017**"). Under the MOF Regulation No. 201 of 2017, geothermal business operators, defined to include geothermal resource exploitation concession holders, joint operating contract holders, and geothermal resource exploitation license holders, may submit a reimbursement request once in a three-month period to the Directorate General of Budgeting of the Ministry of Finance with a copy to the Director General of EBTKE of the MEMR. When the reimbursement request is approved, the Directorate General of Budgeting of the Ministry of Finance will instruct the Directorate General of Treasuries to process the reimbursement. See "*Regulation and Regulatory Framework of the Indonesian Geothermal Power and Electricity Industry – Law No. 21 of 2014 on Geothermal – Production Bonus*".

Our current and future operations, including development activities and electricity generation from power plants, require licenses and permits from various governmental authorities. Such operations are and will be subject to laws and regulations governing development and utilization of geothermal resources, the construction, ownership and operation of private power projects in Indonesia, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, the use of forestry area, environmental management and protection, project safety and other matters. We may also experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations, licenses and permits. As well as the risk of costly and time-consuming regulatory compliance, there is no assurance that we will obtain all approvals or required licenses and permits. Additional permits, licenses and studies, which may include environmental impact studies conducted before licenses and permits can be obtained, may be necessary prior to the development of properties or the operation of power plants in which we have interests, and there can be no assurance that we will be able to obtain or maintain all necessary licenses or permits that may be required on terms that enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, licensing or permit requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. We may be required to compensate those suffering loss or damage by reason of our activities and may have civil or criminal fines or penalties imposed upon us for violations of applicable laws or regulations.

We are also subject to changes in the laws, regulations and Government policies affecting or governing our operations or in their interpretations and we may be affected by any change in current taxation regulations. Any change in the laws, regulations or policies affecting us or our operations could materially adversely affect our operations or increase our compliance expenses, which could in turn materially adversely affect our business, prospects, financial condition and results of operations.

Continued compliance with, and any changes in, environmental, health and safety laws and regulations may adversely affect our operating costs.

Our operations are subject to various environmental, health and safety laws and regulations relating to water, air and noise pollution, the management of hazardous chemicals, materials and waste and workplace conditions and employee exposure to hazardous substances. See "*Business – Environmental, Health and Safety Compliance*". Such laws and regulations generally require us to obtain and comply with conditions contained in various licenses, permits and other approvals.

Although we have obtained approvals for the *Analisis Mengenai Dampak Lingkungan* – Analysis of Environmental Impact ("**AMDAL**") and Efforts for Environmental Management and Monitoring (*Upaya Pengelolaan dan Pemantauan Lingkungan Hidup* or "**UKL-UPL**"), we are required to submit a report on the implementation of AMDAL and UKL-UPL, respectively, every six months. Any delay in receipt of or failure to submit or maintain any required periodical report to the appropriate governmental bodies or to satisfy any of the conditions set forth in our permits or approvals could restrict, suspend or halt our operations.

In addition, regulatory compliance for the continuing exploration and development of the Sorik Marapi field and the construction of new facilities is a costly and time-consuming process. Changing environmental regulations may require major expenditures for obtaining permits and regulatory compliance and can create the risk of expensive delays or material impairment of project value.

The adoption of new environmental, health and safety laws, policies or regulations, such as the Environment Protection Law which was passed on September 8, 2009 as further amended by Government Regulation in lieu of Law No. 2 of 2022 on Job Creation as promulgated into Law by Law No. 6 of 2023, or changes in the interpretation or application of existing environmental, health and safety laws, policies and regulations that modify the present regulatory environment, could require compliance procedures that increase our costs and have a material adverse effect on our ability to operate our Facility and, consequently, to meet our obligations under the Notes. See "*Description of Material Contracts – Power Purchase Agreement – Change in law*". Furthermore, if the measures that we implement to comply with new environmental, health and safety laws and regulations are not deemed sufficient by governmental authorities, we may be subject to administrative, civil and criminal proceedings by governmental authorities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us, as well as court or administrative orders that could limit or halt our operations.

Disclosure of geothermal data is subject to legal and regulatory risks.

Pursuant to the 2014 Geothermal Law, any data and information obtained from performing geothermal business activities are state owned, of which the utilization management shall be done by the Government. All parties are prohibited from sending, delivering and/or transferring such data and information without the consent of the Government. Restrictions on the utilization and transfer of data and information as stipulated in the 2014 Geothermal Law are further regulated in Government Regulation No. 7 of 2017, which applies to the conversion of geothermal energy into electric power and MEMR Regulation No. 33 of 2018. Under Government Regulation No. 7 of 2017 and MEMR Regulation No. 33 of 2018 on the Management and Utilization of Geothermal Data and Information for Indirect Utilization ("**MEMR Regulation No. 33 of 2018**"), geothermal data and information is defined as all facts, references, indications and information in relation with geothermal resources. Further, MEMR Regulation No. 33 of 2018 and MEMR Regulation No. 37 of 2017 stipulates that geothermal data and information shall include geoscience data, geochemical data, geophysical data, data on the exploration well drilling, and data on geothermal probable reserves. Government Regulation No. 7 of 2017 provides that geothermal data and information may be utilized for (i) the preparation of power supply business plans; (ii) development of geothermal science and technology; (iii) the preparation of regional spatial layout plans; and (iv) other utilization. Other utilization may only be performed with certain permits from MEMR. Further, pursuant to Government Regulation No. 7 of 2017 and MEMR Regulation No. 33 of 2018, geothermal data and information must be stored and secured within the territory of the Republic of Indonesia.

Under MEMR Regulation No. 33 of 2018, geothermal data and information are divided into (i) general data; (ii) raw data; (iii) processed data; and (iv) interpretation data. General data is data regarding the identification of the geographical location of the potential, well location, and geothermal production operation data ("**General Data**"). Raw data is data containing descriptions or quantities from the recording or recording results of geological, geochemical, geophysical investigations, geothermal well drilling activities, and Geothermal well production ("**Raw Data**"). Processed data is data obtained from the results of analysis and evaluation of Raw Data ("**Processed Data**"), and interpretation data is data obtained from the interpretation of Raw Data and/or Processed Data.

Pursuant to MEMR Regulation No. 33 of 2018, among others, IPB holders intending to transfer geothermal data and information shall obtain a permit from the MEMR. Such permit shall apply to transfer of geothermal data and information in relation activities that are outside of geothermal exploitation for indirect utilization, for the transfer of rights (i.e., the disposal, release, or reduction of capital of a geothermal entity to another business entity), or activities outside the implementation of the assignment (i.e., applicable for state-owned enterprises). There can be no assurance that the Government of the Republic of Indonesia would not deem the information

pertaining to the geothermal data as disclosed in this offering memorandum as data which must be kept within the territory of the Republic of Indonesia and requires a permit from the MEMR to be disclosed in this offering memorandum. Failure to comply with the requirement to obtain consent from the Government prior to transferring geothermal data could result in sanctions of up to five years of imprisonment (which will be imposed on the directors of the geothermal company) or fines of up to Rp.25.0 billion which will be imposed on the directors of the geothermal company. In addition, fines of up to Rp.33.3 billion or administrative sanctions, including suspension of geothermal activities or revocation of geothermal business license, may be imposed on the relevant geothermal company. See "*Regulation and Regulatory Framework of the Indonesian Geothermal Power and Electricity Industry – Data Disclosure*".

We have incurred and may in the future incur substantial indebtedness or contingent liabilities, which could adversely affect our financial health and our ability to generate sufficient cash to satisfy our outstanding and future debt obligations.

We may in the future incur a substantial amount of indebtedness, for instance, in connection with the expansion of our operations and the development of new units. As of March 31, 2024, our total loans payable was US$463.2 million, with the majority of our loans payable being in respect of our shareholder and related parties at US$357.1 million. Our loans payable also included US$100 million and CNY960 million made available to our Company pursuant to a floating-rate syndicated loan facility (the "**Syndicated Loan Facility**", which is presented as Loans Payable to Third Parties in the Financial Statements) agreement dated July 3, 2017 between our Company, Export Import Bank of China, Zhejiang Branch, Bank of China Limited, Quzhou Branch and Bank of China Limited, Jakarta Branch, guaranteed by Zhejiang Kaishan Compressor Co. Ltd. (now known as Kaishan Group Co., Ltd.) and secured by a share pledge over shares in Kaishan Group Co., Ltd owned by Kaishan Holding Group Co., Ltd.. The funds borrowed pursuant to the Syndicated Loan Facility are due on April 18, 2027. As of March 31, 2024, the total amount outstanding under the Syndicated Loan Facility was US$45.6 million and CNY437.3 million. As a result of this substantial indebtedness, we will require substantial cash flow to meet our obligations under our current and anticipated indebtedness. Therefore, a substantial part of our cash flow from operations may not be available for our business. Such consequences could:

- limit our ability to satisfy our obligations under the Notes and other debt;
- increase our vulnerability to adverse general economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to servicing and repaying our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;
- limit our flexibility in planning for or reacting to changes in our businesses and the industry in which we operate;
- place us at a competitive disadvantage compared to our competitors that have less debt;
- limit, along with the financial and other restrictive covenants of our indebtedness, among other things, our ability to borrow additional funds; and
- increase the cost of additional financing.

Additionally, as of the date of this offering memorandum, we are currently party to arbitration proceedings brought by PT Greatwall Drilling Asia Pacific ("**GWD**") on October 31, 2023 at the Singapore International Arbitration Centre in respect of disputes arising under a contract for the provision of drilling services, dated January 20, 2019, pursuant to which GWD was engaged to drill several geothermal wells. GWD is currently claiming US$11,668,401.65 for allegedly unpaid invoices. Our Company is defending this claim and pursuing a counterclaim against GWD for

breach of contract and associated losses, currently estimated at approximately US$21 million. The outcome of the arbitration will be heavily dependent on technical expert evidence, and there can be no assurance that this liability will not materialize. Additionally, while we believe we have made a reasonable provision for this claim, there can be no assurance that our provisions will be sufficient for any liability that materializes, which may have an adverse effect on our financial position. See Note 21 of the Audited Financial Statements.

In the future, we may from time to time incur substantial additional indebtedness. If we or our future subsidiaries incur additional debt, the risks that we face as a result of our already substantial indebtedness and leverage could intensify. In addition, if we incur any additional indebtedness that ranks equally with the Notes, the relevant creditors will be entitled to share ratably with the holders of the Notes in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of our Company. This may have the effect of reducing the amount of proceeds paid to the holders of the Notes.

Our ability to generate sufficient cash to satisfy our outstanding and future debt obligations will depend upon our future operating performance, which will be affected by prevailing economic conditions and financial, business and other factors, many of which are beyond our control. See "*– Risks Relating to the Notes – We may not be able to generate sufficient cash flows to meet our debt service obligations, which will affect our ability to pay principal and interest on the Notes.*"

Any of these factors could materially and adversely affect our ability to satisfy our obligations under the Notes and other debt.

Our failure to prepay lenders or obtain consents from such lenders under the Syndicated Loan Facility may result in a breach under the terms of the Syndicated Loan Facility.

The terms of the Syndicated Loan Facility (which is presented as Loans Payable to Third Parties in the Financial Statements) prohibit a substantial increase in our debt financing, including the issuance of Notes, without the prior consent from the lenders under the Syndicated Loan Facility. See "*Description of Material Contracts – Syndicated Loan Facility – Negative Covenants*." In addition, the terms of the Syndicated Loan Facility require lenders' consent to prepay the facility and a notice period of 30 business days for prepayment of the loans under the Syndicated Loan Facility.

Accordingly, if such lenders do not provide their consent, the issue of the Notes may lead to a breach of the terms of our Syndicated Loan Facility. Further, if the lenders were to refuse to accept prepayment of the loans at a later date (including on account of the prepayment notice timelines not being complied with), an event of default under the Syndicated Loan Facility may be triggered on account of the issue of the Notes and related actions, which may cause a cross default under certain of our indebtedness.

We are subject to uncertainties as to the interpretation and application of certain Indonesian tax laws.

According to the 2014 Geothermal Law and Government Regulation No. 7 of 2017, we are obliged to pay tax, customs duties, and import tax in accordance with prevailing tax laws. The Ministry of Finance of the Republic of Indonesia has, however, granted our Company a corporate income tax reduction facility under decree No. 266/KM.3.2019 dated May 8, 2019, in the form of: (a) a reduction of 100% of income tax payable for the period of ten fiscal years, starting from the fiscal year of the commencement of COD; (b) a reduction of 50% of income tax payable for the period of two fiscal years, starting from the ending of the first ten fiscal years; and (c) an exemption from withholding and collection of taxes from third parties on the income received by our Company for the period of ten fiscal years, starting from the fiscal year of the commencement of COD. Such tax reduction facility has accordingly reduced the corporate income tax to which we are liable, which

would otherwise be payable at 22% of taxable income, calculated based on electricity revenue less deductible costs related to our business.

Under Indonesian tax laws applicable as of the date of this offering memorandum, we are obliged to withhold tax at the rate of 10% when certain interest is due or paid to the note holders, whichever is earlier. Subject to certain exclusions, both resident and non-resident noteholders will generally be entitled to a gross-up for such amounts withheld with respect to the Notes. See "*Description of Notes – Additional Amounts*." In that event, we shall pay such additional amounts as will result in the receipt by the relevant recipient of such amounts as would have been received if no such withholding or deduction had been required. Any withholding or deduction, and income tax attributable to all payments under or with respect to the Notes, that will be borne by the Issuer, cannot be deducted in determining the amount of our taxable income. This could have an adverse impact on our business, prospects, results of operations, and financial condition.

Further, For the local procurement of goods and/or services, we are subject to 11% Value Added Tax ("**VAT**"). From 2025, the applicable VAT rate will be increased to 12%. The importation of goods is also subject to customs duty and import taxes (i.e., income tax and VAT). All VAT paid will be treated as operating costs.

Pursuant to the 2014 Geothermal Law, we are also required to pay a Production Bonus calculated based on our gross revenue. See "*– Our operations are subject to legal and regulatory risks including uncertainty as to the implementation of certain legislation*". Furthermore, based on the provisions stated in Article 5 paragraph (6) of the Minister of Finance Regulation Number 201/PMK.02/2017, we are required to submit a notification letter confirming the receipt of Production Bonus replacement along with a photocopy of the receipt to the Director General of Budgeting, and concurrently to the Director General of Non-Tax State Revenue, with a copy to the Director General of Treasury and the Director of State Treasury Cash Management no later than seven working days after the production bonus replacement is received in the company's account. On April 5, 2024, a decision letter was issued by the MEMR, stipulating the Production Bonus required to be paid for the period from January 2023 to December 2023, which was payable within 14 days since the issuance of the decision letter, for IDR6,362,835,066. Such amount was paid on April 18, 2024.

There can be no assurance that we will continue to be eligible for the aforementioned tax concessions and exemptions, nor can there be any assurance that the government of Indonesia will not adversely amend applicable tax laws and regulations, any of which may have an adverse effect on our business, financial condition or results of operations.

Growing regional autonomy creates an uncertain business environment for us and may increase our costs of doing business.

In response to a rise in demands for, and assertion of autonomy in, local governments in Indonesia, the Government has granted greater autonomy to local governments. This allows the imposition by such local governments of taxes and other charges on businesses within their jurisdiction and often requires local participation and investment in such businesses. Increased regional autonomy may expose us to certain risks including increased regulation of our business, and an increase in our taxes and other costs of doing business. These factors could have a material adverse effect upon our business, prospects, results of operations and financial condition.

Under Law No. 23 of 2014 on Regional Government, as most recently amended by Law No. 9 of 2015 (the "**Regional Government Law**") and Law No. 21 of 2014, the roles of provincial and regency governments has diminished. The Regional Government Law provides that provincial and regency governments are authorized only to issue geothermal direct utilization permits. In addition, pursuant to the Regional Government Law, regency governments no longer have the

authority to issue electricity-related permits. This provision aligns with the provision of Law No. 30 of 2009 on Electricity (the "**Electricity Law**"). Pursuant to the Electricity Law, electricity supply for public interest business license is now issued through the Online Single Submission ("**OSS**") system. See "*Regulation and Regulatory Framework of the Indonesian Geothermal Power and Electricity Industry – Autonomy Law*."

A number of regional governments have commenced a review of their electricity energy infrastructure located within their regions with a view to developing and constructing power plants as co-investors. The extent to which our business and operations will be affected by future development of this policy by regional governments is unknown.

Our operations are dependent on our ability to obtain, maintain and renew land use rights.

Our Facility is situated in a working area of 62,920 hectares. We are currently using approximately 115 hectares of operation area located in the Sorik Marapi-Roburan-Sampuraga working area by virtue of the IPB, lands with Right to Build (*hak guna bangunan,* or "**HGB**") and certain Forestry Area Utilization Approval (*Persetujuan Penggunaan Kawasan Hutan* or "**PPKH**"). See "*Business – Properties*".

Our operations are dependent on our ability to obtain, maintain and renew relevant land use rights over land located in the Sorik Marapi-Roburan-Sampuraga working area. Our HGB lands cover approximately 69 hectares with different expiry dates of which the soonest will be in 2034. Additionally, based on the Cover Note issued by Fitrisna, S.H., M.Kn, Notary in Mandailing Natal Regency, No. 1816/PPAT/FB/VI/2024 dated June 29, 2024, there is a total land area of 22.0103 hectares currently in the process of HGB registration. These lands are used for a pipelines corridor, power plant, basecamps, substation and to access roads to certain wellpads. Further, we obtained a PPKH for exploration issued by the Minister of Forestry on October 8, 2021, which was amended on November 22, 2022 and subsequently extended on January 26, 2024, covering approximately 131.82 hectares (exploitation permit) of land in the protected forest area of Mandailing Natal Regency, which relates to land which we would use if we decide to develop an additional generating unit. The PPKH will expire on October 7, 2025, and will have to be renewed and extended thereafter. If we are not able to obtain, maintain or renew land rights over the relevant parcels of land in the Sorik Marapi-Roburan-Sampuraga working area, or if we have to incur significant additional costs, to obtain or renew such land use rights, our business, prospects, financial condition, and results of operations would be materially adversely affected.

We may not have adequate insurance coverage and may not be able to obtain or maintain adequate insurance and insurance proceeds may not be sufficient for the holders of the Notes to recover all amounts due on the Notes.

We hold insurance policies for business interruption, property all-risks insurance, machinery breakdown and general liability insurance. There can be no assurance that insurance proceeds from these policies will adequately cover all losses sustained or that insurance from the relevant policies will continue to be available in the future in amounts adequate to insure against our operational losses or property damage. See "*Business – Insurance*". For example, in respect of the demonstration in January 2021, we obtained an insurance payout in the amount of US$505,730, whereas our total claim was US$4,444,331 (including one month's deductible of US$2,400,000). Losses in excess of insurance proceeds were funded from our cash reserves. In the event insurance proceeds do not adequately cover all losses sustained, such an event could have an adverse effect on our business, prospects, financial condition and results of operations.

Further, in the event of major damage to or the destruction of Sorik Marapi field and/or our power plant, there can be no assurance as to the amount of insurance proceeds that we would receive.

As such, the insurance proceeds received by us in the event of major damage to, or the destruction of, Sorik Marapi field and/or our power plant may not be sufficient to satisfy our obligations under the Notes.

Our insurance policies are subject to annual renewal. Our current policies are due to expire on January 24, 2025 (see "*Business – Insurance*" for further details). While we believe we will be able to renew such policies prior to expiration in the future, there is a possibility that we may not be able to renew such policies on time and any failure to renew our insurance policies on time may result in a breach of our existing financing arrangements or the Indentures. In addition, various factors outside of our control may affect the availability of insurance coverage, as well as premium levels for our policies. If the availability of insurance coverage is significantly reduced, we may become exposed to certain risks for which we are not or cannot be insured. In addition, there can be no assurance that comprehensive insurance coverage will be available in the future at commercially reasonable rates. If premium levels for insurance coverage required for our operations or facilities increase significantly, we could incur substantially higher costs for such coverage, which could have an adverse effect on our business, prospects, financial condition and results of operations.

We do not fully insure against all operating hazards, including the risks of doing business in Indonesia, the risks of war, terrorism, expropriation, nationalization, renegotiation or nullification of existing contracts, changes in taxation policies, currency exchange restrictions, changing political conditions or international monetary fluctuations. In particular, we are self-insured in respect of accidents that occur in connection with the drilling of wells. If our operations suffer a material uninsured loss or if any insured loss significantly exceeds available insurance coverage, our business, prospects, financial condition and results of operations may be adversely affected.

Our ability to recover proceeds pursuant to our insurance policies may be subject to financial limitations on the liability of our respective insurance companies. There may also be thresholds to the amount of loss suffered and the duration of loss or business interruption before insurance proceeds are paid to us. We may also be subject to restrictions on the amount recoverable for certain types of losses incurred by damage to property. Such insurance policy provisions restrict our ability to claim for the full amount of our losses and our business, prospects, financial condition and results of operations may be adversely affected.

The projections contained herein and their underlying assumptions may be inaccurate.

This offering memorandum contains certain assumptions and projections with respect to the Company's geothermal operations, based on management estimates and surveys conducted by Geologica Geothermal Group, Inc. ("**Geologica**"). After the issuance of the Notes, neither we nor Geologica are obliged to provide the Holders with revised projections, or any report or analysis of any differences between the projections contained therein and actual results later achieved, and we expressly disclaim any duty to update the projections under any circumstances. For the purposes of preparing these projections, certain assumptions were made with respect to technical and performance parameters of our power plant's geothermal resources, material contingencies and other matters that are not within our, Geologica's or any other person's control and the outcome of which cannot be predicted. Accordingly, the projections may not be representative of actual performance. The assumptions used for the projections are inherently subject to significant uncertainties and actual results could differ materially from those projected. We cannot assure you that these assumptions are correct or that the projections will reflect actual results of operations. If actual results are materially less favorable than those shown or contained in the projections, or if the assumptions used in formulating the projections and estimates prove to be incorrect, then our ability to make payments on the Notes may be materially impaired.

Risks Relating to Indonesia

Since all of our operations and assets are located in Indonesia, we could be adversely affected by changes in Government policies, social instability, natural disasters or other political, economic, legal, social, regulatory or international developments in or affecting Indonesia which are not within our control, examples of which are described below. These could, in turn, have an adverse effect on our business, financial condition, results of operations and prospects.

Regional or global economic changes may materially and adversely affect the Indonesian economy and our business.

The economic crisis that affected Southeast Asia, including Indonesia, from mid-1997 was characterized in Indonesia by, among other effects, currency depreciation, a significant decline in real gross domestic product ("**GDP**"), high interest rates, social unrest and extraordinary political developments.

Indonesia's economy was also significantly affected by, among other things, the global economic crisis which began in late 2008 and the COVID-19 pandemic. The resulting adverse financial developments were characterized by, among other things, a shortage in the availability of credit, a reduction in foreign direct investment, the failure of global financial institutions, a drop in global stock markets, a slowdown in global economic growth and a drop in demand for certain commodities. Further, while the global economy has grown in recent years, the downturn in China's economy and decline in global commodity prices have created additional economic uncertainty worldwide. These negative economic developments have adversely affected both developed economies and developing markets, including Indonesia and other Association of Southeast Asian Nations ("**ASEAN**") countries.

Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets in other countries. We cannot assure you that these past developments will not continue to affect us, nor that any future developments in international markets could not affect us, including our results of operations and consequently the market price of the Notes. Similarly, we cannot assure you that volatility in global financial markets will not affect the Indonesian economy and consequently our business, prospects, financial condition and results of operations.

The Indonesian Government continues to have a large fiscal deficit and a high level of sovereign debt, its foreign currency reserves are modest, the Rupiah continues to be volatile and has poor liquidity, and the banking sector is weak and suffers from high levels of non-performing loans. Government funding requirements to areas affected by natural disasters, as well as increasing oil prices, may increase the Indonesian Government's fiscal deficits and could in turn adversely affect the Government's ability to fund subsidies to PLN. Although the Government has taken many steps to improve these conditions, with the aim of maintaining economic stability and public confidence in the Indonesian economy, continuation of these unprecedented conditions may negatively impact economic growth, the Government's fiscal position, the Rupiah's exchange rate and other facets of the Indonesian economy. There can be no assurance that the recent improvements in economic conditions will continue or the previous adverse economic conditions in Indonesia and the rest of Asia will not reoccur. In particular, a loss of investor confidence in the financial systems of emerging and other markets, or other factors, may cause increased volatility in the Indonesian financial markets and inhibit or reverse the growth of the Indonesian economy. Any such increased volatility, slowdown or negative growth in the global economy, including the Indonesian economy, may materially and adversely affect our business, financial condition and results of operations.

Indonesia remains subject to considerable political and social instability.

Since President Soeharto's regime ended in 1998, Indonesia has experienced a process of democratic change, which on occasion has resulted in political instability and social and civil unrest. Since 2000, thousands of Indonesians have participated in demonstrations in Jakarta and other Indonesian cities both for and against former President Abdurrahman Wahid, former President Megawati Sukarnoputri, former President Susilo Bambang Yudhoyono, and President Joko Widodo as well as in response to specific issues, including fuel subsidy reductions, electricity subsidy reductions, privatization of state assets, anti-corruption measures, decentralization and provincial autonomy and the American-led military campaigns in Afghanistan and Iraq and potential increases in electricity tariffs. Some of these demonstrations turned violent. In late March 2012, new protests took place in Jakarta and other parts of the country against proposed fuel price increases. In response, the Parliament voted to defer the subsidy cut, and instead granted the Government authority to adjust the price of subsidized fuel if average oil prices trade at a premium of at least 15% over the budgeted rate in a six-month period.

In and shortly after October 2016, thousands of Indonesians marched in a series of demonstrations in Jakarta and other cities either in support of or in opposition to the Governor of Jakarta, Basuki Tjahaja Purnama in connection with blasphemy allegations against him, in the period preceding a Jakarta Gubernatorial election in early 2017. Mr. Purnama was convicted of the blasphemy charges in May 2017. On April 17, 2019, for the first time in history, Indonesia held a general election, where the President and Vice President, members of People's Consultative Assembly (*Majelis Permusyawaratan Rakyat*) and the Regional House of Representatives (*Dewan Perwakilan Rakyat Daerah*) were elected on the same day. On May 21, 2019, the General Elections Commission ("***Komisi Pemilihan Umum***" or "**KPU**") officially announced that the incumbent President Joko Widodo had won the 2019 Presidential election. Following the official announcement of the election results, protests and riots erupted in various area in Jakarta over two days and authorities officially stated that nine people were dead, more than two hundred were injured and more than three hundred were arrested as results of the protests and riots. During the most recent presidential election held in February 2024, Prabowo Subianto was announced as the winning presidential candidate with 58.6% of the total vote. Both the opposing presidential candidates, Anies Baswedan and Ganjar Pranowo, declined to concede and filed complaints with the Indonesian Constitutional Court contesting the outcome of the vote, alleging that the election had been unfairly influenced. The Indonesian Constitutional Court dismissed the complaints on April 22, 2024, and the KPU subsequently formally declared Prabowo Subianto as Indonesia's President-elect on April 24, 2024. We cannot assure you that further developments with respect to the 2024 elections will remain peaceful and will not turn violent.

Political and related social developments in Indonesia could result in civil disturbances that could directly or indirectly, materially and adversely affect our businesses, financial condition and results of operations. Additional political and related social developments in Indonesia could result in civil disturbances that could directly or indirectly, materially and adversely affect our businesses, financial condition and results of operations. Political and social unrest may occur if the results of future elections are disputed or unpopular. Any resurgence of political instability could lead to extended disruptions, which may adversely affect our business and/or the Indonesia economy. We cannot assure you that social and civil disturbances will not occur in the future and on a wider scale, or that any such disturbances will not, directly or indirectly, materially and adversely, affect our business, financial condition, results of operations and prospects, and our ability to make payments under the Notes.

Indonesia is located in an earthquake zone and is subject to significant geological risk that could damage our power plant, degrade our geothermal assets and cause us to shut down our power plant. Furthermore, significant geological disturbances could lead to social unrest and economic loss.

The Indonesian archipelago is one of the most volcanically active regions in the world. As it is located in the convergence zone of three major lithospheric plates, it is subject to significant seismic activity that has in the past, and can in the future, lead to destructive earthquakes, tsunamis, volcanic eruptions, tidal waves, floods and landslides.

For example, on September 28, 2018, a 7.7-magnitude earthquake struck just off the central island of Sulawesi, setting off a tsunami that engulfed the coastal city of Palu. The known number of fatalities as a result of the tsunami has risen to over 4,800. Additionally, on December 22, 2018, a tsunami followed an eruption and partial collapse of the Anak Krakatau volcano in the Sunda Strait, striking coastal regions of Banten province, Java, and Lampung province, in Sumatra. More than 437 people were killed and 14,059 were injured in the aftermath. Roads connecting Serang and Pandeglang was cut off as a result. In addition, heavy rain caused massive flooding in the capital and the Greater Jakarta region and several other regions, including Aceh from December 31, 2019 until January 1, 2020. In January 2021, floods and landslides in Manado resulted in thousands of people being evacuated and more than a dozen deaths. In November 2022, an earthquake struck near Cianjur in West Java where at least 331 people died and thousands were injured. These types of events may cause significant disruptions and can therefore have significant economic and developmental effects.

Tectonically active geothermal areas, such as the area in which we operate, are subject to occasional low-level seismic disturbances. Our facility is situated within a seismic zone, specifically along the active fault line of the Great Sumatran Fault (GSF), within the splay of the Sianok Segment to the north or the Angkola Segment. The Great Sumatran Fault operates on a strike-slip fault mechanism with a slip rate of about 6 mm/year and a maximum magnitude of 7.7 mm/year. According to the US Geological Survey, the last earthquake was recorded on April 24, 2023, in Mentawai with a magnitude of 7.1, located approximately 200 km from the project area. Seismic events can also result from volcanic activity. Sorik Marapi, an active volcano, is situated approximately 6 km southwest of the project area. Volcanology data indicate that the last recorded eruption occurred in July 1986 with a Volcanic Explosive Index (VEI) of 1. These conditions indicate that the project location carries a risk of seismic activity ranging from low to moderate scale. While we have not in the past experienced any power disturbance or load reduction caused by any of these possible seismic events, there can be no certainty that we will not in future face disruptions to our operations as a result of seismic activity, natural disasters or extreme weather conditions.

Although we carry insurance cover as protection against such geological risks, we face the additional risk that such cover is inadequate. See "*– Risks Relating to Our Business – We may not have adequate insurance coverage and may not be able to obtain or maintain adequate insurance and insurance proceeds may not be sufficient for the holders of the Notes to recover all amounts due on the Notes*".

While such events may not have a significant economic impact on the Indonesian capital markets, the Government has had to expend significant amounts of resources on emergency aid and resettlement efforts. A significant portion of these costs has been underwritten by foreign governments and international aid agencies. However, there can be no assurance that such aid will continue to be forthcoming, or that it will be delivered to recipients on a timely basis. If the Government is unable to timely deliver foreign aid to affected communities, political and social unrest could result. Additionally, recovery and relief efforts are likely to continue to strain the Government's finances and may affect its ability to provide PLN with sufficient subsidies to cover its costs to produce electricity or to meet its obligations on its sovereign debt. Any such failure on the part of the Government, or declaration by it of a moratorium on its sovereign debt, could

potentially affect PLN's ability to meet its obligations under the PPA or trigger an event of default under numerous private-sector borrowings including ours, thereby materially and adversely affecting our business, prospects, financial condition and results of operations, and our ability to make payments under the Notes.

In addition, there can be no assurance that future geological occurrences will not significantly impact the Indonesian economy. A significant earthquake or other geological disturbance in any of Indonesia's more populated areas could severely disrupt the Indonesian economy and undermine investor confidence, thereby materially and adversely affecting our business, prospects, financial condition and results of operations, and our ability to make payments under the Notes.

Terrorist attacks and terrorist activities and certain destabilizing events have led to substantial and continuing economic and social volatility in Indonesia, which may materially and adversely affect our business.

Terrorist attacks and associated military responses have resulted in substantial and continuing economic volatility and social unrest in the world. During the last several years, there have been various terrorist attacks in Indonesia directed towards the Government, foreign governments and public and commercial buildings frequented by foreigners, which have killed and injured a number of people. In May and June 2019, there were a series of terrorist attacks on various churches and the police headquarters building in Surabaya that killed 28 people, and these attacks occurred just few days after an attack at Mako Brimob in Depok, in which five police officers were killed. The Islamic State of Iraq and the Levant claimed responsibility for these attacks. Further, in March 2021, terrorist bombings at a cathedral in Makassar, South Sulawesi resulted in at least 20 people injured.

There can be no assurance that further terrorist acts will not occur in the future. Such terrorist acts could destabilize Indonesia and increase internal divisions within the Government as it considers responses to such instability and unrest, thereby adversely affecting investors' confidence in Indonesia and the Indonesian economy. Violent acts arising from and leading to instability and unrest have in the past had, and could continue to have, a material adverse effect on investment and confidence in, and the performance of, the Indonesian economy, and in turn our businesses. Any of the events described above, including damage to our assets, could cause interruption to parts of our business and materially and adversely affect our business, prospects, financial condition and results of operations, and our ability to make payments under the Notes.

We are subject to risks associated with movements in exchange rates.

The Rupiah-US dollar exchange rate, based on the middle exchange rate announced by Bank Indonesia, was Rp.14,269 = US$1.00 on December 31, 2021, Rp.15,731 = US$1.00 on December 30, 2022 and Rp.15,416 = US$1.00 on December 29, 2023. See "*Exchange Rates and Exchange Controls*" for further information on changes in the value of the Rupiah as measured against the US dollar in recent periods.

The Rupiah has generally been freely convertible and transferable (except that Indonesian banks may not transfer Rupiah to persons outside of Indonesia and may not conduct certain transactions with non-residents). However, from time to time, Bank Indonesia has intervened in the currency exchange markets in furtherance of its policies, either by selling Rupiah or by using its foreign currency reserves to purchase Rupiah. We cannot assure you that the Rupiah will not be subject to depreciation and continued volatility, that the current floating exchange rate policy of Bank Indonesia will not be modified, that additional depreciation of the Rupiah against other currencies, including the US dollar, will not occur, or that the Government will take additional action to stabilize, maintain or increase the value of the Rupiah, or that any of these actions, if taken, will be successful. Any depreciation of Rupiah against the US dollar could have a material adverse effect on our business.

Modification of the current floating exchange rate policy could result in significantly higher domestic interest rates, liquidity shortages, capital or exchange controls or the withholding of additional financial assistance by multinational lenders. This could result in a reduction of economic activity, an economic recession, loan defaults or declining interest by our customer, and as a result, we may also face difficulties in funding our capital expenditure and in implementing our business strategy. Any of the foregoing consequences could have a material adverse effect on our business, financial condition, results of operations and prospects.

Obligations arising under the Currency Law and Bank Indonesia Regulation on the Mandatory Use of Rupiah may affect us.

On June 28, 2011, the Government of Indonesia enacted the Law Number 7 of 2011 on the National Currency (the "**Currency Law**"), which took immediate effect. Article 21(1) of the Currency Law requires the mandatory use of the Rupiah (as the local currency) in certain transactions conducted in Indonesia including (i) all transactions which have payment purpose, (ii) settlement of other obligations which shall be satisfied with a cash payment and (iii) other financial transactions. However, Article 21(2) provides exemptions for: (a) certain transactions related to the implementation of the state revenue and expenditure, (b) the receipt or provisions of grant either from or to overseas, (c) international trade transactions, (d) bank deposits in foreign currency, or (e) international financing transactions. Article 23 of the Currency Law prohibits any party from refusing to accept Rupiah as payment or in fulfillment of its obligations, which must be satisfied in Rupiah, and for other financial transactions in Indonesia except where there is doubt as to the authenticity of the Rupiah paid. Failure to comply with the Currency Law may result in imprisonment of up to one year and fines of up to IDR200 million, and if the violation is committed by a company, the imprisonment term and fines will be increased by one-third.

In 2015, Bank Indonesia enacted (i) Bank Indonesia Regulation No. 17/3/PBI/2015 on Mandatory Use of Rupiah within the Territory of the Republic of Indonesia ("**PBI 17/2015**") and (ii) Circular Letter of Bank Indonesia No. 17/11/DKSP, as the implementation of Currency Law, which requires any party to use Rupiah for any transaction conducted within the territory of Indonesia. Further, PBI 17/3/PBI/2015 sets out that the obligation to use Rupiah does not apply to (i) certain transactions related to the implementation of the state revenue and expenditure; (ii) the receipt or provisions of grants either from or to overseas; (iii) international trade transactions, which include (a) the export and/or import of goods to or from outside Indonesian territory and (b) activities relating to cross border trade in services; (iv) bank deposits denominated in foreign currencies; (v) international financing transactions; and (vi) transactions in foreign currency which are conducted in accordance with applicable laws and regulations, including, among others: (a) a bank's business activities in foreign currency which is conducted based on applicable laws regarding conventional and sharia banks, (b) securities in foreign currency issued by the Indonesian government in primary or secondary markets based on applicable laws and (c) other transactions in foreign currency conducted based on applicable laws, including the law regarding Bank Indonesia, investment and *Lembaga Pembiayaan Ekspor Indonesia* (Indonesia Eximbank).

PBI 17/2015 stipulates that a recipient is prohibited from refusing to receive Rupiah as means of payment or for the settlement of Rupiah obligations or other financial transactions within Indonesia, unless there is doubt as to the authenticity of the Rupiah paid in a cash transaction and payment or the settlement of an obligation in a foreign currency is agreed in writing by the parties. Article 10 (3) of PBI 17/2015 further clarifies that the exemption applies only for:

a. agreements relating to transactions exempted from the mandatory use of Rupiah as referred to in PBI 17/2015 (e.g. international financing transactions); or

b. agreements for "Strategic Infrastructure Projects" which have been approved by Bank Indonesia. "Strategic Infrastructure Projects" includes transportation infrastructure (including airport services, port services, and railways facilities and infrastructure), roads, irrigation,

drinking water infrastructure, sanitation infrastructure, telecommunication and information infrastructure, power infrastructure, and oil and gas infrastructure, funded by offshore borrowings from bilateral and multilateral agencies (such as the International Finance Corporation, the Japan Bank for International Cooperation, the Japan International Cooperation Agency, the Asian Development Bank, the Inter-American Development Bank). In case of offshore syndicated borrowings funded by these agencies in an amount exceeding 50% of the total transaction, ministerial or governmental letters issued by the competent home country authority of the relevant borrowing agency are required affirming the strategic edge of the infrastructure project.

PBI 17/2015 took effect from March 31, 2015, and the requirement to use Rupiah for non-cash transactions was effective from July 1, 2015. Written agreements which were signed prior to July 1, 2015 that contain provisions for the payment or settlement of obligations in foreign currency for non-cash transactions will remain effective until the expiry of such agreements. However, any extension and/or certain amendments of such agreements must comply with PBI 17/2015. PBI 17/2015 further elucidates that an "amendment" relates to a change of "subject" and "object" of the written agreement. However, there is no further explanation as what comprises the object of the agreement. If Bank Indonesia adopts a conservative approach, all amendments after July 1, 2015 to such agreements will be subject to PBI 17/2015. In this regard, we have several payment obligations denominated in US dollars and Chinese Yuan within the territory of Republic of Indonesia under certain agreements. Failure to comply with the obligation to use Rupiah in cash transactions may result in criminal sanctions in the form of fines and imprisonment, while a failure to comply with the obligation to use Rupiah in non-cash transactions will be subjected to administrative sanctions in the form of (i) written warnings, (ii) fines, and/or (iii) prohibition from undertaking payment activities. Bank Indonesia may also recommend that the relevant authorities and institutions take certain action including revoking the business license or stopping the business activities of the party which fails to comply with the obligation to use Rupiah in non-cash transactions.

Effectively, PBI 17/2015 (i) requires us to adjust the relevant existing US dollars denominated agreements to conform with the requirements under PBI 17/2015 (whenever there is an extension or amendment to those agreements) and (ii) prohibits us from entering into new US dollars denominated agreements with counterparties for transactions conducted within the territory of Republic of Indonesia after July 1, 2015. The elucidation of PBI 17/2015 further explains that an amendment relates to a change of "subject" and "object" of the written agreement. However, there is no further explanation on the object of the agreement itself. If Bank Indonesia adopts a conservative approach, all amendments after July 1, 2015 to such agreements will be subject to PBI 17/2015. A breach of the requirements of PBI 17/2015 will be subject to (i) administrative, criminal or monetary sanctions up to Rp. 1 billion and (ii) loss of business licenses and/or interruption of business activities of the violating entity, if Bank Indonesia recommends so to the relevant authorities. The restrictions on our ability to enter into, or renew or amend, our Rupiah denominated contracts may limit our ability to naturally hedge or service our non-Rupiah denominated liabilities or obtain or refinance non-Rupiah financing in the future.

Downgrades of credit ratings of Indonesia and Indonesian companies could adversely affect us and the market price of the Notes.

As of the date of this offering memorandum, Indonesia's sovereign foreign currency long-term debt is rated "Baa2" by Moody's, "BBB" by S&P and "BBB" by Fitch, and its short-term foreign currency debt is rated "WR" by Moody's, "A-2" by S&P and "F2" by Fitch with a stable outlook from Moody's, a stable outlook from S&P and a stable outlook from Fitch. These ratings reflect an assessment of the Government's overall financial capacity to pay its obligations and its ability or willingness to meet its financial commitments as they become due. Even though the recent trend in Indonesian sovereign ratings has been positive, no assurance can be given that Moody's, S&P or any other statistical rating organization will not downgrade the credit ratings of Indonesia or

Indonesian companies in general. Any such downgrade could have an adverse impact on liquidity in the Indonesian financial markets, the ability of the Government and Indonesian companies, including us, to raise additional financing and the interest rates and other commercial terms at which such additional financing is available to us, which could materially and adversely affect our business, financial condition, results of operations and prospects.

Labor activism or increases in labor costs could adversely affect Indonesian companies, including us, which in turn could affect our business, financial condition, results of operations and prospects.

Laws and regulations which facilitate the forming of labor unions, combined with weak economic conditions, have resulted and may continue to result in labor unrest and activism in Indonesia. In 2000, the Government issued Law No. 21 of 2000 on Labor Union as further amended by Government Regulation in Lieu of Law No. 2 of 2022 as promulgated into Law by Law No. 6 of 2023 (the "**Labor Union Law**"). The Labor Union Law permits employees to form unions without employer intervention. In March 2003, the Government enacted Law No. 13 of 2003 on Labor (the "**Labor Law**") which, among other things, increased and/or differentiated the amount of severance, service and compensation payments payable to employees upon termination of employment. The Labor Law requires further implementation of regulations that may substantively affect labor relations in Indonesia. The Labor Law requires companies with 50 or more employees to establish bipartite forums with participation from employers and employees and the participation of more than 50.0% of the employees of a company in order for a collective labor agreement to be negotiated and creates procedures that are more permissive to the staging of strikes. Under the Labor Law, employees who voluntarily resign are also entitled to payments for, among other things, unclaimed annual leave and relocation expenses. Following the enactment, several labor unions urged the Indonesian Constitutional Court to declare certain provisions of the Labor Law unconstitutional and order the Government to revoke those provisions. The Indonesian Constitutional Court declared the Labor Law valid except for certain provisions, including relating to the right of an employer to terminate an employee who committed a serious mistake and criminal sanctions against an employee who instigates or participates in an illegal labor strike.

Labor unrest and activism in Indonesia could disrupt our operations and could affect the financial condition of Indonesian companies in general, depressing the prices of Indonesian securities on the Jakarta or other stock exchanges and the value of the Indonesian Rupiah relative to other currencies. Such events could materially and adversely affect our businesses, financial condition, results of operations, prospects, and our ability to make payments under the Notes.

An outbreak of contagious disease may have an adverse effect on the Indonesian economy and other regional and global economies, which may materially and adversely affect us.

The outbreak of an infectious disease such as avian flu, the H1N1 virus, SARS or Covid-19 in Indonesia or in other neighboring countries or the measures taken by the governments of affected countries, including Indonesia, against such potential outbreaks may materially and adversely impact the Indonesian economy and seriously interrupt our operations or the services or operations of our suppliers and customers, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

In 2003, an outbreak of the H5N1 virus, also known as "bird flu", occurred in Southeast Asia and other regions, resulting in hundreds of deaths worldwide and significantly affecting the Southeast Asian economy. In April 2009, an outbreak of the H1N1 virus, commonly referred to as "swine flu", occurred in Mexico and spread to other countries, including Indonesia. In 2013, an outbreak of the H7N9 virus, a different strain of "bird flu", occurred in China. Most recently, Covid-19, which was first reported in December 2019, was declared as a "public health emergency of international concern" by the World Health Organization on January 30, 2020 and was subsequently expanded its assessment of the threat beyond the global health emergency it had announced in January and

declared it a "pandemic" on March 11, 2020. On April 13, 2020, the President of Indonesia issued Presidential Decision No. 12 of 2020 declaring the Covid-19 pandemic a "national disaster". The Covid-19 pandemic resulted in a high number of cases and deaths in Indonesia and directly impacted our business operations, requiring us to incur additional costs, including in respect of instituting precautions against the spread of the Covid-19 virus such as organizing periodic antigen rapid tests and implementing quarantine procedures.

The potential impact of a pandemic on our results of operations and financial position is highly speculative, and would depend on numerous factors, including: the probability of the virus mutating to a form that can be passed from human to human; the rate of contagion if and when that occurs; the regions of the world most affected; the effectiveness of treatment of the infected population; the rates of mortality and morbidity among various segments of the insured versus the uninsured population; our insurance coverage and related exclusions; and many other variables. The perception that an outbreak of avian flu, SARS, Covid-19 or another contagious disease may occur again may also have an adverse effect on the economic conditions of countries in Asia, including Indonesia.

Indonesian law requires agreements involving Indonesian parties to be made in the Indonesian language and allows parties thereto to also make and elect a foreign language version of such agreement as the governing language, however, in the event of proceedings in Indonesian court, there can be no assurance that judges render their decisions based on the foreign language version.

In compliance with Law No. 24 of 2009 on the Flag, Language, Coat of Arms and National Anthem and Presidential Regulation No. 63 of 2009 on the Use of Indonesian Language, certain agreements relating to the Notes will be prepared and entered into in both English and Indonesian language, and the parties thereto will agree that the English version of such agreements will prevail in any event of inconsistency. However, we cannot assure you that, in the event of inconsistencies between the Indonesian language and English language versions of these agreements, an Indonesian court would hold that the English version would prevail. Some concepts in the English language may not have a corresponding term in the Indonesian language and the exact meaning of the English text may or may not be fully captured by such Indonesian version. If this occurs, we cannot assure you that the terms of such agreements will be as described in this offering memorandum, or will be interpreted and enforced by the Indonesian courts as intended.

Risks Relating to the Notes

The Notes may be effectively subordinated to our other secured obligations and are effectively subordinated to the debt and other liabilities of any future subsidiaries we may have.

The Notes will be effectively subordinated in right of payment to all secured debt of our Company to the extent that the assets pledged to secure such obligations do not also secure obligations under the Notes. Moreover, the Notes will be effectively subordinated to the debt and other liabilities of any future subsidiaries we may have. The effect of this subordination will be that, in the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding involving us or any future subsidiary we may have, the assets of such subsidiary cannot be used to pay you until all secured claims against such subsidiary have been fully paid and other claims against such subsidiary, including trade payables, have been fully repaid. Although the Indenture restricts us from incurring liens on our properties, these restrictions are subject to important exceptions. See "*Description of the Notes – Certain Covenants – Limitation on Liens*".

Although the Indenture restricts us from incurring additional debt, these restrictions do not apply to subsidiaries.

If we are unable to comply with the restrictions and covenants in the Indenture or our future debt and other agreements, there could be a default under the terms of these agreements, which could cause repayment of the underlying debt to be accelerated.

If we are unable to comply with the restrictions and covenants in the Indenture, or our future debt and other agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to us, accelerate the debt and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, some of our debt agreements, including the Indenture, contain cross-acceleration or cross-default provisions. As a result, our default under one debt agreement may cause the acceleration of debt, including the Notes, or result in a default under our other debt agreements, including the Indenture.

There can be no assurance that we will be able to comply with our financing agreements in the future. If the event of any non-compliance, we cannot assure you that our financial resources and cash flow would be sufficient to repay in full all of our indebtedness as required, or that we would be able to find alternative financing. Even if we could obtain alternative financing, we cannot assure you that it would be on terms that are favorable or acceptable to us.

Our operations are restricted by the terms of the Notes, which could limit our ability to plan for or to react to market conditions or meet our capital needs, which could increase your credit risk.

The Indenture includes a number of significant restrictive covenants. These covenants restrict, among other things, our ability to:

- incur additional indebtedness
- pay dividends, repurchase stock or pay subordinated debt;
- make investments;
- create or incur liens;
- enter into transactions with affiliates;
- sell assets or effect a consolidation or merger;
- engage in different business activities;
- amend certain key project documents; or
- issue any shares.

These covenants could limit our ability to plan for or react to market conditions or to meet our capital needs. Our ability to comply with these covenants may be affected by events beyond our control, and we may have to curtail some of our operations and growth plans to maintain compliance.

If we fail to receive consent to the Transaction from lenders under the Syndicated Loan Facility, the Notes will be subject to a Special Mandatory Redemption and there may not be sufficient funds in the Escrow Account to pay amounts due upon a Special Mandatory Redemption Event.

Under the terms of the Notes, we are required to deposit the gross proceeds of this offering into an escrow account (the "**Escrow Account**"). Such proceeds may be released to repay the Syndicated Loan Facility (which is presented as Loans Payable to Third Parties in the Financial Statements) in full, pending receipt of the lenders' consent to the Transaction. If we fail to receive such consent within 60 days after the issuance of the Notes (the "**Special Mandatory Redemption Event**"), we will be required to undertake a mandatory redemption of the Notes at a redemption price equal to 100% of the issue price of the Notes, plus accrued and unpaid interest (including any Additional Amounts), if any, up to (but not including) the redemption date.

There can be no assurance that the funds deposited in the Escrow Account will not be subject to insolvency, bankruptcy or similar proceedings. To the extent there are any such claims, there may not be sufficient funds to mandatorily redeem the Notes at the Special Mandatory Redemption Price (and any accrued interest thereon and Additional Amounts (if any)) upon the occurrence of the Special Mandatory Redemption Event.

We may not be able to generate sufficient cash flows to meet our debt service obligations, which will affect our ability to pay principal and interest on the Notes.

Our ability to make scheduled payments on, or to refinance our obligations with respect to, our indebtedness will depend on our financial and operating performance, which in turn will be affected by general economic conditions and by financial, competitive, regulatory and other factors beyond our control. While we anticipate that our operating cash flow will be sufficient to meet our anticipated operating expenses and to service our debt obligations as they become due, we may not generate sufficient cash flow from operations and future sources of capital may not be available to us in an amount sufficient to enable us to service our indebtedness or to fund our other liquidity needs.

If we are unable to generate sufficient cash flow and capital resources to satisfy our debt obligations or other liquidity needs, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital, including equity capital. There is no assurance that any refinancing would be possible, that any assets could be sold or, if sold, of the timing of the sales and the amount of proceeds that may be realized from those sales, or that additional financing could be obtained on acceptable terms, if at all. In the absence of such cash flow and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. The Indenture restricts our ability to dispose of our assets and to use the proceeds therefrom. We may not be able to consummate or obtain the proceeds from any such disposition, and, if realized, such proceeds may not be adequate to meet our debt service obligations then due. Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms and in a timely manner, would materially and adversely affect our financial condition and results of operations and our ability to make payments of principal and interest in relation to our debt obligations.

Through your purchase of the Notes, you will be exposed to the Indonesian legal system which is subject to considerable discretion and uncertainty and you may have difficulty pursuing claims under the Notes.

The Notes, executed pursuant to the provisions of the Indenture, will be governed by and construed in accordance with, the laws of the State of New York. However, the Collateral that will be granted for the benefit of the holders of the Notes will be governed by the laws of other jurisdictions. See "*Description of the Security Documents and the Collateral*". The security interest over the Collateral, which is located in Indonesia, will be governed by Indonesian law. As a result, holders of the Notes would have to enforce any judgment against our Company or our assets in Indonesia.

Indonesian principles of law relating to the rights of debtors and creditors may differ from those that would apply if we were established in a jurisdiction within the United States or the European Union. Neither the rights of debtors nor the rights of creditors under Indonesian law are as clearly established as under legislation or judicial precedent in the United States and most European Union member states. In addition, under Indonesian law, debtors may have rights and defenses to actions filed by creditors that these debtors would not have in jurisdictions with more established legal regimes, such as those in the United States and most European Union member states.

Indonesia's legal system is a civil law system based on written statutes in which judicial and administrative decisions do not constitute binding precedents and are not systematically published. Many of Indonesia's commercial and civil laws and rules on judicial processes are based on pre-independence Dutch law and have not been revised to reflect the complexities of modern financial transactions and instruments. Indonesian courts may be unfamiliar with sophisticated commercial or financial transactions, leading in practice to uncertainty in the interpretation and application of Indonesian legal principles. The application of many Indonesian laws depends, in large part, upon subjective criteria such as the good faith of the parties to the transaction and principles of public policy. Indonesian judges operate in an inquisitorial legal system and have very broad fact-finding powers and a high level of discretion in relation to the manner in which those powers are exercised. Indonesian court decisions may omit, or may not be decided upon, a legal and factual analysis of the issues presented in a case. As a result, the administration and enforcement of laws and regulations by Indonesian courts and governmental agencies may be subject to considerable discretion and uncertainty. For instance, there are currently conflicting court decisions on the ramifications of any failure by an Indonesia-domiciled issuer to submit reports required under certain Bank of Indonesia regulations with respect to certain types of offshore borrowings, including debt securities such as the Notes. While we have been advised by our Indonesian legal advisor that the relevant reporting obligations are administrative requirements only and any failure in complying therewith will result in administrative sanctions in the forms of fines, warning letters and/or notices to the relevant authority and not affect the validity or enforceability of the Notes, there can be no assurance that a court will reach the same conclusion. Furthermore, corruption in the court system in Indonesia has been widely reported in publicly available sources.

As a result of the foregoing, it may be more difficult for you to pursue a claim against us in Indonesia than it would be to do so in other jurisdictions, such as the United States and the European Union, which may adversely affect your ability to obtain and enforce a judgment against us in Indonesia and increase your costs of pursuing, and the time required to pursue, claims against us.

We may not be able to repurchase the Notes upon a Change of Control.

We must offer to purchase the Notes upon the occurrence of a Change of Control, at a purchase price equal to 101% of the principal amount plus accrued and unpaid interest. See "*Description of the Notes*".

The source of funds for any such purchase would be our available cash or third-party financing. However, we may not have enough available funds at the time of the occurrence of any Change of Control to make purchases of outstanding Notes. Our failure to make the offer to purchase or purchase the outstanding Notes would constitute an Event of Default under the Notes. The Event of Default may, in turn, constitute an event of default with respect to other indebtedness we may incur in the future, which could cause such indebtedness to be accelerated after any applicable notice or grace periods. If our other debt were to be accelerated, we may not have sufficient funds to purchase the Notes and repay the debt.

In addition, the definition of Change of Control for purposes of the Indenture does not necessarily afford protection for the holders of the Notes in the event of some highly leveraged transactions, including certain acquisitions, mergers, refinancings, restructurings or other recapitalizations, although these types of transactions could increase our indebtedness or otherwise affect our capital structure or credit ratings.

The definition of Change of Control for purposes of the Indenture also includes a phrase relating to the sale of "all or substantially all" of our assets. Although there is a limited body of case law interpreting the phrase "substantially all", there is no precise established definition under applicable law. Accordingly, our obligation to make an offer to purchase the Notes, and the ability of a holder of the Notes to require us to purchase its Notes pursuant to the offer as a result of a highly-leveraged transaction or a sale of less than all of our assets may be uncertain.

There can be no assurance that the use of proceeds of the Notes will be suitable for the investment criteria of an investor. There is no current market consensus on what constitutes a "green" or "sustainable" project.

We intend to apply an equivalent amount to the net proceeds from the offer and sale of the Notes to finance or refinance "Eligible Green Projects" (as defined in the section "*Green Finance Framework*"), relating to the development, construction and operation of geothermal energy generation facilities. See "*Green Finance Framework*" for more information. In connection with the offering of the Notes, we have received a second party opinion from DNV Business Assurance Singapore Pte. Ltd. ("**DNV**"), a wholly-owned subsidiary of the DNV Group on the alignment of our Green Finance Framework to The Green Bond Principles 2021 issued by the International Capital Markets Association ("**ICMA**") and the Green Loan Principles February 2023 issued by the Loan Market Association ("**LMA**") (the "**Second Party Opinion**").

The examples of Eligible Green Projects in the "*Green Finance Framework*" section are for illustrative purposes only and no assurance can be provided that disbursements for projects with these specific characteristics will be made by us during the term of the Notes. Neither the Second Party Opinion nor the Green Finance Framework is incorporated into or forms part of this offering memorandum.

The Second Party Opinion is not intended to address any credit, market or other aspects of an investment in green bonds including without limitation market price, marketability, investor preference or suitability of any security. The Second Party Opinion is a statement of opinion, not a statement of fact. Neither we nor the Initial Purchaser make any representation as to the suitability or reliability of the Second Party Opinion or the Notes for any purpose whatsoever and specifically to fulfill such environmental and sustainability criteria or any other present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future

applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Projects. Each potential purchaser of Notes should determine for itself the relevance of the Second Party Opinion and information contained in this offering memorandum regarding the use of proceeds, and its purchase of Notes should be based upon such investigation as it deems necessary. The Second Party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes. The Second Party Opinion is not a recommendation to buy, sell or hold securities. The Second Party Opinion is only current as of the date it is released and may be updated, suspended or withdrawn by the relevant provider(s) at any time. Any withdrawal of any such Second Party Opinion or any additional Second Party Opinion attesting that we are not complying in whole or in part with any matters for which such Second Party Opinion is opining or certifying may have a material adverse effect on the value of the Notes and/or result in adverse consequences for certain investors with mandates to invest in securities to be used for a particular purpose. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. A withdrawal of the Second Party Opinion or any failure by us to use the net proceeds from the Notes for Eligible Green Projects or to meet or continue to meet the investment requirements of certain environmentally focused investors with respect to such Notes may affect the value of the Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets. Holders of the Notes will have no recourse against the provider(s) of any opinion.

We intend to apply the net proceeds from the issue of the Notes to finance and/or refinance Eligible Green Projects as described under "*Use of Proceeds*". No assurance or representation is or can be given by us, the Initial Purchaser or any other person as to whether (i) sufficient funds will be available to us to allocate an equivalent amount to the net proceeds from the Offering to one or more suitable Eligible Green Projects, (ii) any such Eligible Green Projects will be successfully implemented or will be capable of being implemented in accordance with any timing schedule or (iii) such Eligible Green Projects will have the results or outcome (whether or not related to the environment) as are originally expected or anticipated. Additionally, our Green Finance Framework may be amended from time to time, and the criteria used to identify Eligible Green Projects may differ in the future. We have significant flexibility in allocating an equivalent amount to the net proceeds, including re-allocating the net proceeds and we may allocate such amount in a way that does not align with any particular investor's or other stakeholder's perception of sustainable green activities. No assurance or representation is being given by us, the Initial Purchaser or any other person that an equivalent amount to the net proceeds will be completely or partially disbursed for any such Eligible Green Projects and our failure to do so will not be an event of default or require us to repurchase or redeem the Notes. Neither the terms of the Notes nor the Indenture require us to use the proceeds as described under "*Use of Proceeds*" and any failure by us to comply with the anticipated use of proceeds or to comply with the tracking, reporting and other undertakings described thereunder will not (i) constitute a breach or an event of default, (ii) give rise to any other claim of a holder of the Notes or (iii) require us to purchase or redeem any Notes, in each case of (i) through (iii), under the Notes or the Fiscal Agency Agreement.

Prospective investors should carefully review the information set out in this offering memorandum regarding our intended use of an equivalent amount to the net proceeds from the Offering and must determine for themselves the relevance of such information for the purpose of any investment in the Notes, together with any other investigation such investor deems necessary. Any failure by us to allocate an equivalent amount to the net proceeds from the Offering to one or more Eligible Green Projects or the failure of those investments or financings to satisfy investor expectations or requirements could materially and adversely affect the trading price of the Notes or result in adverse consequences for certain investors with mandates to invest in securities to be used for a particular purpose.

Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green", "environmental", "sustainable" or an equivalently-labeled project, or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label, nor can any assurance be given by us, the Initial Purchaser or any other person that such a clear definition or consensus will develop over time. A basis for the determination of such a definition has been established in the EU with the publication in the Official Journal of the EU on June 22, 2020 of Regulation (EU) 2020/852 of the European Parliament and of the Council on June 18, 2020 (the "**Taxonomy Regulation**") on the establishment of a framework to facilitate sustainable investment. Accordingly, no assurance is or can be given to investors that any project(s) or use(s) the subject of, or related to, any Eligible Green Projects will meet any or all investor expectations regarding such "green", "environmental", "sustainable" or other equivalently-labeled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any project(s) or use(s) the subject of, or related to, any Eligible Green Projects. In addition, perception by investors of the suitability of the Notes as "green" bonds could be negatively affected by dissatisfaction with the criteria for determining Eligible Green Projects described under "*Use of Proceeds*," the ongoing performance of the Eligible Green Projects to which an equivalent amount to the net proceeds are allocated, controversies involving any adverse environmental, sustainability or social impacts of the Eligible Green Projects and/or the business or industry of the Eligible Green Projects, evolving standards or market consensus as to what constitutes a "green" bond or the desirability of investing in "green" bonds. In addition, such Eligible Green Projects may become controversial or criticized by activist groups or other stakeholders and/or subject to "greenwashing" allegations or claims that result in additional cost or risks that we have not planned for. The trading price of the Notes may be negatively affected to the extent investors are required or choose to sell their holdings due to deterioration in the perception by the investor or the market in general as to the suitability of this offering as "green" bonds and/or sustainable financing. The trading price of the Notes may be also negatively affected to the extent demand for sustainability-themed investment products diminishes due to evolving investor preferences, increased regulatory or market scrutiny on funds and strategies dedicated to sustainability or environmental, social or governance ("**ESG**")-themed investing or for other reasons.

In addition, in the event that the Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by us or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulation or by its own bylaws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any green projects and/or that any such listing or admission to trading will be maintained during the life of the Notes. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. In the event that the Notes are listed on any such exchange or securities market, any change to the listing or admission status of the Notes, including but not limited to if the Notes are no longer being listed or admitted to trading on any stock exchange or securities market, may have a material adverse effect on the value of the Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Prospective investors should carefully review the information set out in this offering memorandum regarding the expected use of the net proceeds from the Notes and determine for themselves the relevance of such information for the purpose of any investment in the Notes together with any other investigation such investor deems necessary. Any such event or failure to apply the proceeds from the issue of Notes for any project(s) or use(s), including any Eligible Green Projects, and/or withdrawal of any opinion or certification as described above or any such opinion or certification attesting that we are not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or the Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of the Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose (which consequences may include the need to sell the Notes as a result of the Notes not falling within the investor's investment criteria or mandate).

Failure to meet ESG expectations or standards or achieve our ESG goals could adversely affect our business, results of operations, or financial condition, and could negatively impact our ability to make payments on the Notes.

There has been an increased focus from regulators and stakeholders on ESG matters, including greenhouse gas emissions and climate-related risks; diversity, equity, and inclusion; responsible sourcing and supply chain; human rights and social responsibility; risk management; and corporate governance and oversight. This has resulted in expanding and increasingly complex mandatory and voluntary reporting, diligence, and disclosure on ESG topics. These developments and other rapidly changing laws, regulations, policies and related interpretations, as well as increased enforcement actions by various governmental and regulatory agencies, may create challenges for us, including our compliance and ethics programs, may alter the environment in which we do business and may increase the ongoing costs of compliance, which could adversely impact our results of operations and cash flows. Given our commitment to ESG, we actively manage ESG issues through various initiatives which we may refine or even expand further in the future. These initiatives reflect our current plans and aspirations and are not guarantees that we will be able to achieve them.

Our failure or perceived failure to achieve our ESG goals, maintain ESG practices, or comply with emerging ESG regulations that meet evolving regulatory or stakeholder expectations could harm our reputation and expose us to increased scrutiny from the investment community and enforcement authorities. Our reputation also may be harmed by the perceptions that our stakeholders have about our action or inaction on ESG-related issues.

The Notes are not linked to the performance of the Eligible Green Projects.

The Notes are not directly linked to the performance of the relevant Eligible Green Projects or the performance of our Company in respect of any environmental or similar targets. Consequently, neither payments of principal and/or interest on the Notes nor any rights of holders shall depend on the performance of the relevant Eligible Green Projects or the performance of our Company in respect of any such environmental or similar targets. Holders of any Notes shall have no preferential rights or priority against the assets of any Eligible Green Project nor benefit from any arrangements to enhance the performance of the Notes.

An active trading market for the Notes may not develop, and the trading price of the Notes could be materially adversely affected.

The Notes are a new issue of securities for which there is currently no trading market. We have been advised that the Initial Purchaser intends to make a market in the Notes, but are not obligated to do so and may discontinue such market making activity at any time without notice. We cannot predict whether an active trading market for the Notes will develop or be sustained. If an active trading market were to develop, the Notes could trade at prices that may be lower than the initial offering price. Whether or not the Notes could trade at lower prices depends on many factors, including:

- the number of holders of the Notes;
- the interest of securities dealers in making a market in the Notes;
- prevailing interest rates and the markets for similar securities;
- general economic conditions; and
- our financial condition, historical financial performance and future prospects.

If an active market for the Notes fails to develop or be sustained, the trading price of the Notes could be materially adversely affected. Application will be made to the SGX-ST for the listing and quotation of the Notes on the Official List of the SGX-ST.

However, no assurance can be given that our Company will be able to obtain or maintain such listing or that, if listed, a trading market will develop. Our Company does not intend to apply for listing of the Notes on any securities exchange other than the SGX-ST. The Notes may not be publicly offered, sold, pledged or otherwise transferred in any jurisdiction where registration may be required. Lack of a liquid, active trading market for the Notes may adversely affect the price of the Notes or may otherwise impede a holder's ability to dispose of the Notes.

The transfer of the Notes is restricted which may adversely affect their liquidity and the price at which they may be sold.

The Notes have not been registered under, and we are not obligated to register the Notes under, the Securities Act or the securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and any other applicable laws. See "*Transfer Restrictions*." We have not agreed to or otherwise undertaken to register the Notes (including by way of an exchange offer), and we do not have any intention to do so.

The ratings assigned to the Notes may be lowered or withdrawn in the future.

The Notes are expected to be assigned ratings of "BB+" by Fitch Ratings Inc. and "Ba1" by Moody's Ratings. The ratings represent the opinions of the ratings agencies and their assessment of our ability to perform our obligations under the terms of the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. We cannot assure you that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant. We have no obligation to inform holders of the Notes of any such revision, downgrade or withdrawal. In addition, we cannot assure you that rating agencies other than Moody's and Fitch would not rate the Notes differently. A suspension, downgrade or withdrawal at any time of the rating assigned to the Notes may adversely affect the market price of the Notes.

The liquidity and price of the Notes following the offering may be volatile.

The price and trading volume of the Notes may be highly volatile. Factors such as variations in our revenues, earnings and cash flows and proposals of new investments, strategic alliances and/or acquisitions, interest rates and fluctuations in prices for comparable companies could cause the price of the Notes to change. Any such developments may result in large and sudden changes in the volume and price at which the Notes will trade. We cannot assure you that these developments will not occur in the future.

Certain facts and statistics are derived from publications not independently verified by us, the Initial Purchaser or our respective advisors.

Certain facts and statistics in this offering memorandum relating to Indonesia's economy and the geothermal power industry are derived from publicly available sources. While we have taken reasonable care to ensure that the facts and statistics presented are accurately reproduced from such sources, they have not been independently verified by us, the Initial Purchaser or our or their respective advisors and, therefore, we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside Indonesia. Due to possibly flawed or ineffective calculation and collection methods and other problems, the facts and statistics herein may be inaccurate or may not be comparable to facts and statistics produced for other economies and should not be unduly relied upon. Furthermore, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

In an event of default, your only recourse is to us.

Our Company is the only party required to make payments on the Notes. None of our shareholders nor any of our or their affiliates, nor any person guarantees or will guarantee the Notes. As a result, if we are unable to pay any amounts due under the Notes, holders of the Notes will not be able to bring a claim for payment under the Notes against any of our shareholders or any of our or their respective subsidiaries and affiliates.

Following a default on the Notes, holders of the Notes will only have recourse to us and the Collateral for payments on the Notes and any such payment will be applied in accordance with the provisions in respect of priority of payment and security coordination set out in the Indenture and Security Documents

We will follow the applicable corporate disclosure standards for debt securities listed on the SGX-ST, which standards may be different from those applicable to companies in certain other countries.

We will be subject to reporting obligations in respect of the Notes to be listed on the SGX-ST. The disclosure standards imposed by the SGX-ST may be different than those imposed by securities exchanges in other countries or regions such as the United States. As a result, the level of information that is available may not correspond to what investors in the Notes are accustomed to.

Investment in the Notes may subject noteholders to foreign exchange risks.

The Notes are denominated and payable in US dollars. If you measure your investment returns by reference to a currency other than US dollars, an investment in the Notes entails foreign exchange-related risks, including possible significant changes in the value of the US dollars relative to the currency by reference to which you measure your returns, due to, among other things, economic, political and other factors over which we have no control. Depreciation of the US dollar against the currency by reference to which you measure your investment returns could

cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to you when the return on the Notes is translated into the currency by reference to which you measure your investment returns. In addition, there may be tax consequences for you as a result of any foreign exchange gains resulting from any investment in the Notes.

Investment in the Notes may not qualify for a preferential regime which includes exemption from withholding on interest under Singapore tax law.

The Notes are, pursuant to the Income Tax Act 1947 of Singapore (the "**ITA**") and the MAS Circular FDD Cir 08/2023 entitled "Qualifying Debt Securities and Primary Dealer Schemes – Extension and Refinements" issued by the Monetary Authority of Singapore ("**MAS**") on May 31, 2023, intended to be "qualifying debt securities" for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section "*Certain Tax Considerations – Singapore*". However, there is no assurance that the Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws or MAS circulars be amended or revoked at any time.

The Notes may be issued with original issue discount for U.S. federal income tax purposes.

The Notes may be issued with original issue discount for U.S. federal income tax purposes ("**OID**"). The Notes will be treated as issued with OID if the stated principal amount of such Notes exceeds their issue price (as defined above) by an amount equal to or greater than 0.0025 multiplied by the stated principal amount of the Notes multiplied by the weighted average maturity of the Notes.

In the event the Notes are issued with OID, investors that are subject to U.S. federal income tax generally will be required to include such OID in gross income (as ordinary income) for U.S. federal income tax purposes on an annual basis under a constant yield accrual method regardless of their regular method of accounting for U.S. federal income tax purposes. As a result, such investors generally will include any OID in income in advance of the receipt of cash attributable to such income. See "*Certain Tax Considerations – United States – Original Issue Discount*."

The Trustee and the Collateral Agents may request that the holders of the Notes provide an indemnity and/or security and/or prefunding to their satisfaction.

Pursuant to the Indenture and the Intercreditor Agreement, the Trustee and the Collateral Agents may (at their sole and absolute discretion), in certain circumstances, request the holders of the Notes provide an indemnity and/or security and/or prefunding to their satisfaction before they take any action and/or steps and/or institute proceedings on behalf of the holders of the Notes. The Trustee and/or the Collateral Agents shall not be obliged to take any such actions and/or steps and/or institute proceedings if not indemnified and/or secured and/or pre-funded to their satisfaction. Negotiating and agreeing to any indemnity and/or security and/or prefunding can be a lengthy process and may have an impact on when such actions and/or steps can be taken and/or such proceedings can be instituted. The Trustee and/or the Collateral Agents may not be able to take actions and/or steps and/or institute proceedings, notwithstanding the provision of an indemnity and/or security and/or pre-funding to them, in breach of the terms of the Indenture governing the Notes and the Intercreditor Agreement and in such circumstances or where there is uncertainty or dispute as such actions' and/or steps' and/or proceedings' compliance with applicable laws or regulations. In such circumstances, to the extent permitted by any applicable agreements or applicable laws, it will be for the holders of the Notes to take such actions and/or steps and/or institute proceedings directly.

Risks Relating to the Collateral

The encumbrance on certain Collateral may in certain circumstances be voidable.

The encumbrance on the Collateral may be voidable as a preference under insolvency or fraudulent transfer or similar laws of Indonesia at any time, within one year and six months, respectively, of the perfection of the relevant security interest or, under some circumstances, within a longer period.

If the pledge of the Collateral were to be voided for any reason, holders of Notes would only have an unsecured claim against us.

The Collateral does not consist of all of our property and assets.

The Collateral pledged as security for the Notes consists of a share pledge to be executed by OTP Geothermal PTE. Limited over its entire shares in our Company, an assignment of all present and future shareholder loans of our Company, pledges over the Offshore Accounts and Onshore Accounts of our Company, a fiduciary security over all present and future movable assets of our Company, security rights or *hak tanggungan* over 110 plots of land owned by our Company and fiduciary security over insurance claim proceeds to be received by our Company. See "*Description of the Notes – Security*". In addition, depending on how we finance the construction of any additional generating unit, the assets related to any such additional generating unit may not be included in the Collateral, and may in certain circumstances be pledged to secure other senior debt that we may incur for the purpose of financing the construction of such additional generating unit. Accordingly, in a foreclosure sale, holders of the Notes may not have all the property, equipment, licenses, permits and contracts used by us to produce and sell geothermal power.

The proceeds realized from a sale of the Collateral may not be sufficient for the holders of the Notes to recover all amounts due on the Notes.

The Notes are secured by liens on the Collateral. If we fail for whatever reason to redeem or pay interest or principal on the Notes, the holders of the Notes will have to rely on the enforcement of the security and the sale of the Collateral for the repayment of any amounts due on the Notes. The proceeds from the enforcement of the security may not be sufficient to satisfy our obligations under the Notes.

The Collateral Agents are required to take action to enforce the security interest over the Collateral in accordance with the instructions of the Trustee given under and in accordance with the Indenture. The ability of the Trustee (acting in accordance with instructions of the Holders of at least 25% in aggregate principal amount of outstanding Notes (subject to receiving indemnity and/or pre-funding and/or security to its satisfaction) provided pursuant to the terms of the Indenture) to enforce the security is restricted under the Indenture. If an Event of Default occurs and is continuing under the Notes, the Holders holding at least 25% of the aggregate outstanding principal amount of the Notes may decide whether to take any enforcement action and may thereafter, through the Trustee ((i) upon written request to the Trustee and (ii) subject to the Trustee receiving indemnity and/or pre-funding and/or security to its satisfaction) in accordance with the Indenture, instruct the Collateral Agents to foreclose on the Collateral in accordance with the terms of the Intercreditor Agreement, the Indenture and the Security Documents, which will be subject in certain instances to perfection and priority issues. Although procedures will be undertaken to support the validity and enforceability of the security interests, we cannot assure you that the Collateral Agents will be able to enforce the security interest in any jurisdiction.

The amount of the proceeds will depend on a number of factors, including market and economic conditions, the market value of the Collateral at the time of enforcement, the jurisdiction in which the enforcement action or sale is completed, the condition of the Collateral, and the Collateral Agents' ability to dispose of the security to a willing purchaser. An appraisal of the Collateral has not been prepared in connection with the offering of the Notes.

Any proceeds from the sale of the Collateral may also be subject to certain transfer taxes and/or transaction costs and expenses. Furthermore, the net amounts realized from the enforcement of any security will be subject to payment of the prior-ranking fees and expenses in accordance with the Indenture and the Security Documents (as defined in "*Description of the Notes*"). Each of these factors could reduce the likelihood of an enforcement action and reduce the amount of any proceeds from an enforcement action. Accordingly, we cannot assure you that the proceeds of any sale of the Collateral following an acceleration of the Notes would be sufficient to satisfy, or would not be substantially less than, amounts due and payable on the Notes. By their nature, some or all of the Collateral may be illiquid and may have no readily ascertainable market value. Likewise, we cannot assure you that the Collateral will be saleable or, if saleable, that there will not be substantial delays in its liquidation.

There is uncertainty as to whether security interests in Indonesia can be enforced in full and in accordance with their terms.

All of the assets securing our obligations in respect of the Notes are located in Indonesia and are subject to security created under Indonesian law. See "*Description of the Notes*" and "*Description of the Security Documents and the Collateral*".

There is uncertainty as to whether the Security Documents governed by Indonesian law (the "**Indonesian Security Documents**") can be enforced in full and in accordance with their terms for several reasons, including:

- the security interests will be subject to practical problems generally associated with the enforcement of Indonesian law governed security interests, including that Indonesian courts may require an event of default to be substantiated in a separate contentious proceeding, before the relevant security interest can be enforced against the debtor or security provider. The Indonesian Constitutional Court issued a decision in 2019 and 2021 which declared that certain provisions of Law No. 42 of 1999 on Fiduciary Security are conditionally unconstitutional, changing the way fiduciary security can be enforced. Previously, having a perfected fiduciary security provides assurance that creditors can execute security without having to go to court. Given the recent decision, Constitutional Court Decision No. 18/PUU-XVII/2019 and Constitutional Court Decision No. 71/PUU-XIX/2021, there is a risk that creditors, to exercise their fiduciary security rights, will have to secure the cooperation of the debtor (by the debtor agreeing that an event of default has occurred), or, in the likely event that a debtor does not, it will need to procure a final and binding court decision to do so;

- the ability of the Onshore Collateral Agent to enforce its rights under the Indonesian Security Documents will depend on whether an Indonesian court is willing to recognize and enforce the principal debt obligations represented by the Indenture. Accordingly, the enforcement of claims will be subject to the acceptance of New York law, by the Indonesian courts, as the governing law of the Notes and the Indenture. Alternatively, the Indonesian courts could interpret and apply New York trust law principles to the Indenture. In the past, Indonesian courts have in certain circumstances disregarded the parties' choice of foreign law and applied Indonesian law in such cases; and

- there can be no assurance that an Indonesian court would apply New York law in any proceedings relating to the enforcement of the Notes or the Indenture.

Judgments of foreign courts, including New York courts, are not enforceable in Indonesia. As a result, the Trustee or the Onshore Collateral Agent may be required, prior to the enforcement of the Indonesian Security Documents, to pursue claims based upon the Notes and the Indenture through the Indonesian courts.

There are two ways to enforce security under Indonesian law. The first one, absent any prior agreement is through a public auction, which in practice would require a prior court decision from the relevant district court. The second one is through a private sale, which in practice would require a court approval to confirm the effectiveness of the transaction (which will be issued upon petition filed by the investors). There is no guarantee that these court decisions will be issued accordingly by the relevant district courts.

The security created by the Indonesian Security Documents will be subject to higher-ranking priority rights created by statute. The relevant statute includes rights created pursuant to Articles 1137 and 1139 of the Indonesian Civil Code (*burgerlijk wetboek*) in respect of claims made by the Government. Such claims include those relating to tax and the Indonesian State Treasury, other administrative costs relating to the enforcement of the Indonesian Security Documents and costs to safeguard the relevant secured assets.

Furthermore, the perfection of certain fiduciary security and the pledge over onshore accounts granted by us requires third-party acknowledgments, and we cannot ensure that such acknowledgments will be granted in a timely manner, if at all. In relation to fiduciary security, Article 613 of the Indonesian Civil Code provides that any assignment will not be effective against an obligor unless such assignment has been notified to and acknowledged in writing by such obligor. It is not clear whether this requirement applies in respect of fiduciary security, but failure to obtain acknowledgment could lead to difficulty in enforcing a fiduciary security against the relevant obligor because the obligor could contest the failure to notify and acknowledge. Regardless, however, the preferred status of the security interest created by the fiduciary security (once registered at the Fiduciary Registration Office) is not affected by the absence of such acknowledgment. In relation to a pledge over onshore accounts, in order for it to be a valid first-priority security interest over the onshore accounts, such accounts must be in the full control of and solely managed by the pledgee or its agent and the relevant account banks must acknowledge the pledge for it to be enforced against them. Any enforcement of the pledge may be affected if the control and management of such onshore account are within the authority of the pledgor. Furthermore, in the absence of acknowledgment from the relevant account banks, we cannot ensure that the relevant account banks will be bound by the pledge in the event of enforcement.

We will in most cases have control over the Collateral, and the sale of particular assets by us could reduce the pool of assets securing the Notes.

The Indenture and the Security Documents allow us to, subject to certain exceptions and conditions, remain in possession of, retain control over, freely operate, and collect, invest and dispose of any income from, the Collateral. We may, among other things, in accordance with the terms of the Indenture and any future indebtedness we may incur, without any release or consent by the Collateral Agents or the Trustee, conduct ordinary course activities with respect to Collateral, such as selling or otherwise disposing of Collateral and making ordinary course cash payments. Any disposal of, damage to, or any other action or circumstances that may lead to a reduction in value of the Collateral while the Collateral is in our possession or subject to our control will reduce the value of Collateral securing the Notes, and therefore reduce the amount of proceeds that would be available to holders of the Notes upon an enforcement of the Collateral.

The Collateral may be shared to secure the obligations of other creditors.

The Collateral may be shared on a *pari passu* basis by the holders of the Notes and the holders of certain other secured indebtedness in accordance with the terms of the Indenture and as described in "*Description of the Notes – Permitted Pari Passu Obligations*". Any such *pari passu* secured indebtedness will also be secured by the Collateral. Accordingly, in the event of a default of the Notes (including any Additional Notes) or other indebtedness secured by the Collateral and a foreclosure on all or any part of the Collateral, any foreclosure proceeds with respect to such Collateral would be shared *pro rata* by holders of the Notes and the holders of such secured indebtedness in proportion to the outstanding amounts of each class of secured indebtedness, and there can be no assurance that such proceeds would be sufficient to repay all amounts due under the Notes. See "*Description of the Notes – Security*".

The security will not be granted directly to the holders of the Notes.

The security for our obligations under the Notes and the Indenture executed pursuant to the provisions of the Indenture has not been and will not be granted directly to the holders of the Notes. Such security has only been granted in favor of the Collateral Agents. As a consequence, holders of the Notes will not have direct security and will not be entitled to directly take enforcement action in respect of the security for the Notes. However, holders of the Notes may pursue a course of action through the Trustee and the Collateral Agents. Holders shall be required to instruct the Trustee in accordance with the terms of the Indenture for taking any enforcement action.

Indonesian law does not recognize the concept of trustee, including without limitation, the relationship of trustee and beneficiary or other fiduciary relationships. Accordingly, the enforcement of the provisions granting security in favor of third-party beneficiaries and otherwise relating to the nature of the relationship between a trustee (in its capacity as trustee) and the beneficiaries of a trust, in Indonesia will be subject to an Indonesian court accepting the concept of trustee under New York law and accepting proof of the application of equitable principles under such security documents.

The new security interest in the Onshore Collateral will not be granted, created or perfected on the Original Issue Date, which may adversely affect the rights of holders of the Notes in the Onshore Collateral.

The security interest over the Onshore Collateral shall be created within 120 days after the Original Issue Date. If and until the security interests in the Onshore Collateral are granted and perfected, the Holders of the Notes will not have the security interest over the Onshore Collateral. There is no assurance that other parties will not register any security interest over the Onshore Collateral prior to the grant and perfection of the Onshore Collateral, which will have priority over the security interests held by the Onshore Collateral Agent for the benefit of holders of the Notes. If we are unable to submit for registration such security interests (as relevant) granted under the Security Documents within the period stipulated for such actions in the Indenture, it would, if such default continues unremedied for a period of 60 Business Days after we receive written notice thereof specifying such occurrence from the Trustee (acting on the instructions of the holders of at least 25% in principal amount of the outstanding Notes) or the holders (with a copy of such written notice to the Trustee) of at least 25% in principal amount of the outstanding Notes) or the holders of at least 25% in aggregate principal amount of the Notes, then outstanding, constitute an Event of Default under the Notes. The Event of Default may, in turn, constitute an event of default under other indebtedness we may incur in the future, which could cause such debt to be accelerated after any applicable notice or grace periods. We may not have sufficient funds to repay the Notes and/or any other debt accelerated as result of an Event of Default under the Notes, especially if we have already used the proceeds from this offering, together with cash in hand, as applicable, for the repayment in full of the Existing Senior Debt Facilities.

Moreover, in the event of bankruptcy or other analogous proceedings instituted against us between the Original Issue Date and the time new security interests under certain of the Security Documents are created or perfected, the assets comprising the relevant portion of the Onshore Collateral would not be subject to any priority security interests for the benefit of holders of the Notes but will form part of the bankruptcy estate available to all unsecured creditors of our Company.

USE OF PROCEEDS

The net proceeds from the issue of the Notes, after deducting fees, commissions and other estimated offering expenses, are expected to amount to approximately US$341.3 million.

We intend to apply the net proceeds from the issue of the Notes to finance and/or refinance Eligible Green Projects (as described in the Green Finance Framework) as summarized under "*Green Finance Framework*" and published on the website of the Issuer (the "**Green Finance Framework**", as may be updated from time to time), including:

(i) to repay in full all outstanding indebtedness under the Existing Senior Debt Facilities (including any accrued interest, costs, charges, premiums, expenses and other amounts incidental to prepayment or repayment of such outstanding indebtedness);

(ii) to repay an aggregate of approximately US$108.0 million of loans from the Kaishan Group;

(iii) to repay an aggregate of approximately US$68.0 million of accounts payables due to the Kaishan Group and approximately US$21.0 million of accounts payables due to third parties;

(iv) to fund the Debt Service Reserve Account (as described in the "*Description of the Notes*") in an amount of US$15.1 million and maintaining the minimum cash balance in the Onshore Accounts (as described in the "*Description of the Notes*");

(v) to fund our Company's capital expenditures in an amount of approximately US$26.0 million; and

(vi) for working capital requirements in relation to our geothermal power plant.

GREEN FINANCE FRAMEWORK

The following description is a summary of the material provisions of the Green Finance Framework and refers to the Green Finance Framework and related documentation. This description does not restate the Green Finance Framework in its entirety. For the avoidance of doubt, neither the Second Party Opinion nor the Green Finance Framework are incorporated into or form part of this offering memorandum.

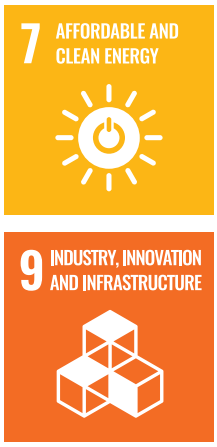
We have developed a Green Finance Framework (hereafter the "**Framework**") to facilitate the issuance of green bonds (including project bonds), green loans, green convertibles etc. ("**Green Finance Instruments**"). The establishment of the Framework allows our Company to align our financing strategy with our sustainability strategy of increasing our installed geothermal energy capacity, which in turn will support the Republic of Indonesia's net zero objective.

The Framework was developed to communicate our Green Finance Instruments in a clear, comprehensive, and transparent manner, in accordance with international principles, including the International Capital Markets Association's ("**ICMA**") Green Bond Principles (2021) ("**GBPs**"):

Use of Proceeds

We intend to apply the net proceeds from the issue of the Notes to finance and/or refinance Eligible Green Projects.

"Eligible Green Projects" refers to new or existing projects that meet the following eligibility criteria, with a 36-month look back period for operational expenditures (opex) and no look back period for capital expenditures (capex).

Eligible Category	Eligible Green Projects	SDG mapping
Renewable energy	Investments and expenditures related to the development, construction, and operation of geothermal sources, including: – Geothermal electricity generation facilities with direct emissions of <100g CO2/kWh – Geothermal exploration – Geothermal transmission and supporting infrastructure	

Activities involving fossil fuels and nuclear energy as well as activities that are deemed illegal under host country laws or international conventions and agreements, or subject to international bans will not constitute Eligible Green Projects.

Process for Project Evaluation and Selection

Any potential eligible green project will be evaluated and selected by the Green Finance Working Group ("**GFWG**"). The GFWG consists of the Chief Financial Officer ("**CFO**"), the General Manager of our power plant, and representatives from several other departments, including Legal and Compliance, HR and Services, Finance and Accounting, Stakeholders and Permitting and Corporate Environment. The GFWG reviews and validates the list of Eligible Green Projects against the eligibility criteria set out in the Framework. The GFWG also monitors on-going developments of the GBPs and reviews the Framework to reflect any changes to sustainability

strategies. If a project no longer meets the eligibility criteria, the Eligible Green Project will be removed from the Green Finance Register (as defined below) and replaced as soon as reasonably practicable. The GFWG meets on an annual basis to ensure projects meet the Eligibility Criteria and also validates the annual reporting for investors.

Management of Proceeds

Our Company's GFWG will manage the allocation of an equivalent amount to the net proceeds of our Green Finance Instruments.

Our Company will maintain a register (the "**Green Finance Register**"), which contains the list of Eligible Green Projects. We will aim to fully allocate an equivalent amount to the net proceeds within 24 months from issuance of the Notes on a best-efforts basis. If Eligible Green Projects no longer meet the eligibility criteria set out above we will remove them from the green Finance Register and replace them with Eligible Green Projects as soon as reasonably practicable.

Pending full allocation, unallocated proceeds will be held in temporary investments such as cash and cash equivalents as per our Company's standard liquidity policy.

Reporting

To enable monitoring and provide insights into prioritized areas, we will publish a report (the "**Green Finance Report**") which will be publicly available on KS Orka's website within one year from the issuance of any Green Finance Instrument which will be updated annually until full allocation, and in case of any material developments. The Green Finance Report will consist of (i) the allocation reporting and (ii) the impact reporting.

Allocation Reporting

With the aim to providing disclosure on the allocation of proceeds, the allocation report will include, for example, (i) a description of the Eligible Green Projects finances (e.g. project location), (ii) the proceeds allocated towards the Eligible Green Projects, including the share of financing vs refinancing and a breakdown of what is being financed (assets, capex, opex and investments), (iii) a list of Eligible Green Projects per category, and (iv) the balance of unallocated proceeds.

Impact reporting

The impact report will illustrate the estimated and observed environmental benefits of the Eligible Green Projects to which an equivalent amount to the net proceeds have been allocated. Subject to data availability, impact reporting may cover the following impact reporting metrics listed below. Where possible, impact metrics will align with the suggestions made in the ICMA Harmonised Framework for Impact Reporting (June 2023). In addition, calculation methodologies and key assumptions will be disclosed.

Eligible Category	**Indicative impact indicators**
Renewable energy	Annual GHG emissions emitted by the geothermal power plant in gCO2e/kWh Annual GHG emissions avoided in tCO2e/year Annual geothermal power generation in kWh Capacity of geothermal plant in MW

External Review

Pre-Issuance

We have appointed DNV to assess our Framework and its alignment with the ICMA's Green Bond Principles (2021) and to issue a Second Party Opinion (SPO) accordingly. The Second Party Opinion and Framework are publicly available on KS Orka's website, at http://www.ksorka-sorikmarapi.com/page/pressrelease/2024-pressrelease-ind.html.

Post-Issuance

We intend to engage third-party reviewers to conduct an independent assessment on an annual basis on the alignment of the allocation and impact of funds with the Framework. The independent third-party report will be made publicly available on KS Orka's website.

The above description does not restate the Green Finance Framework in its entirety. For the avoidance of doubt, neither the Second Party Opinion nor the Green Finance Framework are incorporated into or form part of this offering memorandum.

CAPITALIZATION

The following table sets forth our cash and cash equivalents, restricted cash and total capitalization as of March 31, 2024 on an historical basis and as adjusted to give effect to the offering of the Notes and the application of the net proceeds thereof described in "*Use of Proceeds*". You should read the adjusted capitalization data set forth in the table below in conjunction with "*Use of Proceeds*", "*Selected Financial and Other Information*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", and our financial statements and the accompanying notes included elsewhere in this offering memorandum.

	As of March 31, 2024	
	Actual	**As adjusted[1] (unaudited)**
	(US$ in full amount)	
Cash on hand and in banks	12,685,398	354,032,582
Current maturities of debt:		
Loans payable (excluding Senior Secured Notes offered hereby)		
Third parties[2]	30,453,252	30,453,252
Related parties	237,948,795	237,948,795
Long-term debt, net of current maturities:		
Senior Secured Notes offered hereby	–	341,347,184[4]
Loans payable (excluding Senior Secured Notes offered hereby)		
Third parties[2]	75,678,734	75,678,734
Related parties	119,108,617	119,108,617
Total debt	463,189,398	804,536,582
Total equity	466,791,708	466,791,708
Total capitalization[3]	**929,981,106**	**1,271,328,290**

Notes:

(1) Assumes net proceeds of US$341.3 million from this offering of the Notes and the use of such net proceeds and US$12.7 million of our existing cash, as described in "*Use of Proceeds*".

(2) On April 18, 2024, the Company made payments of US$15.1 million as part of its scheduled loans payable to third parties principal repayment on its Syndicated Loan Facility (which is presented as Loans Payable to Third Parties in the Financial Statements). Subsequently in June 2024, the Company made payments of US$1.5 million and US$4.6 million of its third parties interest and principal repayment, respectively.

(3) Total capitalization consists of total debt *plus* total equity.

(4) After deducting fees, commissions, and other estimated offering expenses, which consist of legal fee, rating fee, audit fee, and other expenses totaling US$8.7 million.

Except as disclosed herein, there have been no material changes in our capitalization since March 31, 2024.

EXCHANGE RATES AND EXCHANGE CONTROL

Exchange Rates

Prior to August 14, 1997, Bank Indonesia maintained the value of the Rupiah based on a basket of currencies of Indonesia's main trading partners. In July 1997, the exchange rate band was widened, and on August 14, 1997, Bank Indonesia announced it would no longer intervene to maintain the exchange rate at any particular level, if at all.

The following table shows the exchange rate of Rupiah for US dollars based on the middle exchange rates during the periods indicated. The Rupiah middle exchange rate is calculated based on the average of Bank Indonesia's buying and selling rate. No representation is made that the Rupiah or US dollar amounts referred to herein could have been or could be converted into US dollars or Rupiah, as the case may be, at any particular rate or at all.

	Middle Exchange Rates			
	High	Low	Average	At Period End
	(Rp per US$)			
2019	14,513	13,901	14,146	13,901
2020	16,741	13,612	14,572	14,105
2021	14,648	13,875	14,312	14,269
2022	15,742	14,270	14,871	15,731
2023	15,946	14,632	15,255	15,416
2024:				
January	15,439	15,796	15,611	15,796
February	15,803	15,585	15,665	15,673
March	15,853	15,576	15,703	15,853
April	16,280	15,873	16,100	16,249
May	16,458	16,218	16,084	16,253
June	16,276	15,944	16,329	16,421
July (through July 11)	16,394	16,256	16,330	16,394

Source: Statistik Ekonomi dan Keuangan Indonesia (Indonesian Financial Statistics) published monthly by Bank Indonesia; Internet website of Bank Indonesia.

Notes:

For full years, the high and low amounts are determined based upon the month end middle exchange rate announced by Bank Indonesia during the year indicated. The high and low figures for January 2024 to July 2024 are determined based on the daily middle exchange rates during the month indicated.

For full years, the average shown is calculated based on the middle exchange rate announced by Bank Indonesia on the last day of each month during the year indicated. For monthly averages from January 2024 to July 2024, the average shown is calculated based on the daily middle exchange rates during the month indicated.

The middle exchange rate on March 28, 2024 was Rp.15,853 = US$1.00.

The Federal Reserve Bank of New York does not certify for customs purposes a noon buying rate for cable transfers in Rupiah.

Exchange Controls

Indonesia has limited foreign exchange controls. The Rupiah has been, and in general is, freely convertible within or from Indonesia. However, to maintain the stability of the Rupiah and to prevent the utilization of the Rupiah for speculative purposes by non-residents, Bank Indonesia has introduced regulations to restrict the movement of Rupiah from banks within Indonesia to offshore banks, an offshore branch of an Indonesian bank, or any investment denominated in Rupiah by foreign parties and/or Indonesian parties domiciled or permanently residing outside Indonesia, thereby limiting offshore trading to existing sources of liquidity. In addition, Bank Indonesia has the authority to request information and data concerning the foreign exchange activities of all people and legal entities that are domiciled, or who plan to be domiciled, in Indonesia for at least one year.

SELECTED FINANCIAL AND OTHER INFORMATION

The selected statements of profit or loss and other comprehensive income, statements of financial position and statements of cash flows as of December 31, 2021, 2022 and 2023 and for the years then ended have been derived from our Audited Financial Statements included in this offering memorandum, which have been audited in accordance with Standards on Auditing established by the IICPA, by PSS (a member firm of Ernst & Young Global Limited), as independent auditors, as stated in their audit report included at F-7 in this offering memorandum.

The selected statements of profit or loss and other comprehensive income, statements of financial position and statements of cash flows as of March 31, 2023 and 2024 and for the three-month periods then ended have been derived from our Unaudited Financial Statements included in this offering memorandum, which have been reviewed in accordance with SRE 2410 established by the IICPA, by PSS (a member firm of Ernst & Young Global Limited), as independent auditor, as stated in their review report included at F-2 in this offering memorandum. A review conducted in accordance with SRE 2410 established by the IICPA is substantially less in scope than an audit conducted in accordance with Standards on Auditing established by the IICPA, and consequently, does not enable PSS (a member firm of Ernst & Young Global Limited), as independent auditors, to obtain assurance that PSS would become aware of all significant matters that might be identified in an audit. Accordingly, PSS did not audit and does not express any opinion on the Unaudited Financial Statements.

The financial information and operating data included in this offering memorandum do not reflect our results of operations, financial position and cash flows in the future and our past operating results are no guarantee of our future operating performance.

The Financial Statements have been prepared in accordance with IFAS and are presented in US dollars. For a summary of material accounting policies and the basis of the presentation of our financial statements, you should refer to the notes to the Financial Statements included elsewhere in this offering memorandum. Investors should read the summary financial information below in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Financial Statements and the accompanying notes included elsewhere in this offering memorandum.

Statements of Profit or Loss and Other Comprehensive Income

	For the years ended December 31,			For the three-month periods ended March 31,	
	2021	**2022**	**2023**	**2023**	**2024**
		(audited)		**(unaudited)**	
			(US$ in full amount)		
Revenues					
Revenue from contract with customer	8,514,436	18,707,140	18,898,070	3,973,823	6,941,702
Lease	28,983,180	47,414,290	64,385,165	16,096,291	18,677,670
Total revenues	**37,497,616**	**66,121,430**	**83,283,235**	**20,070,114**	**25,619,372**
Operating expense					
Depreciation	(10,091,843)	(17,215,675)	(26,067,049)	(6,150,539)	(9,084,231)
Plant operation and maintenance	(5,677,241)	(8,543,544)	(11,946,847)	(2,484,799)	(3,480,624)
Administrative expenses	(5,116,835)	(4,058,068)	(6,767,525)	(1,440,412)	(2,498,831)
Permits	(1,151,454)	(2,123,202)	(2,655,131)	(745,344)	(963,585)
Operating income	**15,460,243**	**34,180,941**	**35,846,683**	**9,249,020**	**9,592,101**
Finance expense	(4,123,476)	(7,112,091)	(12,406,944)	(3,344,296)	(3,514,216)
Foreign exchange gain (loss)	(344,724)	(269,816)	1,986,815	(1,712,153)	1,433,968
Interest income	1,567,318	676,083	738,468	191,852	185,181
Profit before income tax expense	**12,559,361**	**27,475,117**	**26,165,022**	**4,384,423**	**7,697,034**
Income tax expense	**–**	**–**	**–**	**–**	**–**
Profit for the year/period	**12,559,361**	**27,475,117**	**26,165,022**	**4,384,423**	**7,697,034**
Other comprehensive income					
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent years:					
Remeasurement on defined benefit plan	62,533	(33,622)	61,526	–	–
Total comprehensive income for the year/period	**12,621,894**	**27,441,495**	**26,226,548**	**4,384,423**	**7,697,034**

Statements of Financial Position

	As of December 31,			As of March 31,
	2021	2022	2023	2024
		(audited)		(unaudited)
		(US$ in full amount)		
Current Assets				
Cash on hand and in banks	1,810,638	1,837,803	10,084,607	12,685,398
Trade receivables	10,026,936	14,383,276	8,542,326	16,875,380
Prepayments	1,288,062	1,630,460	1,673,553	1,591,407
Finance lease receivables – current maturities	–	90,514	123,519	126,106
Other current assets	575,359	1,311,061	3,053,591	4,121,439
Total Current Assets	**13,700,995**	**19,253,114**	**23,477,596**	**35,399,730**
Non-Current Assets				
Property on operating lease	483,196,198	773,093,063	910,927,210	902,719,512
Fixed assets	24,342,645	23,432,103	22,493,412	22,001,140
Exploration and evaluation assets	26,817,368	32,440,609	73,753,951	76,223,955
Construction in progress	396,604,421	202,634,059	116,531,665	126,675,755
Advances	1,317,627	244,329	296,192	250,300
Finance lease receivables – net of current maturities	12,683,565	12,857,941	13,042,633	13,064,275
Other non-current assets	7,451,286	8,064,214	6,166,284	4,898,704
Total Non-Current Assets	**952,413,110**	**1,052,766,318**	**1,143,211,347**	**1,145,833,641**
Total Assets	**966,114,105**	**1,072,019,432**	**1,166,688,943**	**1,181,233,371**
Liabilities and Equity				
Current Liabilities				
Accounts payables and other liabilities	177,418,901	198,032,823	240,286,459	247,643,567
Taxes payable	7,073,993	6,897,165	3,266,252	2,725,219
Current maturities of loans payable	180,127,834	88,022,048	288,001,473	268,402,047
Total Current Liabilities	**364,620,728**	**292,952,036**	**531,554,184**	**518,770,833**
Non-Current liabilities				
Long-term employee benefits liability	652,807	715,250	829,942	883,479
Loans payable – net of current maturities	213,171,377	346,010,577	175,210,143	194,787,351
Total Non-Current Liabilities	**213,824,184**	**346,725,827**	**176,040,085**	**195,670,830**
Total Liabilities	**578,444,912**	**639,677,863**	**707,594,269**	**714,441,663**
Equity				
Share capital Par value – US$20,000 per share Authorized – 15,000 shares Issued and fully paid – 7,455 shares	149,100,000	149,100,000	149,100,000	149,100,000
Deposit for future stock subscription	217,157,393	234,388,274	234,914,831	234,914,831
Retained earnings	21,411,800	48,853,295	75,079,843	82,776,877
Total Equity	**387,669,193**	**432,341,569**	**459,094,674**	**466,791,708**
Total Liabilities and Equity	**966,114,105**	**1,072,019,432**	**1,166,688,943**	**1,181,233,371**

Statements of Cash Flows

	For the years ended December 31,			For the three-month periods ended March 31,	
	2021	2022	2023	2023	2024
		(audited)		(unaudited)	
			(US$ in full amount)		
Net Cash Provided by Operating Activities	51,079,382	52,201,578	87,221,330	28,177,355	11,709,547
Net Cash Used in Investing Activities	(238,169,138)	(114,230,843)	(98,635,416)	(27,723,149)	(7,108,756)
Net Cash (Used in) Provided by Financing Activities	188,634,802	62,056,430	19,660,890	410,727	(2,000,000)
Net increase in cash on hand and in banks	1,545,046	27,165	8,246,804	864,933	2,600,791
Cash on hand and in banks at beginning of year/period	265,592	1,810,638	1,837,803	1,837,803	10,084,607
Cash on hand and in banks at end of year/ period	1,810,638	1,837,803	10,084,607	2,702,736	12,685,398

Other Financial Data

	As of and for the years ended December 31,			As of and for the three-month periods ended March 31,	
	2021	2022	2023	2023	2024
			(US$ in full amount except ratios)		
EBITDA[(1)]	25,552,086	51,396,616	61,913,732	15,399,559	18,676,332
Total Debt[(2)]	179,045,000	139,037,911	106,828,807	140,536,108	106,131,986
Net Debt[(3)]	177,234,362	137,200,108	96,744,200	137,833,372	93,446,588
Total Debt to EBITDA[(4)]	7.0x	2.7x	1.7x	9.1x	5.7x
Net Debt to EBITDA[(5)]	6.9x	2.7x	1.6x	9.0x	5.0x
Total Debt to Equity[(6)]	0.5x	0.4x	0.3x	0.4x	0.3x
Net Debt to Equity[(7)]	0.5x	0.4x	0.3x	0.4x	0.2x
EBITDA to Interest Expense[(8)]	6.2x	7.2x	5.0x	4.6x	5.3x
EBITDA Margin[(9)]	68.1%	77.7%	74.3%	76.7%	72.9%
Cash Flow Available for Debt Service[(10)]	61,599,695	65,793,567	104,357,654	34,969,423	16,149,420
Debt Service[(11)]	39,890,100	38,791,762	38,086,699	1,927,471	1,668,272
Debt Service Coverage Ratio[(12)]	1.5x	1.7x	2.7x	18.1x	9.7x
Net Profit Margin[(13)]	33.5%	41.6%	31.4%	21.8%	30.0%
Operating Cash Flows[(14)]	51,079,382	52,201,578	87,221,330	28,177,355	11,709,547
Capital Expenditures[(15)]	247,649,489	118,765,419	119,988,677	35,204,931	12,614,094
Related Party Loan[(16)]	214,254,211	294,994,714	356,382,809	298,874,134	357,057,412

Notes:

(1) EBITDA represents profit for the year/period plus (i) income tax expense, (ii) finance expense, (iii) depreciation, (iv) foreign exchange loss less (x) interest income and (y) foreign exchange gain. EBITDA and the related ratios in this offering memorandum are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with IFAS or U.S. GAAP. Furthermore, EBITDA is not a measure of our financial performance or liquidity under IFAS or U.S. GAAP and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with IFAS or U.S. GAAP or as alternatives to cash flow from operating activities or as measures of our liquidity. In addition, EBITDA is not a standardized term, hence a direct comparison between companies using such a term may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure. You should note that EBITDA as presented herein is calculated differently from EBITDA as defined in the Indenture. See "*Description of the Notes – Definitions*" for a description of the manner in which EBITDA is defined for purposes of the Indenture. Set forth below is a reconciliation of our profit for the year/period from operations to EBITDA for the years ended December 31, 2021, 2022 and 2023 and for the three-month periods ended March 31, 2023 and 2024.

	As of and for the years ended December 31,			As of and for the three-month periods ended March 31,	
	2021	**2022**	**2023**	**2023**	**2024**
			(US$ in full amount)		
Profit for the year/period	12,559,361	27,475,117	26,165,022	4,384,423	7,697,034
Plus:					
Income tax expense	–	–	–	–	–
Finance expense	(4,123,476)	(7,112,091)	(12,406,944)	(3,344,296)	(3,514,216)
Depreciation	(10,091,843)	(17,215,675)	(26,067,049)	(6,150,539)	(9,084,231)
Foreign exchange loss	(344,724)	(269,816)	–	(1,712,153)	–
Less:					
Interest income	1,567,318	676,083	738,468	191,852	185,181
Foreign exchange gain	–	–	1,986,815	–	1,433,968
EBITDA	**25,552,086**	**51,396,616**	**61,913,732**	**15,399,559**	**18,676,332**

(2) Total Debt represents loans payable to third party, which is the total loan payables excluding related party loans. Please note that Total Debt defined herein is different from the total debt defined in the "*Capitalization*" section in this offering memorandum.

(3) Net Debt represents Total Debt as defined in (2) above, less cash on hand and in banks.

(4) The ratio of Total Debt to EBITDA is calculated by dividing Total Debt as of the end of the period by EBITDA for the same period.

(5) The ratio of Net Debt to EBITDA is calculated by dividing Net Debt as of the end of the period by EBITDA for the same period.

(6) The ratio of Total Debt to Equity is calculated by dividing Total Debt as defined in (2) above as of the end of the period by total equity as of the end of the same period.

(7) The ratio of Net Debt to Equity is calculated by dividing Net Debt as defined in (3) above as of the end of the period by total equity as of the end of the same period.

(8) The ratio of EBITDA to Interest Expense is calculated by dividing EBITDA for the relevant period by finance expense for the same period.

(9) EBITDA Margin is calculated by dividing EBITDA for the relevant period by total revenues for the same period.

(10) Cash Flow Available for Debt Service represents EBITDA for the year/period plus (a) interest income, (b) working capital adjustments (including trade receivables, other current assets, accounts payables and other liabilities, and taxes payable) and (c) cash interest received.

(11) Debt Service represents the aggregate of: (i) interest paid for that relevant period, and (ii) all scheduled and mandatory repayments of loans payable to third parties falling due and any voluntary prepayments made during that relevant period.

(12) Debt Service Coverage Ratio is calculated by dividing Cash Flow Available for Debt Service for the relevant period by Debt Service for the same period.

(13) Net Profit Margin is the ratio of profit for the year/period to total revenues (expressed as a percentage).

(14) Operating Cash Flows is taken from net cash flows provided by operating activities shown in the statements of cash flows.

(15) Capital Expenditure is the use of funds or an assumption of a liability in order to obtain or upgrade physical assets.

(16) Related party loan is a form of debt financing that represents the funds received by the related parties of our Company at fixed interest terms in the subordination level.

Operating Data

		For the years ended December 31,			For the three-month periods ended March 31,	
	Unit	2021	2022	2023	2023	2024
Unit 1 Operating History						
Net Generation[(1)]	MWh	307,450[(4)(5)]	314,650	289,913	65,997	69,515
Availability Factor[(2)]	%	90.12[(4)(5)]	99.03	99.89	99.54	100.00
Net Capacity Factor[(3)]	%	82.71[(4)(5)]	90.30	105.76	98.67	87.07
Unit 2 Operating History						
Net Generation[(1)]	MWh	145,452[(5)(7)]	361,997	339,836[(6)]	85,860	86,303
Availability Factor[(2)]	%	97.31[(5)]	97.90	99.85[(6)]	99.40	100.00
Net Capacity Factor[(3)]	%	87.76[(5)]	95.91	93.98[(6)]	95.89	102.57
Unit 3 Operating History						
Net Generation[(1)]	MWh	–	81,331[(7)]	318,104[(6)]	77,883	85,652
Availability Factor[(2)]	%	–	99.82	99.91[(6)]	99.72	100.00
Net Capacity Factor[(3)]	%	–	84.97	79.37[(6)]	78.13	99.57
Unit 4 Operating History						
Net Generation[(1)]	MWh	–	–	10,048[(7)]	–	55,058
Availability Factor[(2)]	%	–	–	100.00	–	100.00
Net Capacity Factor[(3)]	%	–	–	94.23	–	93.14

Notes:

(1) Net generation means the net electricity sent out of the relevant geothermal generation unit to PLN (after the deduction of the electricity used to run our power plant).

(2) Availability means the number of hours during a period when the relevant geothermal generation unit is available for service divided by the total number of hours in the relevant period, expressed as a percentage.

(3) Net capacity factor means the ratio of the actual output of the relevant geothermal generation unit to the theoretical output assuming full capacity usage (excluding planned maintenance).

(4) In January 2021, Unit 1 experienced a forced shutdown for approximately one and a half months as a result of hydrogen sulfide gas exposure at Pad T. See "*Business – Environmental, Health and Safety Compliance – January 2021 Hydrogen Sulfide Gas Exposure*". Prior to the gas leak, for the month ended January 31, 2021, our net generation for Unit 1 was 23,147 MWh, our availability factor for Unit 1 was 77.42%, and our net capacity factor for Unit 1 was 73.41%.

(5) In August 2021, we experienced an unplanned shutdown of Unit 1 and Unit 2 for a period of seven days due to PLN grid blackouts and an all-unit trip.

(6) In May 2023, we experienced a partial shutdown at Unit 2 and Unit 3 for less than one hour at PAD AA due to an occupation by monkeys in the area.

(7) As each of Unit 2, Unit 3 and Unit 4 commenced operations at different times during the presented periods, the full period impact of their operations has not been reflected in net generation.

		For the years ended December 31,			For the three-month period ended March 31,
	Unit	2021	2022	2023	2024
Average tariffs	US$/KWh	0.083	0.087	0.087	0.087

		As of			
	Unit	July 31, 2021	October 31, 2022	December 31, 2023	April 30, 2024
End of period total steam/ brine supply extracted(1)					
Steam supply (A)	kg/s	149	201	233	231
Brine water supply (B)(2)	kg/s	723	861	791	695
Total mass supply (A) + (B)	**kg/s**	**871**	**1,062**	**1,023**	**926**

Notes:

(1) Unit 1 COD occurred in October 2019, Unit 2 COD occurred in July 2021, Unit 3 COD occurred in October 2022, Unit 4 COD occurred in December 2023 and Unit 5 COD is scheduled to be in December 2024.

(2) Net generation from brine organic rankine cycle ("**ORC**") accounted for less than 10% of our annual net generation from 2021-2023. The amount of brine has declined due to increasing enthalpy in some wells consistent with a decline in reservoir pressure. This is expected to level off with the optimization and continuous injection of brine to the reservoir.

	Unit	2025	2030	2035	2051
Total expected mass flow(1)					
Steam production (A)	kg/s	262	255	241	204
Brine water production (B)	kg/s	1,070	912	893	858
Total mass production (A) + (B)	**kg/s**	**1,333**	**1,167**	**1,134**	**1,062**

Note:

(1) The above expected production profile and figures are projections that are forward-looking in nature, and based on a numerical model that does not incorporate an improved condition resulting from Pad V, which were drilled in 2024. Accordingly, these projections involve risks and uncertainties, and actual results may differ materially from those discussed in or implied by any of the projections above as a result of various factors, including those listed in "*Risk Factors*" and "*Forward-Looking Statements*".

	Number
Wells	
Active production wells[(1)]	15
New production wells for Unit 1, Unit 2, Unit 3, Unit 4 and Unit 5 (to commence production in later 2024)[(2)]	6
Monitoring wells	4
Reinjection wells – common	18
Abandoned wells	0
Exploration wells	0
Total wells	**43**

Notes:

(1) Total active production well number includes six production wells which are shared between Unit 1, Unit 2, Unit 3 and Unit 4.

(2) Well drilling for these new production wells is complete. Well testing is expected to be conducted from August 2024, and completion is targeted for prior to Unit 5 COD in December 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our Audited Financial Statements and the related notes thereto included in this offering memorandum, which have been audited in accordance with Standards on Auditing established by the IICPA, by PSS (a member firm of Ernst & Young Global Limited), as independent auditors, as stated in their audit report included at F-7 in this offering memorandum.

This discussion should also be read in conjunction with our Unaudited Financial Statements and the related notes thereto included in this offering memorandum, which have been reviewed in accordance with SRE 2410 established by the IICPA, by PSS (a member firm of Ernst & Young Global Limited), as independent auditors, as stated in their review report included at F-2 in this offering memorandum. A review conducted in accordance with SRE 2410 established by the IICPA is substantially less in scope than an audit conducted in accordance with Standards on Auditing established by the IICPA, and consequently, does not enable PSS (a member firm of Ernst & Young Global Limited), as independent auditors, to obtain assurance that PSS would become aware of all significant matters that might be identified in an audit. Accordingly, PSS did not audit and does not express any opinion on the Unaudited Financial Statements.

This section includes forward-looking statements that involve risks and uncertainties. All statements, other than statements of historical fact, included in this section that address activities, events or developments, which we anticipate will or may occur in the future, are forward-looking statements. These statements are based upon assumptions and analyses we made in light of experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, but not limited to, those set forth under "Risk Factors" and elsewhere in this offering memorandum.

Overview

We are among the top 10 geothermal energy producers in Indonesia, accounting for 6.9% of geothermal energy capacity in Indonesia in 2022, according to the MEMR Handbook of Energy and Economic Statistics Indonesia 2022. See "*Overview of the Indonesian Power Industry – Geothermal Resources and Reserves (as of December 2022)*". We own and operate a geothermal power plant with gross installed generation capacity of 185 MW (net installed generation capacity of 159 MW) across four geothermal generation units, with plans to develop additional geothermal generation unit(s). As of the date of this offering memorandum, we are in the process of developing our fifth geothermal unit, Unit 5, which is expected to increase our gross installed generation capacity by 27 MW to a total of 212 MW (net installed generation capacity of Unit 5 at 23 MW, bringing the total to 182 MW). Our facility is situated in the Sorik Marapi-Roburan-Sampuraga working area near the town of Panyabungan in North Sumatra, Indonesia, approximately 350 kilometers south/south-east of the city of Medan, the capital of North Sumatra, Indonesia. Pursuant to MEMR Decree No. 159.K/90/MEM/2020 dated September 3, 2020, the Sorik Marapi area has been designated as an Indonesian "National Vital Object". We have entered into an up to 240 MW long-term (over 30 years) take-or-pay power purchase agreement (the "**PPA**") with PT PLN (Persero) ("**PLN**"), Indonesia's state-owned electric utility provider. Our PPA with PLN is valid for 32 years from the commercial operation date ("**COD**") of Unit 1 and will expire in 2051.

We began commercial operations in October 2019 with Unit 1. We increased our gross installed generation capacity by 51 MW in July 2021 through the commercial operation of Unit 2, increasing our gross installed generation capacity to 103 MW. We later increased our gross installed generation capacity by 51 MW in October 2022 through the commercial operation of Unit 3, increasing our gross installed generation capacity to 154 MW, and further by 31 MW to 185 MW

in December 2023, when we began commercial operations at Unit 4. We are in the process of developing Unit 5, which is expected to increase our gross installed generation capacity by 27 MW to 212 MW. The net installed generation capacity of Unit 1, Unit 2, Unit 3 and Unit 4 is 42 MW, 44 MW, 46 MW and 27 MW, respectively, which totals to 159 MW. Unit 5 is expected to have a net installed generation capacity of 23 MW, bringing the total to 182 MW. Our key equipment providers and engineering, procurement and construction ("**EPC**") contractors for the development of each of Unit 1, Unit 2, Unit 3 and Unit 4 were Zhejiang Kaishan Energy Equipment Co. Ltd. and Shanghai Kaishan Energy Equipment Co. Ltd. Unit 1 has maintained availability of 90.12%, 99.03%, 99.89%, 99.54% and 100.00% for the years ended December 31, 2021, 2022 and 2023 and for the three-month periods ended March 31, 2023 and 2024, respectively; Unit 2 has maintained availability of 97.31%, 97.90%, 99.85%, 99.40% and 100.00% for the years ended December 31, 2021, 2022 and 2023 and for the three-month periods ended March 31, 2023 and 2024, respectively; Unit 3 has maintained availability of 99.82%, 99.91%, 99.72% and 100.00% for the years ended December 31, 2022 and 2023 and for the three-month periods ended March 31, 2023 and 2024, respectively; and Unit 4 has maintained availability of 100.00% and 100.00% for the year ended December 31, 2023 and for the three-month period ended March 31, 2024, respectively.[4]

Our business is mainly based on the *Izin Panas Bumi* ("**IPB**", or geothermal license), the *Izin Usaha Penyediaan Tenaga Listrik Untuk Kepentingan Umum* ("**IUPTLU**", or electricity supply for public interest business license) and one material contract, the PPA. Under the IPB, which was issued by the Ministry of Energy and Mineral Resources ("**MEMR**") in April 2015, we have the exclusive right to exploit and utilize geothermal energy in the Sorik Marapi-Roburan-Sampuraga working area for an area of 62,920 hectares. We also have the exclusive right to convert geothermal resources to electricity and to deliver such electricity to PLN pursuant to a long term take-or-pay PPA and are licensed to supply the electricity under our IUPTLU. See "*Description of Material Contracts – Power Purchase Agreement*", "*Business – Our Operations – The Power Purchase Agreement*" and "*Business – Our Operations – The Izin Panas Bumi*".

We intend to explore the potential growth of our business by expanding the gross installed generation capacity at Sorik Marapi to take advantage of the PPA with PLN. Following a series of geoscience studies that commenced in early 2017, we have commenced development of an additional geothermal unit, Unit 5, in Sorik Marapi. Any future development of our power plant is subject to the success of further exploratory drilling activities and the economic viability of such development.

Our total revenues for the years ended December 31, 2021, 2022 and 2023 and for the three-month periods ended March 31, 2023 and 2024 were US$37.5 million, US$66.1 million, US$83.3 million, US$20.1 million and US$25.6 million, respectively. Our EBITDA for the years ended December 31, 2021, 2022 and 2023 and for the three-month periods ended March 31, 2023 and 2024 was US$25.6 million, US$51.4 million, US$61.9 million, US$15.4 million and US$18.7 million, respectively, and our profit for the years ended December 31, 2021, 2022 and 2023 and for the three-month periods ended March 31, 2023 and 2024 was US$12.6 million, US$27.5 million, US$26.2 million, US$4.4 million and US$7.7 million, respectively. Our EBITDA Margin, which is the ratio of EBITDA to total revenues, for the years ended December 31, 2021, 2022 and 2023 and for the three-month periods ended March 31, 2023 and 2024 was 68.1%, 77.7%, 74.3%, 76.7% and 72.9%, respectively.

4 As each of Unit 2, Unit 3 and Unit 4 commenced operations at different times during the presented periods, the availability figures presented only reflect data for the time following which each Unit commenced commercial operations. See "*Business – Our Facility – Power Plant*".

Significant Factors Affecting Our Results of Operations

Set out below are some of the more significant factors that have affected our results of operations in the past, as well as factors that are currently expected to affect our results of operations in the foreseeable future. Other factors beyond those identified below may materially affect our results of operations. See "*Risk Factors*" in this offering memorandum.

Capacity and Availability of Our Power Plant

Substantially all of our revenues arise from the tariff we earn from generating and delivering electricity to PLN pursuant to the PPA. Our ability to generate revenue and the level of revenue we are able to generate is primarily based on the capacity and availability of our power plant, as well as on the tariff (see "– *Tariff*"). The number and capacity of our geothermal screw expanders, the capacities of the steam gathering and re-injection system ("**SGRS**") and power plant equipment at our Facility and the availability of steam and brine supply dictate our electricity generating capacity.

Our first geothermal unit, Unit 1, which commenced commercial operations in October 2019, has a gross installed generation capacity of 51 MW. With the addition of a second geothermal unit, Unit 2, to our Facility in July 2021, which has a gross installed generation capacity of 52 MW, our total gross installed generation capacity increased to 103 MW in March 2009. We later increased our gross installed generation capacity by 51 MW in October 2022 through the commercial operation of our third geothermal unit, Unit 3, increasing our gross installed generation capacity to 154 MW, and further by 31 MW to 185 MW in December 2023, when we began commercial operations at our fourth geothermal unit, Unit 4. The current net installed generation capacity of Unit 1, Unit 2, Unit 3 and Unit 4 are 42 MW, 44 MW, 46 MW and 27 MW, respectively.

Pursuant to the terms of the PPA, PLN is committed to purchase electricity generated by us of up to 240 MW (the "**PPA Deliverable Capacity**"). We intend to grow our business by expanding the gross installed generation capacity at Sorik Marapi to take full advantage of the PPA with PLN. Any increase in our gross installed generation capacity up to the PPA Deliverable Capacity is expected to result in an increase in the amount of electricity generated for delivery and sale to PLN, and therefore increase our revenues.

The availability of our power plant also affects our revenues and is in turn affected by a variety of factors, including, the need to shut down the power plant for scheduled and unscheduled maintenance and repairs, and the impact of our well maintenance and repair requirements. The following table sets forth information relating to the net generation, availability factor and net capacity factor of Unit 1, Unit 2, Unit 3 and Unit 4 of our power plant for the years ended December 31, 2021, 2022 and 2023 and for the three-month periods ended March 31, 2023 and 2024:

		For the years ended December 31,			For the three-month periods ended March 31,	
	Unit	**2021**	**2022**	**2023**	**2023**	**2024**
Unit 1 Operating History						
Net Generation[(1)]	MWh	307,450[(4)(5)]	314,650	289,913	65,997	69,515
Availability Factor[(2)]	%	90.12[(4)(5)]	99.03	99.89	99.54	100.00
Net Capacity Factor[(3)]	%	82.71[(4)(5)]	90.30	105.76	98.67	87.07

	Unit	For the years ended December 31,			For the three-month periods ended March 31,	
		2021	2022	2023	2023	2024
Unit 2 Operating History						
Net Generation[(1)]	MWh	145,452[(5)(7)]	361,997	339,836[(6)]	85,860	86,303
Availability Factor[(2)]	%	97.31[(5)]	97.90	99.85[(6)]	99.40	100.00
Net Capacity Factor[(3)]	%	87.76[(5)]	95.91	93.98[(6)]	95.89	102.57
Unit 3 Operating History						
Net Generation[(1)]	MWh	–	81,331[(7)]	318,104[(6)]	77,883	85,652
Availability Factor[(2)]	%	–	99.82	99.91[(6)]	99.72	100.00
Net Capacity Factor[(3)]	%	–	84.97	79.37[(6)]	78.13	99.57
Unit 4 Operating History						
Net Generation[(1)]	MWH	–	–	10,048[(7)]	–	55,058
Availability Factor[(2)]	%	–	–	100.00	–	100.00
Net Capacity Factor[(3)]	%	–	–	94.23	–	93.14

Notes:

(1) Net generation means the net electricity sent out of the relevant geothermal generation unit to PLN (after the deduction of the electricity used to run our power plant).

(2) Availability means the number of hours during a period when the relevant geothermal generation unit is available for service divided by the total number of hours in the relevant period, expressed as a percentage.

(3) Net capacity factor means the ratio of the actual output of the relevant geothermal generation unit to the theoretical output assuming full capacity usage (excluding planned maintenance).

(4) In January 2021, Unit 1 experienced a forced shutdown for approximately one and a half months as a result of hydrogen sulfide gas exposure at Pad T. See "*Business – Environmental, Health and Safety Compliance – January 2021 Hydrogen Sulfide Gas Exposure*". Prior to the gas leak, for the month ended January 31, 2021, our net generation for Unit 1 was 23,147 MWh, our availability factor for Unit 1 was 77.42%, and our net capacity factor for Unit 1 was 73.41%.

(5) In August 2021, we experienced an unplanned shutdown of Unit 1 and Unit 2 for a period of seven days due to PLN grid blackouts and an all-unit trip.

(6) In May 2023, we experienced a partial shutdown at Unit 2 and Unit 3 for less than one hour at PAD AA due to an occupation by monkeys in the area.

(7) As each of Unit 2, Unit 3 and Unit 4 commenced operations at different times during the presented periods, the full period impact of their operations has not been reflected in net generation.

The foregoing availability statistics were primarily affected by a forced shutdown of Unit 1 that occurred in January 2021, as a result of a hydrogen sulfide gas exposure at Pad T. This January 2021 hydrogen sulfide gas exposure incident resulted in the deaths of five civilians and the hospitalization of 50 civilians. To the extent to which the operation of Unit 1 was affected by such event, the availability of Unit 1 was reduced for the purpose of receiving tariff payments from PLN under the PPA. However, we received insurance proceeds under our insurance program in respect of this event. See "*Business – Environmental, Health and Safety Compliance – January 2021 Hydrogen Sulfide Gas Exposure*".

Except for the year ended December 31, 2021, in which we experienced a forced shutdown of Unit 1 for approximately one and a half months from January 2021 as a result of hydrogen sulfide gas exposure at Pad T, for the years ended December 31, 2021, 2022 and 2023, and for the three-month periods ended March 31, 2023 and 2024, our availability was in excess of 97% for each year.

Excluding the impact of forced shutdowns, the availability of our power plant is primarily affected by scheduled maintenance activities. Overhauls are scheduled every three years, with the next overhauls scheduled to take place in November 2024. Scheduled overhauls typically result in a shut down for each unit for a period of approximately 10 days. In addition, shutdowns caused by other activities we undertake in the contract area may also affect the availability of our power plant. See "*Business – Plant Operations and Maintenance*".

Tariff

The electricity generated by our power plant is sold to PLN on a "take-or-pay" basis under the PPA, with the average of the monthly take-or-pay percentages over the contract year (being the specified percentage of the applicable time-weighted plant rated capacity multiplied by total hours in the relevant contract year) being equal to 90%. See "*Business – Strengths – Established revenue visibility from long term PPA with investment grade off-taker*" and "*Description of Material Contracts – Power Purchase Agreement – Tariff*".

PLN pays us a tariff based on a predetermined formula that consists of a fixed component and a variable component, which is subject to escalation in accordance with the following index (**I**) that allows the tariff to increase with inflation. See "*Description of Material Contracts – Power Purchase Agreement – Tariff*".

For all of the electricity generated by all of our existing units, the calculation for our monthly power charge for contract months which commences after the initial commercial operation date is given per below:

$$\mathbf{PC} = (Pb \times D \times I) + (TPC \times D)$$

Where:

- **PC** = Monthly power charge.
- **Pb** = Base power price as specified in the PPA, being US$0.0810/kWh as of the date of this offering memorandum.
- **D** = the sum of the actual number of kWh delivered and the deemed dispatch kWhs.
- **I** = an adjustment factor based on the United States Producer Price Index for all commodities as issued by the U.S. Department of Labor, Bureau of Labor Statistics, Producer Prices and Indexes (series ID WPU 00000000) ("**PPI**").
- **TPC** = a fixed charge (the transmission power charge) of US$0.054 per kWh as of the date of this offering memorandum.

The adjustment factor (**I**) is given per below:

$$\mathbf{I} = 0.75 + (0.25 \times (Yp/Ypb))$$

Where:

- **Yp** = the PPI averaged over the most recently completed calendar quarter (ending March, June, September or December) ending prior to the beginning of the relevant contract month.
- **Ypb** = PPI averaged over the most recently completed calendar quarter (ending March, June, September or December) ending prior to the initial commercial operation date.

Movements in the PPI have a direct impact on the calculation of tariff payable by PLN to us, hence affecting our revenues and results of operations. We calculate the applicable tariff on a monthly basis using the formula in the PPA each time we invoice PLN for electricity dispatched in the preceding month. The average tariffs (being the base power price multiplied by the index (**I**)) for the years ended December 31, 2021, 2022 and 2023 and for the three-month period ended March 31, 2024 were US$0.083/kWh, US$0.087/kWh, US$0.087/kWh and US$0.087/kWh, respectively.

While PLN is contractually committed to pay for net electrical output off-taken from our generators, if PLN does not dispatch all of our electrical output, PLN is committed to pay an average monthly take-or-pay percentage of 90% over the contract year. Under the terms of the PPA, PLN is obliged to make such payments in Rupiah, although our tariff is denominated in US dollars and our invoices are submitted in US dollar. See "– *Exchange Rate Fluctuations*". PLN has historically dispatched all of our net electrical output and paid for all of such output in accordance with the contractually committed amounts under the PPA.

Exchange Rate Fluctuations

In accordance with current Indonesian law and Bank Indonesia regulations, PLN is obliged to make payment in Rupiah under the PPA. Nevertheless, our tariff is denominated in US dollars and our invoices are submitted in US dollar. Payments are made to us in US dollars by PT Bank Rakyat Indonesia Tbk. ("**BRI**") as the Converting Bank under the Tripartite Converting Agreement. Pursuant to the Tripartite Converting Agreement, on each relevant payment date, PLN will deposit Rupiah with BRI in an amount that when converted to US dollars by BRI using the Jakarta Interbank Spot Dollar Rate applicable on that date, will allow BRI to have sufficient US dollars to pay the full amount of the invoice in US dollars. BRI is obligated to source the US dollars and PLN's payment obligation is not satisfied until our Company receives the full amount due in US dollars. This arrangement ensures both that payments under the PPA are compliant with Indonesian law, and that the foreign exchange risk lies with PLN and BRI. See "*Description of Material Contracts – Tripartite Converting Agreement*".

While all of our revenues are denominated in US dollars, a proportion of our operating expenses, such as salaries, employees' allowances and benefits, are denominated in Rupiah and US dollars. For the years ended December 31, 2021, 2022 and 2023 and for the three-month period ended March 31, 2024, employee compensation expenses were 7.3%, 5.0%, 6.5% and 6.1%, respectively, of our operating expenses. To the extent our operating expenses are not denominated in US dollars, we are exposed to fluctuations in currency exchange rates.

Our Relationship with PLN

As substantially all of our revenues are derived from tariff payments by PLN, events that would adversely impact PLN's results of operations and financial condition could also have an impact on us. There are various factors that could affect PLN's financial condition, including government policies that apply to PLN, delay in obtaining parliamentary approval of tariff rates as well as regulatory developments and changes that are either underway or that have been proposed in relation to PLN and the Indonesian power industry. Any regulatory change that adversely affects PLN could have a significant effect on our results of operations. In any financial period where PLN does not make timely payments under the PPA, our results of operations and cash flows will be affected. Any regulatory change that adversely affects PLN could have a significant effect on our operations and financial results. See also "*Risk Factors – Risks Relating to our Business – We are subject to risks associated with reliance on PLN as the sole off-taker of electricity from our plant*".

Taxation

As our operations are based in Indonesia, we are subject to Indonesian corporate income tax and other taxes.

Corporate income tax

According to the 2014 Geothermal Law and Government Regulation No. 7 of 2017, we are obliged to pay tax, customs duties, and import tax in accordance with prevailing tax laws. The Ministry of Finance of Republic of Indonesia has, however, granted our Company a corporate income tax reduction facility under decree No. 266/KM.3.2019 dated May 8, 2019, in the form of: (a) a reduction of 100% of income tax payable for the period of ten fiscal years, starting from the fiscal year of the commencement of COD; (b) a reduction of 50% of income tax payable for the period of two fiscal years, starting from the ending of the first 10 fiscal years; and (c) an exemption from withholding and collection of taxes from third parties on the income received by our Company for the period of 10 fiscal years, starting from the fiscal year of the commencement of COD. Such tax reduction facility has accordingly reduced the corporate income tax to which we are liable, which would otherwise be payable at 22% of taxable income, calculated based on electricity revenue less deductible costs related to our business.

Withholding tax

Under Indonesian tax laws applicable as of the date of this offering memorandum, notes are defined as debt securities, government debt securities, and regional bonds with a tenure of more than 12 months, issued by both government and non-government entities. Furthermore, any rewards received or obtained by noteholders, whether resident or non-resident taxpayers, in the form of interest, profit sharing, margins (gains from the disposal of the notes), other similar income, and/or discounts, are subject to a withholding tax rate of 10.0%. Premiums, discounts, and compensation related to debt return guarantees are also included in the definition of interest.

Value added tax

For the local procurement of goods and/or services, we are subject to 11% Value Added Tax ("**VAT**"). From 2025, the applicable VAT rate will be increased to 12%. The importation of goods is also subject to customs duty and import taxes (i.e., income tax and VAT). All VAT paid will be treated as operating costs.

Production bonus

Pursuant to the 2014 Geothermal Law, we are also required to pay a Production Bonus calculated based on our gross revenue. See "*Risk Factors – Risks Relating to our Business – Our operations are subject to legal and regulatory risks including uncertainty as to the implementation of certain legislation*". On April 5, 2024, a decision letter was issued by the MEMR, stipulating the Production Bonus required to be paid for the period from January 2023 to December 2023, which was payable within 14 days from April 5, 2024 for a sum of IDR6,362,835,066.

Any change in applicable tax rules or regulations, or our eligibility for any of the aforementioned tax concessions and exemptions, may have a material effect on our operations. See *"Risk Factors – Risks Relating to our Business – We are subject to uncertainties as to the interpretation and application of certain Indonesian tax laws*".

Steam and Brine Supply Strategy

We have prepared a strategy which addresses how we propose to maintain the supply of steam and brine from the geothermal field to the turbines and achieve full output of the power plant on a continuous basis. We have implemented a well portfolio for make-up well drilling for the period to 2053. This well portfolio will be subject to annual review based on well performance and drilling campaign results. The strategy comprises the following key aspects:

- An understanding that, based on long-term observation of the Sorik Marapi reservoir since the start of commercial operation of Unit 1, Unit 2, Unit 3 and Unit 4, the long-term pressure decline rate of the geothermal reservoir is currently from 3.3 bar/yr to 3.8 bar/yr.

- This decline rate is consistent with, but slightly overestimated in the predictions of a new reservoir model which has recently been completed by specialist consultants. This model is based on all of the actual production data from Sorik Marapi wells since the start of commercial operation, and shows a prediction of long-term stability in the production pressure of the field.

- While we have not experienced incidents of scaling, which is a normal characteristic of geothermal wells, in our wells that significantly affect their capacities, if such incidents occur, we will clean these wells using water or acid to dissolve and use mechanical reaming to remove scale which has formed, as a result of which, the wells will return to their previous levels of production or injection capacity;

- Further, we also implement a policy of injecting wastewater back into the Sorik Marapi reservoir to manage significant pressure drawdown resulting from large-scale fluid extraction. Some of our wells have started to display worsening decline of production performance due to cooling impact from reinjection returns, while some wells maintain pressure with pressure support without temperature impact. These findings prompt a reassessment of injection practices of managing injection locations to the boundaries for injection suitability. We therefore believe that changes in well output can be effectively managed in the long term. Following reservoir tracer test activities conducted in 2024, we have identified quick-return reinjected water that has resulted in thermal breakthroughs in a few infill injectors. We have thus adjusted our wastewater injection strategy to divert reinjection from injecting within the main production zone to injecting away at the periphery of the production zone. We will continue to review and monitor our wastewater injection strategy for further optimization.

The geothermal fields may experience an unexpected decline in the capacity of the production wells. Such factors, together with the possibility that additional commercially viable geothermal resources in the Sorik Marapi contract area may not be confirmed, represent significant uncertainties in our operations and prospects.

Well Repairs and Replacement

We have had, and expect to continue to have, significant maintenance and repair expenses for our Facility. A substantial portion of our maintenance expenses are incurred for the repair and maintenance of the production wells that we use in our operations. The costs of constructing make-up wells are initially accrued under assets under construction. If the well we drill is commercially productive, we reclassify it to wells property and start depreciating using the Unit of Production method. We will write off a well (1) if the drilling is unsuccessful and does not result in a production well with sufficient extractable steam or brine and cannot be used for other purposes (i.e., monitoring wells, injection wells, etc.) or (2) if we have to plug and abandon for safety reasons. Following a write-off of a well, the initially capitalized costs are expensed. There were no wells written-off from 2021 to 2023. Repair and maintenance costs of existing wells form part of our operating expenses. Well-related operating expenses for the years ended December

31, 2021 was US$1.2 million, and comprised 136% of our total operating expenses for those periods. Meanwhile, there were no well-related repair operating expenses for the years ended December 31, 2022 and 2023 and for the three-month period ended March 31, 2024. Well-related operating expenses were higher in 2021 as a result of our well intervention program, by acidizing undertaken in Pad C wells. We expect that our operating expenses for maintenance and repairs will increase due to our well cleaning activities, potentially by bullhead chemical injection.

Our current plans for capital expenditures assume a 2.5% to 6% fieldwide total mass flow rate depletion per year of our production wells. The actual natural depletion rates of our production wells going forward may be higher or lower than the depletion rate which we have assumed. As production wells are depleted, make-up wells need to be drilled in order for us to maintain the desired level of overall production.

Overview of Revenue and Expenses

Revenues

Our revenues arise from the tariff we earn from generating and delivering electricity to PLN pursuant to the PPA. However, since the contractual arrangement under the PPA provides that (i) the power plants and geothermal field facilities shall be owned and be under the responsibility of our Company; (ii) there is no regulatory requirement which requires us to transfer the power plants and geothermal field facilities to PLN at the end of the term of the PPA; and (iii) there is no provision in the PPA which grants PLN the right to buy the power plants and geothermal field facilities from us, therefore, applying the relevant accounting policy, management has determined that the power generating facilities and field facilities included in the contractual arrangement should be accounted for as an operating lease and as such our revenues from the tariffs we earn from PLN are separated into "lease revenue" and "electricity revenue" on a relative fair value basis. See Note 2(i) to our Audited Financial Statements, which describes the designation of the power generating facilities and field facilities included in the PPA as an operating lease.

"Lease revenue" consists of that portion of our revenues that recovers our investment in the power plant, while "electricity revenue", reflected as "Revenue from contract with customer" in our statements of profit or loss and other comprehensive income, consists of that portion of our revenues that recovers the operation and maintenance of the power plant. The following table sets out the portions of our revenues that we have designated as lease, electricity and other, in amounts and as percentages of our total revenues for the periods presented.

	For the years ended December 31,						For the three-month periods ended March 31,			
	2021		2022		2023		2023		2024	
	(US$ in full amount)	%	(US$ in full amount)	%	(US$ in full amount)	%	(US$ in full amount)	%	(US$ in full amount)	%
Revenue from contract with customer	8,514,436	22.7	18,707,140	28.3	18,898,070	22.7	3,973,823	19.8	6,941,702	27.1
Lease	28,983,180	77.3	47,414,290	71.7	64,385,165	77.3	16,096,291	80.2	18,677,670	72.9
Total revenues	**37,497,616**	**100.0**	**66,121,430**	**100.0**	**83,283,235**	**100.0**	**20,070,114**	**100.0**	**25,619,372**	**100.0**

Expenses and Other Income

Expenses and other income consist of (i) operating expenses and (ii) other expenses and other income.

- Operating expenses consist of depreciation, plant operation and maintenance, administrative expenses and permits.

- Other expenses and other income consists of finance expense, foreign exchange gain (loss) and interest income.

The following table sets out the components of our expenses and other income in amounts and as percentages of our total expenses and other income for the periods indicated:

	For the years ended December 31,						For the three-month periods ended March 31,			
	2021		2022		2023		2023		2024	
	(US$ in full amount)	%	(US$ in full amount)	%	(US$ in full amount)	%	(US$ in full amount)	%	(US$ in full amount)	%
Operating Expense										
Depreciation	(10,091,843)	(45.8)	(17,215,675)	(53.9)	(26,067,049)	(55.0)	(6,150,539)	(56.8)	(9,084,231)	(56.7)
Plant operation and maintenance	(5,677,241)	(25.8)	(8,543,544)	(26.7)	(11,946,847)	(25.2)	(2,484,799)	(23.0)	(3,480,624)	(21.7)
Administrative expenses	(5,116,835)	(23.2)	(4,058,068)	(12.7)	(6,767,525)	(14.2)	(1,440,412)	(13.3)	(2,498,831)	(15.6)
Permits	(1,151,454)	(5.2)	(2,123,202)	(6.7)	(2,655,131)	(5.6)	(745,344)	(6.9)	(963,585)	(6.0)
Total	**(22,037,373)**	**(100.0)**	**(31,940,489)**	**(100.0)**	**(47,436,552)**	**(100.0)**	**(10,821,094)**	**(100.0)**	**(16,027,271)**	**(100.0)**
Finance expense	(4,123,476)	(142.1)	(7,112,091)	(106.1)	(12,406,944)	(128.1)	(3,344,296)	(68.7)	(3,514,216)	(185.4)
Foreign exchange gain (loss)	(344,724)	(11.9)	(269,816)	(4.0)	1,986,815	20.5	(1,712,153)	(35.2)	1,433,968	75.6
Interest income	1,567,318	54.0	676,083	10.1	738,468	7.6	191,852	3.9	185,181	9.8
Total	**(2,900,882)**	**(100.0)**	**(6,705,824)**	**(100.0)**	**(9,681,661)**	**(100.0)**	**(4,864,597)**	**(100.0)**	**(1,895,067)**	**(100.0)**

Depreciation

Depreciation is the largest component of our operating expenses. We depreciate the cost of office equipment, field equipment, vehicles, medical equipment and office furniture and fixtures on a straight-line basis over the estimated useful life of each asset. The useful life and method of depreciation are reviewed periodically to ensure that the period and the method of depreciation are consistent with the expected pattern of economic benefits from items of property on operating lease. Land is stated at cost and is not depreciated as management is of the opinion that it is probable that the titles of land rights can be renewed/extended upon expiration.

Plant operation and maintenance

Plant operation and maintenance comprises of operation maintenance cost to related party, including payments to our third-party operation and maintenance contractors for services rendered.

Administrative expenses

Administrative expenses comprise salaries, employees' allowances and benefits; security; fuel; community development and community relation; transportation; telecommunication and office supplies; land and building tax; repairs and maintenance; donation and representations; travelling and accommodation; waste treatment and management; professional fees and others.

Permits

Permits comprise mandatory fee to the government in accordance with applicable regulation which consist of production fee, production bonus, fixed exploitation fee, land tax and water tax.

Finance expenses

Finance expenses represent interest expenses payable on bank loans and shareholders loans.

Foreign exchange gain (loss)

Foreign exchange gain (loss) represents foreign exchange losses or gains arising from timing differences primarily between the recognition of Rupiah and Chinese Yuan denominated expenses when these are incurred and our actual payment of those expenses. In addition, foreign exchange losses or gains arise as a result of our monthly revaluation of Rupiah and Chinese Yuan denominated expenses recognized but unpaid.

Interest income

Interest income represents income generated from our finance lease receivables.

Income Tax Expense

Income tax expense represents tax at the applicable tax rate, tax effect of permanent differences, deferred tax assets not recognized and tax reduction facility at applicable tax rate. Deferred income tax assets and liabilities are recognized for temporary differences between the financial and the tax bases of assets and liabilities at each reporting period. Future tax benefits, such as the carryover of unused tax losses, are also recognized to the extent that such benefits are more likely than not to be realized. See Note 16 to our Audited Financial Statements and Note 16 of our Reviewed Financial Statements.

Material Accounting Policies and Significant Accounting Judgments, Estimates and Assumptions

The preparation of financial statements in conformity with IFAS requires our management to make judgments, estimates and assumptions that affect amounts reported therein. Due to the inherent uncertainty in making such estimates, actual results to be reported in future periods may be based on amounts that differ from those estimates.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could be different from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting

estimates are recognized in the period which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Below are selected material accounting policies and significant accounting judgments that the directors have made in the process of applying our accounting policies and that have the most significant effect on the amounts recognized in our Financial Statements.

For further details of our material accounting policies and significant accounting judgments, estimates and assumptions, see Notes 2 and 3 to our Audited Financial Statements.

Revenue and expense recognition

We operate a geothermal energy resource area located at Mandailing Natal Regency, North Sumatra in Indonesia and all of our electricity production is sold to PLN for a 32-year period.

At the commencement of COD, the management determined that our contract with PLN contains a lease and should be accounted for as an operating lease, see Note 2(i) of our Audited Financial Statements. As such, revenue from contract with PLN is allocated between electricity revenue and lease revenue based on the relative fair value of each revenue components. Electricity revenue represents the portion of revenue that recovers the operation and maintenance of the power plant while lease revenue represents the portion of revenue that recovers the investment in the power plant.

Electricity revenue is recognized in accordance with Indonesian Financial Accounting Standards ("**PSAK**") 115, *Revenue from Contracts with Customers*, while lease revenue is recognized in accordance with PSAK 116, *Leases*.

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services. We have generally concluded that we are the principal in our revenue arrangements because we typically control the goods or services before transferring them to the customer.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3 of our Audited Financial Statements.

Electricity revenue

Electricity revenue is recognized at the point in time when the control of the electrical output is transferred to PLN which is upon delivery. Quantities delivered are determined through electrical measurement meters at the delivery point. The electricity revenue is measured through allocation of transaction price between lease revenue and electricity revenue. The normal credit term is 30 days upon receipt of the invoice from our Company by PLN.

We consider whether there are other promises in the contract that are separate performance obligation to which a portion of the transaction price needs to be allocated. In determining the transaction price for the electricity revenue, we consider the effect of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to PLN (if any). Based on management's assessment, our contract with PLN has no variable consideration such as rights of return and volume rebates, and has no significant financing component, non-cash consideration, and consideration payable to PLN.

Exploration and evaluation expenditures

Our accounting policy for exploration and evaluation expenditures results in costs being capitalized where it is considered likely to be recoverable by future exploitation. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalized the costs, a judgment is made that recovery of the costs is unlikely, the relevant capitalized costs will be written-off and charged to profit or loss.

Depreciation and estimated useful lives of property on operating lease and fixed assets

The costs of certain property on operating lease and fixed assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property on operating lease and fixed assets to be within two to 32 years, which are common life expectancies applied in the industries where we conduct our businesses. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised. The carrying amount of our property on operating lease and fixed assets are disclosed in Notes 6 and 7 of our Audited Financial Statements, respectively.

Recent accounting pronouncements

The accounting standards that have been issued up to the date of issuance of our Financial Statements, but not yet effective are disclosed below. Our management intends to adopt these standards that are considered relevant to our Company when they become effective, and the impact to the financial position and performance of our Company is still being estimated as of the completion date of the Financial Statements:

Effective beginning on or after January 1, 2024

- Financial Accounting Standards Pillars – These standards provide requirements and guidelines for entities to apply the correct financial accounting standards in preparing general purpose Financial Statements. There will be four financial accounting standards that are currently applied in Indonesia, namely:
  - Pillar 1 International Financial Accounting Standards,
  - Pillar 2 Indonesian Financial Accounting Standards (PSAK),
  - Pillar 3 Indonesian Financial Accounting Standards for Private Entities/Indonesian Financial Accounting Standards for Entities without Public Accountability, and
  - Pillar 4 Indonesian Financial Accounting Standards for Micro Small and Medium Entities.
- International Financial Accounting Standard

  This standard is a full adoption of International Financial Reporting Standards (IFRS) which is translated in a word-for-word basis and there is no modification from IFRS Standards, including the effective date. Entities that meet the requirements can apply this standard, from the effective date.
- Financial Accounting Standards Nomenclature

This standard regulates the new numbering for financial accounting standards applicable in Indonesia issued by Institute of Indonesia Chartered Accountants' Accounting Standard Board (DSAK IAI).

- Amendment of PSAK 201: *Non-current Liabilities with Covenants*

  The amendment specifies the requirements for classifying liabilities as current or non-current and clarify:

  1. What is meant by a right to defer settlement,

  2. The right to defer must exist at the end of the reporting period,

  3. Classification is not affected by the likelihood that an entity will exercise its deferral right, and

  4. Only if an embedded derivative in a convertible liability is an equity instrument would the terms and conditions of a liability will not impact its classification.

  In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

  The amendment had no impact on the Company's financial statements.

- Amendment of PSAK 116: *Lease Liability in a Sale and Leaseback*

  The amendment to PSAK 116 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

  The amendment had no impact on the Company's financial statements.

- Amendments of PSAK 207 and PSAK 107: *Supplier Finance Arrangements*

  The amendments to PSAK 207 Statement of Cash Flows and PSAK 107 Financial Instruments: Recognition clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

  The amendments had no impact on the Company's financial statements.

For further details, see Note 2(b) to our Audited Financial Statements.

Results of Operations

The following table sets forth our results of operations for the time periods indicated:

	For the years ended December 31,			For the three-month periods ended March 31,	
	2021	2022	2023	2023	2024
		(audited)		(unaudited)	
			(US$ in full amount)		
Revenues					
Revenue from contract with customer	8,514,436	18,707,140	18,898,070	3,973,823	6,941,702
Lease	28,983,180	47,414,290	64,385,165	16,096,291	18,677,670
Total revenues	**37,497,616**	**66,121,430**	**83,283,235**	**20,070,114**	**25,619,372**
Operating expense					
Depreciation	(10,091,843)	(17,215,675)	(26,067,049)	(6,150,539)	(9,084,231)
Plant operation and maintenance	(5,677,241)	(8,543,544)	(11,946,847)	(2,484,799)	(3,480,624)
Administrative expenses	(5,116,835)	(4,058,068)	(6,767,525)	(1,440,412)	(2,498,831)
Permits	(1,151,454)	(2,123,202)	(2,655,131)	(745,344)	(963,585)
Operating income	**15,460,243**	**34,180,941**	**35,846,683**	**9,249,020**	**9,592,101**
Finance expense	(4,123,476)	(7,112,091)	(12,406,944)	(3,344,296)	(3,514,216)
Foreign exchange gain (loss)	(344,724)	(269,816)	1,986,815	(1,712,153)	1,433,968
Interest income	1,567,318	676,083	738,468	191,852	185,181
Profit before income tax expense	**12,559,361**	**27,475,117**	**26,165,022**	**4,384,423**	**7,697,034**
Income tax expense	–	–	–	–	–
Profit for the year/period	**12,559,361**	**27,475,117**	**26,165,022**	**4,384,423**	**7,697,034**
Other comprehensive income					
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent years:					
Remeasurement on defined benefit plan	62,533	(33,622)	61,526	–	–
Total comprehensive income for the year/period	**12,621,894**	**27,441,495**	**26,226,548**	**4,384,423**	**7,697,034**

Three-month periods ended March 31, 2024 compared to three-month periods ended March 31, 2023

Revenues

Total revenues increased by US$5.5 million, or 27.6%, from US$20.1 million for the three-month periods ended March 31, 2023 to US$25.6 million for the three-month periods ended March 31, 2024. This increase was primarily due to an increase in revenue from lease of US$2.6 million, or 16.0% from US$16.1 million in the three-month periods ended March 31, 2023 to US$18.7 million in the three-month periods ended March 31, 2024, as a result of increase of the capacity. Revenue from contract with customer increased by US$3.0 million, or 74.7%, from US$4.0 million in the three-month periods ended March 31, 2023 to US$7.0 million in the three-month periods ended March 31, 2024, due to increase in net installed generation capacity obtained with COD of Unit 4 for 27 MW at the end of 2023.

Operating expense

Operating expense increased by US$5.2 million, or 48.1% from US$10.8 million in the three-month periods ended March 31, 2023 to US$16.0 million in the three-month periods ended March 31, 2024. This increase was primarily due to the following:

- Depreciation increased by US$2.9 million, or 47.7% from US$6.2 million in the three-month periods ended March 31, 2023 to US$9.1 million in the three-month periods ended March 31, 2024, due to the increase of depreciation expense of property on operating lease of additional COD of Unit 4 in December 2023.

- Plant operation and maintenance increased by US$1.0 million, or 40.1% from US$2.5 million in the three-month periods ended March 31, 2023 to US$3.5 million in the three-month periods ended March 31, 2024, due to the addition of a unit operating commercially (Unit 4) in 2024 that also required greater maintenance costs such as replacement cost for spare parts of power plant equipment and electrical, logging and geochemistry costs, premium insurance for power plant and manpower for our operation team.

- Administrative expenses increased by US$1.1 million, or 73.5% from US$1.4 million in the three-month periods ended March 31, 2023 to US$2.5 million in the three-month periods ended March 31, 2024, due to an increase in security costs after the COD for Unit 4 and an increase in staffing costs due to the distribution of a performance bonus in February 2024 and a festive bonus in March 2024.

- Permits increased by US$0.2 million, or 29.3%, from US$0.8 million in the three-month periods ended March 31, 2023 to US$1.0 million in the three-month periods ended March 31, 2024, due to higher a production fee and production bonus to be paid in line with increases in our revenue, as well as an increase in land tax due to the addition of new areas which are tax objects, since our Company is currently under construction in preparation for the COD of our next unit.

Operating income

As a result of the foregoing, operating income increased by US$0.3 million, or 3.7% from US$9.3 million in the three-month periods ended March 31, 2023 to US$9.6 million in the three-month periods ended March 31, 2024.

Finance expense

Finance expense increased by US$0.2 million, or 5.1% from US$3.3 million in the three-month periods ended March 31, 2023 to US$3.5 million in the three-month periods ended March 31, 2024, due to the allocation of prorated financing fee of related parties' loan being higher due to the COD of Unit 4 and increased interest expense in respect of third-party loan.

Foreign exchange gain (loss)

Foreign exchange gain increased by US$3.1 million, or 183.8% from foreign exchange loss US$1.7 million in the three-month periods ended March 31, 2023 to foreign exchange gain US$1.4 million in the three-month periods ended March 31, 2024, due to an increase in the Chinese Yuan to US dollar exchange rate that caused the Chinese Yuan to weaken, causing the valuation of the loan payable in Chinese Yuan to decrease.

Interest income

Interest income decreased by US$0.007 million, or 3.5% from US$0.2 million in the three-month periods ended March 31, 2023 to US$0.2 million in the three-month periods ended March 31, 2024, due to interest income from fair value calculation of special facility to PLN (AR Transmission Line) decreasing each year based on the amortization scheme.

Profit before income tax expense

As a result of the foregoing, profit before income tax expense increased by US$3.3 million, or 75.6%, from US$4.4 million in the three-month periods ended March 31, 2023 to US$7.7 million in the three-month periods ended March 31, 2024.

Income tax expense

Income tax expense remained constant at nil in the three-month periods ended March 31, 2023 and 2024, due to a corporate income tax reduction facility granted by the Ministry of Finance under the decree No. 266/KM.3.2019 dated May 8, 2019, which provides, among other things, for the reduction of 100% of corporate income tax for our Company for the period of ten fiscal years, starting from the fiscal year of the commencement of COD.

Profit for the period

As a result of all the foregoing, profit for the three-month periods ended is increased by US$3.3 million, or 75.6%, from US$4.4 million in the three-month periods ended March 31, 2023 to US$7.7 million in the three-month periods ended March 31, 2024.

Year ended December 31, 2023 compared to year ended December 31, 2022

Revenues

Total revenues increased by US$17.2 million, or 26.0%, from US$66.1 million for the year ended December 31, 2022 to US$83.3 million for the year ended December 31, 2023. This increase was primarily due to (i) recognizing a full 12-month period of revenues from Unit 3 in the year ended December 31, 2023, compared to revenues in respect of approximately three months in the prior financial year, following the commencement of commercial operations of Unit 3 in October 2022 and (ii) recognition of revenues from Unit 4 which became commercially operational in December 2023, which resulted in an increase in revenue from lease of US$17.0 million, or 35.8% from US$47.4 million in the year ended December 31, 2022 to US$64.4 million in the year ended December 31, 2023. Revenue from contract with customer remained generally constant at US$18.7 million in the year ended December 31, 2022 and US$18.9 million in the year ended December 31, 2023, due to a slight decrease in the tariff inflation index with effect from April 2023 up to December 2023.

Operating expense

Operating expense increased by US$15.5 million, or 48.5% from US$31.9 million in the year ended December 31, 2022 to US$47.4 million in the year ended December 31, 2023. This increase was primarily due to the following:

- Depreciation increased by US$8.9 million, or 51.4% from US$17.2 million in the year ended December 31, 2022 to US$26.1 million in the year ended December 31, 2023, due to recognition a full 12-month period of depreciation of Unit 3 in the year ended December 31, 2023, compared to depreciation in respect of an approximately three-month period of Unit 3 in the prior financial year.

- Plant operation and maintenance increased by US$3.4 million, or 39.8% from US$8.5 million in the year ended December 31, 2022 to US$11.9 million in the year ended December 31, 2023, due to increased maintenance costs such as replacement cost for spare parts of power plant equipment and electrical, logging and geochemistry costs, premium insurance for power plant, manpower for operation team, as a result of Unit 3 being operational for the duration of the year ended December 31, 2023, compared to such unit being operational for only approximately three months in the year ended December 31, 2022.

- Administrative expenses increased by US$2.7 million, or 66.8% from US$4.0 million in the year ended December 31, 2022 to US$6.8 million in the year ended December 31, 2023, due primarily to increases in salaries, employees' allowances and benefits, land and building tax and security, offset in part by decreases in donation and representations, repairs and maintenance and others

- Permits increased by US$0.5 million, or 25.1%, from US$2.1 million in the year ended December 31, 2022 to US$2.7 million in the year ended December 31, 2023, due to an increase in production fee and production bonus as reflected by the increase of the revenue due to the addition of Unit 3 in the fourth quarter of the year ended December 31, 2022.

Operating income

As a result of the foregoing, operating income increased by US$1.7 million, or 4.9% from US$34.2 million in the year ended December 31, 2022 to US$35.8 million in the year ended December 31, 2023.

Finance expense

Finance expense increased by US$5.3 million, or 74.4% from US$7.1 million in the year ended December 31, 2022 to US$12.4 million in the year ended December 31, 2023, due to an increase in bank loan finance expense as the interest benchmark was amended from LIBOR to SOFR plus credit adjustment spread plus margin in the middle of 2023, resulting in an increase in bank loan finance expense of US$1.7 million, and due to the allocation of prorated financing fee from related parties loan of US$3.6 million, representing the full 12-month allocation for Unit 3.

Foreign exchange gain (loss)

We recorded foreign exchange loss of US$0.3 million in the year ended December 31, 2022 and foreign exchange gain of US$2.0 million in the year ended December 31, 2023, or a change of US$2.3 million, or 836.4%, due to the strengthening of the US dollar against the Chinese Yuan, resulting in foreign exchange gain in respect of our Chinese Yuan-denominated loan.

Interest income

Interest income increased by US$0.1 million, or 9.2% from US$0.7 million in the year ended December 31, 2022 to US$0.7 million in the year ended December 31, 2023, due to an increase in finance lease receivables.

Profit before income tax expense

As a result of the foregoing, profit before income tax expense decreased by US$1.3 million, or 4.8%, from US$27.5 million in 2022 to US$26.2 million in 2023.

Income tax expense

Income tax expense remained constant at nil in the years ended December 31, 2022 and 2023, due to a corporate income tax reduction facility granted by the Ministry of Finance under the decree No. 266/KM.3.2019 dated May 8, 2019, which provides, among other things, for the reduction of 100% of corporate income tax for our Company for the period of ten fiscal years, starting from the fiscal year of the commencement of COD of Unit 1.

Profit for the year

As a result of all the foregoing, profit for the year decreased by US$1.3 million, or 4.8%, from US$27.5 million in 2022 to US$26.2 million in 2023.

Year ended December 31, 2022 compared to year ended December 31, 2021

Revenues

Total revenues increased by US$28.6 million, or 76.3%, from US$37.5 million for the year ended December 31, 2021 to US$66.1 million for the year ended December 31, 2022. This increase was primarily due to (i) recognizing a full 12-month period of revenues from Unit 2 in the year ended December 31, 2022, compared to revenues in respect of approximately five months in the prior financial year, following the commencement of commercial operations of Unit 2 in July 2021 and (ii) recognition of revenues from Unit 3 which became commercially operational in October 2022, which resulted in an increase in revenue from lease of US$18.4 million, or 63.6% from US$29.0 million in the year ended December 31, 2021 to US$47.4 million in the year ended December 31, 2022.

The increase in total revenues was also due to an increase in revenue from contract with customer by US$10.2 million, or 119.7%, from US$8.5 million in the year ended December 31, 2021, to US$18.7 million in the year ended December 31, 2022, due to an increase electricity sold to PLN from 452,901 MWh for the year ended December 31, 2021 to 757,978 MWh for the year ended December 31, 2022. This increase in electricity sold to PLN was primarily due to an increase in steam and brine production in 2022 as compared to 2021, following the commencement of commercial operations at Unit 2 and Unit 3.

Operating expenses

Operating expense increased by US$9.9 million, or 44.9% from US$22.0 million in the year ended December 31, 2021 to US$31.9 million in the year ended December 31, 2022. This increase was primarily due to the following:

- Depreciation increased by US$7.1 million, or 70.6% from US$10.1 million in the year ended December 31, 2021 to US$17.2 million in the year ended December 31, 2022, due to the recognition of a full 12-month period of depreciation of Unit 2 in the year ended December 31,2023 and an approximately three-month period of depreciation of Unit 3, compared to depreciation in respect of a half-year period of Unit 2 in the prior financial year.

- Plant operation and maintenance increased by US$2.9 million, or 50.5% from US$5.7 million in the year ended December 31, 2021 to US$8.5 million in the year ended December 31, 2022, due to a full 12-month period of Unit 2 in the year ended December 31, 2022 that required the incurrence of routine maintenance costs and insurance premiums for the power plant.

- Permits increased by US$1.0 million, or 84.4%, from US$1.2 million in the year ended December 31, 2021 to US$2.1 million in the year ended December 31, 2022, due to an increase in production fee and production bonus as a result of the addition of Unit 3 in the year ended December 31, 2022.

This increase was partially offset by the following:

- A decrease in administrative expenses by US$1.1 million, or 20.7% from US$5.1 million in the year ended December 31, 2021 to US$4.1 million in the year ended December 31, 2022, due primarily to decreases in salaries, employees' allowances and benefits, community development and community relation and others, offset in part by an increase in land and building tax, transportation and telecommunication and office supplies.

Operating income

As a result of the foregoing, operating income increased by US$18.7 million, or 121.1% from US$15.5 million in the year ended December 31, 2021 to US$34.2 million in the year ended December 31, 2022.

Finance expense

Finance expense increased by US$3.0 million, or 72.5% from US$4.1 million in the year ended December 31, 2021 to US$7.1 million in the year ended December 31, 2022, due to an increase in finance expense for third-party loan.

Foreign exchange gain (loss)

Foreign exchange loss decreased by US$0.1 million, or 21.7% from US$0.3 million in the year ended December 31, 2021 to US$0.3 million in the year ended December 31, 2022, due to the strengthening of the US dollar against the Chinese Yuan, resulting in lower foreign exchange losses in respect of our Chinese Yuan-denominated loan.

Interest income

Interest income decreased by US$0.9 million, or 56.9% from US$1.6 million in the year ended December 31, 2021 to US$0.7 million in the year ended December 31, 2022, due to the recognition in the year ended December 31, 2021 of finance lease receivables for the period between October 2019 and December 2021.

Profit before income tax expense

As a result of the foregoing, profit before income tax expense increased by US$14.9 million, or 118.8%, from US$12.6 million in 2021 to US$27.5 million in 2022.

Income tax expense

Income tax expense remained constant at nil in the years ended December 31, 2021 and 2022, due to a corporate income tax reduction facility granted by the Ministry of Finance under the decree No. 266/KM.3.2019 dated May 8, 2019, which provides, among other things, for the reduction of 100% of corporate income tax for our Company for the period of ten fiscal years, starting from the fiscal year of the commencement of COD of Unit 1.

Profit for the year

As a result of all the foregoing, profit for the year increased by US$14.9 million, or 118.8%, from US$12.6 million in 2021 to US$27.5 million in 2022.

Liquidity and Capital Resources

Over the past three years, we have financed our capital requirements through cash flows from our operations and borrowings. As of March 31, 2024, we had US$12.7 million in cash on hand and in banks. We are of the opinion that, after taking into account our unused sources of liquidity and cash flow from our operations, we will have sufficient working capital available for our expected requirements during the next 12 months.

Cash Flow

The following table sets forth certain information about our cash flows during the three years ended December 31, 2021, 2022 and 2023 and the three-month periods ended March 31, 2023 and 2024:

	For the years ended December 31,			For the three-month periods ended March 31,	
	2021	2022	2023	2023	2024
		(audited)		(unaudited)	
			(US$ in full amount)		
Net cash provided by operating activities	51,079,382	52,201,578	87,221,330	28,177,355	11,709,547
Net cash used in investing activities	(238,169,138)	(114,230,843)	(98,635,416)	(27,723,149)	(7,108,756)
Net cash (used in) provided by financing activities	188,634,802	62,056,430	19,660,890	410,727	(2,000,000)
Net increase in cash on hand and in banks	**1,545,046**	**27,165**	**8,246,804**	**864,933**	**2,600,791**
Cash on hand and in banks at beginning of year/period	265,592	1,810,638	1,837,803	1,837,803	10,084,607
Cash on hand and in banks at end of year/period	**1,810,638**	**1,837,803**	**10,084,607**	**2,702,736**	**12,685,398**

Net Cash Flows provided by Operating Activities

Net cash flows provided by operating activities for the three-month periods ended March 31, 2024, was US$11.7 million, while profit before income tax expense was US$7.7 million. The adjustments were attributable to depreciation expense of US$8.2 million, accounts payables and other liabilities of US$7.4 million and interest received of US$0.2 million, offset in part by trade receivables of US$8.4 million, interest paid of US$1.7 million and other current assets of US$1.0 million, taxes payable of US$0.5 million and interest income of US$0.2 million.

Net cash flows provided by operating activities for the three-month periods ended March 31, 2023, was US$28.2 million, while profit before income tax expense was US$4.4 million. The adjustments were attributable to accounts payables and other liabilities of US$20.6 million, depreciation expense of US$6.2 million, trade receivables of US$1.1 million and interest received of US$0.3 million, offset in part by interest paid of US$1.9 million, taxes payable of US$1.5 million, other current assets of US$0.7 million and interest income of US$0.2 million.

Net cash flows provided by operating activities for the year ended December 31, 2023 was US$87.2 million, while profit before income tax expense was US$26.2 million. The adjustments were attributable to accounts payables and other liabilities of US$42.2 million, depreciation expense of US$26.1 million, trade receivables of US$5.7 million and interest received of US$0.7 million, offset in part by interest paid of US$7.5 million, taxes payable of US$3.6 million, other current assets of US$1.8 million and interest income of US$0.7 million.

Net cash flows provided by operating activities for the year ended December 31, 2022 was US$52.2 million, while profit before income tax expense was US$27.5 million. The adjustments were primarily attributable to accounts payables and other liabilities of US$20.3 million, depreciation expense of US$17.2 million and interest received of US$0.9 million, offset in part by interest paid of US$6.9 million, trade receivables of US$4.8 million, other current assets of US$1.1 million and, taxes payable of US$0.2 million and interest income of US$0.7 million.

Net cash flows provided by operating activities for the year ended December 31, 2021 was US$51.1 million, while profit before income tax expense was US$12.6 million. The adjustments were primarily attributable to accounts payables and other liabilities of US$38.0 million, depreciation expense of US$10.1 million, interest received of US$5,065 and taxes payable of US$5.4 million, offset in part by interest paid of US$7.6 million, trade receivables of US$6.2 million, other current assets of US$0.1 million and interest income of US$1.1 million.

Net Cash Flows used in Investing Activities

Net cash flows used in investing activities for the three-month periods ended March 31, 2024, was US$7.1 million, relating to additions to exploration and evaluation assets of US$8.4 million, addition to fixed assets of US$50,432 and increase in advances of US$17,775, offset in part by increase in other non-current assets of US$1.4 million.

Net cash flows used in investing activities for the three-month periods ended March 31, 2023, was US$27.7 million, relating to additions to exploration and evaluation assets of US$27.2 million, additions to fixed assets of US$0.4 million, increase in advances of US$0.2 million and increase in other non-current assets of US$727.

Net cash flows used in investing activities for the year ended December 31, 2023 was US$98.6 million, comprising additions to exploration and evaluation assets of US$96.8 million, additions to fixed assets of US$1.2 million, increases in advances of US$0.4 million and increase in other non-current assets of US$0.2 million.

Net cash flows used in investing activities for the year ended December 31, 2022 was US$114.2 million, comprising additions to exploration and evaluation assets of US$111.6 million, increases in advances of US$1.3 million, additions to fixed assets of US$0.9 million and increase in other non-current assets of US$0.4 million.

Net cash flows used in investing activities for the year ended December 31, 2021 was US$238.2 million, comprising additions to exploration and evaluation assets of US$228.8 million, additions to fixed assets of US$6.0 million, increases in other non-current assets of US$3.1 million and increase in advances of US$0.3 million.

Net Cash Flows used in Financing Activities

Net cash flows used in financing activities for the three-month periods ended March 31, 2024, was US$2.0 million, which related to payments of loans payable.

Net cash flows provided by financing activities for the three-month periods ended March 31, 2023, was US$0.4 million, primarily resulting from proceeds from loans payable of US$1.3 million and receipt of deposit for future stock subscription of US$0.5 million, offset in part by payments of loans payable of US$1.4 million.

Net cash provided by financing activities for the year ended December 31, 2023 was US$19.7 million, primarily resulting from proceeds of loans payable of US$59.3 million and receipt of deposit for future stock subscription of US$0.5 million, offset in part by payments of loans payable of US$40.2 million.

Net cash provided by financing activities for the year ended December 31, 2022 was US$62.1 million, primarily resulting from proceeds of loans payable of US$77.8 million and receipt of deposit for future stock subscription of US$17.2 million, offset in part by payments of loans payable of US$33.0 million.

Net cash provided by financing activities for the year ended December 31, 2021 was US$188.6 million, primarily resulting from receipt of deposit for future stock subscription of US$145.5 million and proceeds from loans payable of US$75.4 million, offset in part by payments of loans payable of US$32.3 million.

Indebtedness

Syndicated Loan Facility

On July 3, 2017, we entered into a syndicated loan facility agreement (the "**Syndicated Loan Agreement**", and the facility, the "**Syndicated Loan Facility**", which is presented as Loans Payable to Third Parties in the Financial Statements) with Export Import Bank of China, Zhejiang Branch ("**Leading Bank**"), Bank of China Limited, Quzhou Branch ("**Participating Bank A**"), and Bank of China, Jakarta Branch ("**Participating Bank B**", and together with Participating Bank A, the "**Participating Banks**") for a loan facility in an aggregate principal amount up to US$100 million (the "**US Dollar Loan**") and CNY960 million (the "**CNY Loan**"), with the amounts repayable in accordance with a repayment schedule provided in the Syndicated Loan Agreement, with the final amounts due on April 18, 2027. See "*Description of Material Agreements – Syndicated Loan Agreement*".

The interest rate under the Syndicated Loan Facility is calculated as follows:

Loan Facility	Base Rate	Margin
CNY Facility by Leading Bank Using Pledged Supplemental Lending ("**PSL**") Funds	Loan Prime Rate (LPR)	The relevant interest rate in the applicable month plus 125 basis points.
CNY Facility by Leading Bank Not Using PSL Funds	Pre-determined interest rate	Plus 2.65% per annum
CNY Facility by Participating Banks	Loan Prime Rate (LPR)	Downwards 5% per annum
USD Facility by Leading Bank and Participating Banks (Prior to June 30, 2023)	London Interbank Offered Rate (LIBOR)	The sum of 6 months of LIBOR plus 270 basis points, determined on a 6 month basis.
USD Facility by Leading Bank and Participating Banks (On and after June 30, 2023)	Secured Overnight Financing Rate (SOFR)	The sum of the prevailing SOFR on each interest accrual date in the interest period (i.e. each calendar date during the tenor of the Loans), plus 270 basis points.

As of March 31, 2024, we had an outstanding loan amount of US$45.6 million and CNY437.3 million under the Syndicated Loan Facility.

The Syndicated Loan Agreement, as amended, also subjects our Company to various covenants, including requiring us to ensure that our own funds should not be less than 30% of the total project investment; to provide our latest financial statements to the lenders on a quarterly basis; to provide our latest audited financial statements to the lenders by the end of April of each year; to provide quarterly and annual loan and capital utilization reports to the lenders; and to maintain an asset-liability ratio of not more than 80%. Our obligations under the Syndicated Loan Facility are not secured by any of our assets. Such obligations are, however, secured/guaranteed by (1) a joint liability guarantee with full responsibility provided by Zhejiang Kaishan Compressor Co., Ltd. (now known as Kaishan Group Co., Ltd.), pursuant to a guarantee contract for the syndicated loan (contract number 2017 Jin Chu Zhong Yin (zhexinbao) No.3-005) and (2) share pledges by Kaishan Holding Group Co., Ltd. through a series of share pledge contracts, including: (i) a syndicated loan stock pledge agreement dated July 3, 2017 with its contract number of 2017 Jin Chu Zhong Yin (zhexinzhi) No.3-007, and (ii) a syndicated loan stock pledge agreement dated January 9, 2019 with its contract number of 2019 Jin Chu Zhong Yin (zhexinzhi) No.3-001, as amended by a supplemental agreement dated January 9, 2019 with its contract number of 2019 Jin Chu Zhong Yin (zhexinbu) No. 3-001. See "*Description of Material Indebtedness*".

Capital Expenditures

Historical Capital Expenditures

The table below presents our significant capital expenditures for the periods indicated.

	For the years ended December 31,			For the three-month periods ended March 31,	
	2021	**2022**	**2023**	**2023**	**2024**
			(US$ in full amount)		
Drilling Activities	68,980,943	25,730,667	18,535,806	5,291,180	6,877,799
Infrastructure	12,114,906	3,798,846	3,492,392	96,712	284,645
Power Plant	138,232,607	79,278,405	79,535,387	24,266,202	2,068,794
Supporting Activities	18,257,827	1,521,585	10,026,852	3,538,352	1,678,014
Financing	10,063,206	8,435,916	8,398,240	2,012,485	1,704,842
Total	**247,649,489**	**118,765,419**	**119,988,677**	**35,204,931**	**12,614,094**

Planned Capital Expenditures

Our budgeted capital expenditures for 2024, 2025 and 2026 are summarized in the following table.

	For the years ended December 31,		
	2024	**2025**	**2026**
		(US$ in full amount)	
Drilling Activities	23,213,711	–	–
Infrastructure	1,013,002	–	–
Power Plant	5,060,380	–	–
Supporting Activities	17,218,912	–	–
Financing	–	–	–
Total	**46,506,005**	**–**	**–**

Our planned capital expenditures may vary depending on changes to our business plans and changes to development, construction and drilling costs. See "*Risk Factors – Risks Relating to our Business – In the future, any expansion plans may not be successful, additional facilities may not commence operation as planned and we may have difficulty securing necessary financing or financing on terms favorable to us for our facility expansion plans*".

Our planned capital expenditures for proposed drilling of five wells in the year ended December 31, 2024 relate to our plans to achieve commercial operations for our next generation unit as well as to maintain the existing generation production at our power plant.

The primary source of the amounts we plan to expend on capital expenditures will be cash from our operations and green bond financing.

Contractual Obligations and Contingent Liabilities

As of March 31, 2024, we had total financial liabilities in the amount of US$736.7 million. The following table summarizes the maturity profile of our Company's financial liabilities based on contractual undiscounted cash flows as of March 31, 2024.

	Below 1 year	1-5 years	5 years	Total
		(US$ in full amount)		
Accounts payables and other liabilities	247,643,567	–	–	247,643,567
Loans payable to third parties[(1)]	34,409,473	80,208,661	–	114,618,134
Loans payable to related parties[(1)]	247,320,834	127,129,636	–	374,450,470
Total	529,373,874	207,338,297	–	736,712,171

Notes:

(1) Includes future interest payment.

On October 31, 2023, PT Greatwall Drilling Asia Pacific ("**GWD**") commenced arbitral proceedings (the "**Arbitral Proceedings**") against our Company in the Singapore International Arbitration Centre ("**SIAC**"), claiming a sum of US$11,668,401.65 in respect of allegedly unpaid invoices arising under a contract for the provision of drilling services, dated January 20, 2019, pursuant to which GWD was engaged to drill several geothermal wells. As of the date of this offering memorandum, we are in the process of defending against the Arbitral Proceedings and are also pursuing a counterclaim against GWD for breach of contract and associated losses, with a total claim amount of approximately US$21,000,000.

Apart from the Arbitral Proceedings, we are not involved in and have not, in the last 12 months preceding the date of this offering memorandum, been involved in, any legal or arbitration proceedings, and no proceedings are threatened, which we believe may have or would be likely to have a material adverse effect on our business, prospects, financial condition, operational results or cash flows.

Off-Balance Sheet Arrangements

As of March 31, 2024, we did not have any off-balance sheet arrangements.

Quantitative and Qualitative Disclosure about Market Risks

The main risks arising from our financial instruments are market risk, credit risk and liquidity risk. The importance of managing these risks has significantly increased in light of the considerable change and volatility in both Indonesian and international financial markets. Our Board of Directors reviews and approves the policies for managing these risks which described in more detail as follows.

Market Risk

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Our exposure to exchange rate fluctuations results primarily from cash on hand and in banks, other current assets, loans payable, accounts payables and other liabilities in foreign currencies.

Our management closely monitors the foreign exchange rate fluctuation and market expectation, so we can take necessary actions which benefit us in due time. Our management currently does not consider it necessary to enter into any currency forward or swaps.

Sensitivity Analysis for Foreign Currency Risk

As of March 31, 2024 and 2023, if the Indonesian Rupiah strengthened/weakened by 10% against the US dollar, with all other variables held constant, profit before income tax expense would have been lower/higher in the three-month periods ended March 31, 2024 and 2023 by US$1.3 million and US$1.1 million, respectively, mainly as a result of foreign exchange losses/gains on the translation of cash on hand and in banks, other current assets, accounts payables and other liabilities in Indonesian Rupiah. As of March 31, 2024 and 2023, if the Chinese Yuan strengthened/weakened by 10% against the US dollar, with all other variables held constant, profit before income tax expense would have been lower/higher in the three-month periods ended March 31, 2024 and 2023 by US$15.3 million and US$15.9 million, respectively, mainly as a result of foreign exchange losses/gains on the translation of cash on hand and in banks and loans payable in Chinese Yuan.

Interest Rate Risk

Under the loan from third parties and related parties, we are subject to interest risk against the fluctuation in SOFR and LIBOR rate and PSL fund rate. The following table shows the sensitivity to a reasonably possible change in interest rates on the borrowings which are not hedged.

	Change in SOFR/PSL fund rate	Effect on profit before income tax expense
		(US$ in full amount)
For the three-month period ended March 31, 2024	+3%	(771,170)
	-3%	771,170
For the three-month period ended March 31, 2023	+3%	(1,052,757)
	-3%	1,052,757

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. Our exposure to credit risk is primarily attributable to cash in banks. It is our policy not to place investments in instruments that have a high credit risk and only put the investments in banks with high credit ratings. As of March 31, 2024, we believe that there are no significant concentrations of credit risk involving cash in banks. As of December 31, 2023, 2022, and 2021, we were subject to concentration of credit risk on cash in bank placed in PT Bank ANZ Indonesia, which represented 97%, 66%, and 69% of our total cash in banks, respectively. With respect to credit risk arising from trade receivables and finance lease receivables, we are subject to concentration of credit risk as we have only one customer, PLN. As of March 31, 2024, December 31, 2023, 2022, and 2021, the Company's maximum exposure to credit risk is represented by the carrying amounts as shown in Notes 4, 5, and 11 of our Audited Financial Statements.

Liquidity Risk

We manage our liquidity profile to be able to finance our capital expenditure and service our maturing debts by maintaining sufficient cash, and the availability of funding through an adequate amount of committed credit facilities.

OVERVIEW OF THE INDONESIAN POWER INDUSTRY

The statistical and graphical information contained in this report was produced by compiling, interpreting and analyzing production, economic, statistical and technical information mainly from the Electricity Power Supply Business Plan 2021-2030, Statistics PLN 2022, PLN Annual Report 2022, the Indonesian Energy Sector Assessment, Strategy, and Road Map, the Clean Energy Finance & Investment Mobilisation report by OECD, and the Handbook of Energy & Economic Statistics of Indonesia. This information was obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. See also "Risk Factors – Risks Relating to the Notes – Certain facts and statistics are derived from publications not independently verified by us, the Initial Purchaser or our respective advisors". Data included in this section with respect to any period in the future is forecasted based on available sources and internal analysis.

Forecasts and assumptions included in this report are inherently uncertain because of events or combinations of events that cannot reasonably be foreseen, including, without limitation, the actions of governments, individuals, third parties and competitors. Prospective investors should not place undue reliance on such statements, or on the ability of any third party, to accurately predict future industry trends and performance.

Market Composition

The Indonesian energy sector is primarily governed by the Ministry of Energy and Mineral Resources ("**MEMR**"), the key decision-maker on issues concerning oil and gas, minerals and coal, electricity, renewable energies, and energy conservation. MEMR comprises Directorates General that focus on the different energy sectors, making decisions regarding regulations and policy setting, with special task forces that manage exploration and production contracts.

PLN is a state-owned enterprise ("**SOE**"), that is as a corporation owned more than 51% by the government. PLN is the sole purchaser of all electricity generated in Indonesia and owns more than two-thirds of the generation and virtually almost all electricity network infrastructure in Indonesia. It owns and operates all the transmission lines, distribution lines, and retail sales throughout Indonesia. The only exceptions are when the Indonesian government specifically permits other companies to provide the above functions. PLN is also the only provider for the transmission and distribution of electricity in Indonesia. As of December 2023, PLN owns 45 GW out of 69 GW (65%) of Indonesia's total installed power generation capacity. PLN also prepares the Electricity Power Supply Business Plan ("**RUPTL**"), a plan that outlines the 10-year demand forecast and the transmission and generation expansion plan to meet the forecasted demand. The RUPTL is approved by the MEMR. The remaining 35% of Indonesia's installed capacity as of December 2023 is owned by Independent Power Producers ("**IPP**") of the private sector.

Demand

PLN's electricity sales in Indonesia grew from 133 TWh in 2009 to 274 TWh in 2022, representing a CAGR of 5.7% per annum, indicating robust growth in demand for energy in Indonesia since 2009. Demand is projected to grow at a 4.9% CAGR from 2021 to 2030, compared with 6.5% in the previous Electricity Power Supply Business Plan (RUPTL) 2019-2028, including due to COVID-19.

According to PLN, Indonesia's electricity demand is expected to increase from 253 TWh in 2021 to 390 TWh in 2030 representing a CAGR of 4.9%. The continued growth in demand will likely be driven by a growth in Indonesia's population, which according to the Electricity Power Supply Business Plan (RUPTL) 2021-2030, is estimated to grow at 1.0% per annum between 2021 and 2030, and reach 292 million in 2030. Simultaneously, the growth in per capita energy consumption can be attributed to Indonesia's urbanization and shift away from an agricultural-focused society to a more manufacturing-oriented economy, given that industrial activity has a heavier reliance on

energy than agricultural activity. As of 2022, residential and industry customers accounted for the largest proportion of electricity sales at 116,095.4 GWh (42.4%) and 88,483.3 GWh (32.3%) of total electricity sales respectively. Commercial and public services accounted for the remaining 50,532.2 GWh (18.5%) and 18,650.6 GWh (6.8%) respectively.

Based on the Electricity Power Supply Business Plan (RUPTL) 2021-2030, GDP growth is forecasted to be 5.2% per annum between 2021 and 2030. Increasing affluence and improving standards of living due to urbanization are likely driving forces for growing per capita energy consumption in Indonesia, which is estimated to increase to 1.3 GWh in 2030 from 0.9 GWh in 2021, representing a 3.6% CAGR.

The following table sets forth Indonesia's estimated population, estimated economic growth, electricity consumption per capita and estimated demand from 2021 to 2030.

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Population (millions)	270.95	273.52	276.04	278.53	280.97	283.36	285.70	287.98	290.20	292.37
Estimated economic growth %	5.1	5.1	5.1	5.2	5.2	5.2	5.3	5.2	5.2	5.2
Electricity consumption per capita (kWh/capita)	934	972	1,013	1,060	1,107	1,153	1,196	1,241	1,286	1,332
Estimated demand (TWh)	253	266	280	295	311	327	342	357	373	390

Source: Electricity Power Supply Business Plan (RUPTL) 2021-2030.

Supply

Indonesia's installed power generation capacity stood at 69.6 GW according to Statistics PLN 2022, comprising both PLN and IPP plants which generated approximately 308 TWh of electricity in the same year. Coal accounts for the largest share of the 2022 generation fuel mix (68.7%), followed by gas (16.7%), renewables (12.7%), and oil (1.8%). Hydropower and geothermal are Indonesia's main contributors of renewable energy to-date contributing 6.1% and 5.4% respectively.

According to the Electricity Power Supply Business Plan (RUPTL) 2021-2030, 40.6 GW of new generation capacity is expected to be built during 2021-2030. This target represents a 15.8 GW downward revision from the targeted new generation capacity as stated in RUPTL 2019-2028 due to the revised electricity demand growth rate assumed (4.4% under RUPTL 2021-2030 vs 6.5% under RUPTL 2019-2028) including due to the COVID-19 pandemic.

Notwithstanding the overall decrease in the projected generation capacity, the RUPTL 2021-2030 reflects a significant upward shift to renewable energy projects, in line with the Government of Indonesia's goal to reduce greenhouse gas emissions by 29% by 2030 and achieve net zero emission by 2060. The RUPTL 2021-2030 allocates 20.9 GW (c. 51% of total new generation capacity) for renewable energy projects, which comprise 10.3 GW of hydropower plants (including mini/micro hydropower projects), 4.6 GW of solar power plants, and 3.3 GW of geothermal power plants. The remaining renewable energy capacity comprises wind, biomass, and new variants of EBT Base projects, which are the baseload renewable energy power projects to be combined with gas that are intended to replace fossil-fueled power plants.

In terms of generation mix, coal is expected to account for a slightly lower share of the energy mix at 64.0% by 2030, while gas remains relatively stable at around 12.6%. The capacity targets for renewables are expected to reach 24.8% of Indonesia's energy mix by 2030.

The following table sets forth the forecast of installed capacity additions by renewable energy technology in GW as stated in RUPTL 2021-2030.

Renewable energy power plants	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
Geothermal power plants (MW)	136	108	190	141	870	290	123	450	240	808	3,355
Hydropower plants (MW)	400	53	132	87	2,478	327	456	1,611	1,778	1,950	9,272
Mini/micro hydropower plants (MW)	144	154	277	289	189	43	–	2	13	6	1,118
Solar power plants (MWp)	60	287	1,308	624	1,631	127	148	165	172	157	4,680
Wind power plants (MW)	–	2	33	337	155	70	–	–	–	–	597
Biomass/waste power plants (MW)	12	43	88	191	221	20	–	15	–	–	590
EBT base power plants (MW)	–	–	–	–	–	100	265	215	280	150	1,010
Renewable energy peaker power plants (MW)	–	–	–	–	–	–	–	–	–	300	300
Total (MW)	**752**	**648**	**2,028**	**1,670**	**5,544**	**978**	**991**	**2,458**	**2,484**	**3,370**	**20,923**

Source: RUPTL 2021-2030

Geothermal Energy in Indonesia

Geothermal potential in Indonesia has been well known given its position on the "Pacific Ring of Fire" and its abundance of volcanic activity. Geothermal development has been ongoing in Indonesia since the 1970s, initially under Pertamina and has been open to the private sector's participation particularly since 2003 with the enactment of Law 27/2003 on geothermal energy.

As shown in the table below, Indonesia has proven reserves of 3,210 MW and combined probable and possible reserves of 10,632 MW as of December 2022. Indonesian geothermal reserves are concentrated in Sumatra and Java, which make up 94% of total proven reserves.

Geothermal Resources and Reserves (as of December 2022)

		Reserves				Resources			Total
No	Location	Proven	Probable	Possible	Total	Hypothetical	Speculative	Total	(MW)
1	Sumatra	1,169	867	3,514	5,550	1,567	2,188	3,755	9,305
2	Java	1,855	363	3,121	5,339	1,270	1,164	2,434	7,773
3	Bali	30	110	104	244	21	70	91	335
4	Nusa Tenggara	33.5	138	731	902.5	146	215	361	1,264
5	Kalimantan	0	0	6	6	18	151	169	175
6	Sulawesi	120	180	996	1296	342	1,352	1694	2,990
7	Maluku	2	6	496	504	80	560	640	1,144
8	Papua	0	0	0	0	0	75	75	75
Total		**3,210**	**1,664**	**8,968**	**13,842**	**3,444**	**5,775**	**9,219**	**23,060**

Source: MEMR Handbook of Energy and Economic Statistics Indonesia 2022

The total installed geothermal generation capacity as of 2022 was 2,360.3 MW (17.1 % of reserves) and the electricity production from geothermal sources in 2022 was approximately 16,677 GWh. Despite geothermal generation capacity being 17.1% of total reserves, there is still great potential in the geothermal sector in Indonesia that remains untapped. Indonesia's geothermal resources can largely be found in Sumatra and Java, which holds 85% of the country's geothermal capacity in 2022.

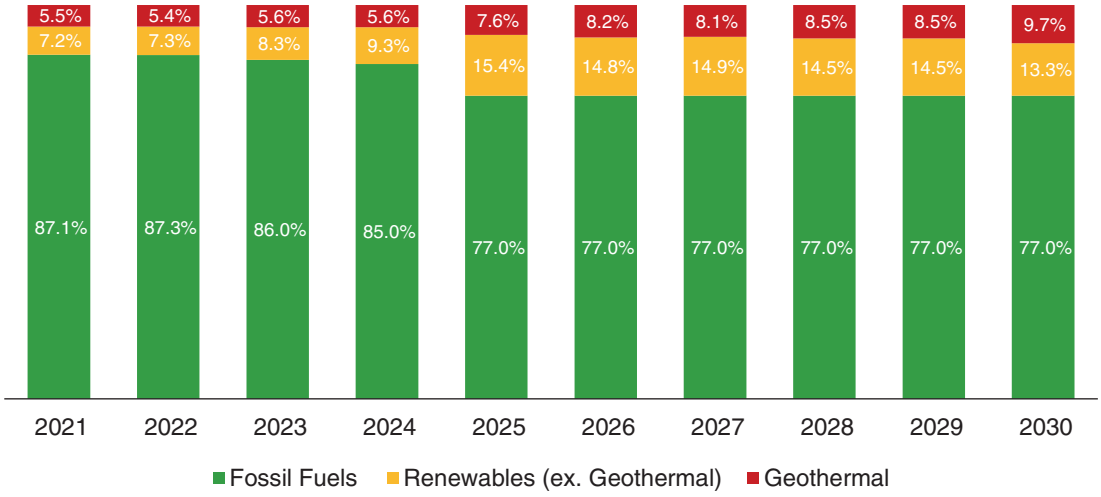
No	Working Area	Location	Developer	Operator	Total Capacity (MWe)
1	Salak	West Java	Chevron	Star Energy/ PLN	376.8
2	Sarulla	North Sumatra	Sarulla	Sarulla	330
3	Darajat	West Java	Chevron	Star Energy/ PLN	270
4	Kamojang	West Java	Pertamina	PLN Pertamina	235
5	Wayang Windu	West Java	Star Energy	Star Energy	227
6	Ulubelu	Lampung	Pertamina	PLN	220
7	Sorik Marapi	North Sumatra	SMGP	SMGP	162.2
8	Lahendong	North Sulawesi	Pertamina	PLN/Pertamina	120
9	Rantau Dedap	South Sumatra	Supreme Energy	SERD	98.4
10	Muara Laboh	West Sumatra	Supreme Energy	SEML	85
11	Dieng	Central Java	Geo Dipa Energy	Geo Dipa Energy	60
12	Lumut Balai	West Java	PLN	PGE	59.9
13	Patuha	West Java	Geo Dipa Energy	Geo Dipa Energy	55
14	Karaha	West Java	Pertamina	PGE	30
15	Sibayak	North Sumatra	Pertamina	Dizamatra Powerindo	12
16	Ulumbu	NTT	PLN	PLN	10
17	Sokoria	NTT	SGI	SGI	6.6
18	Mataloko	NTT	PLN	PLN	2.5
					2,360.3

Source: MEMR Handbook of Energy and Economic Statistics Indonesia 2022

As of 2022, the Salak – Darajat asset is the largest geothermal power and steam producer in Indonesia accounting for 27% of Indonesia's geothermal power capacity. SMGP is among the top 10 geothermal energy producers in Indonesia, accounting for 6.9% of geothermal energy capacity in Indonesia in 2022.

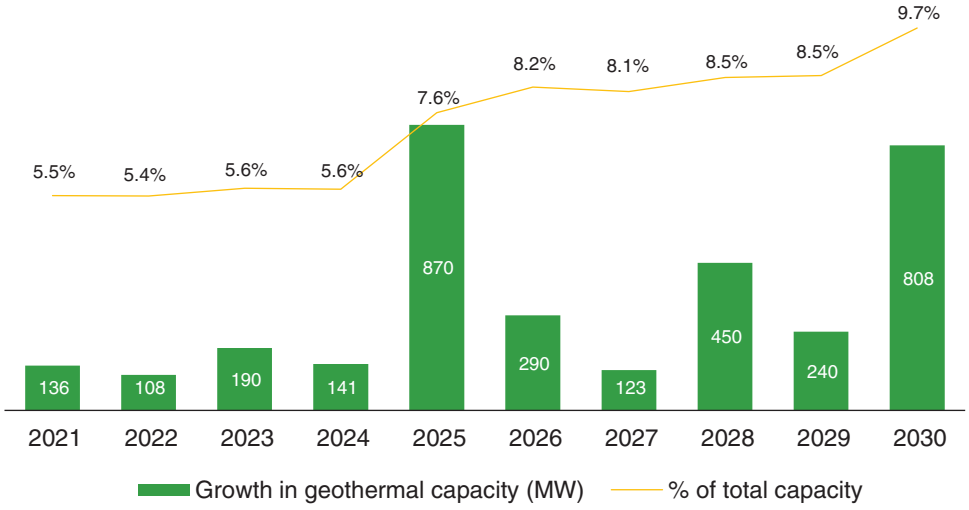
In the latest Electricity Power Supply Business Plan (RUPTL) 2021-2030, the proportion of New and Renewable Energy generation is expected to rise from 36 GW in 2021 to 97 GW by 2030. Energy generation from geothermal energy is expected to reach 43 GW by 2030, with an increase of 11 GW between 2021 and 2025.

The following chart sets forth Indonesia's forecasted proportion of energy type by generation for the time period shown.



Source: Electricity Power Supply Business Plan (RUPTL) 2021-2030.

The following chart sets forth the forecasted additions to geothermal capacity in Indonesia, and the total geothermal energy as a percentage of Indonesia's total capacity, for the time period shown.



Source: Electricity Power Supply Business Plan (RUPTL) 2021-2030.

In the latest Electricity Power Supply Business Plan (RUPTL) 2021-2030, geothermal energy capacity is forecasted to reach 808 MW by 2030 from 136 MW in 2021, which is about 9.7% of Indonesia's total forecasted power capacity in 2030, from 5.5% in 2021.

REGULATION AND REGULATORY FRAMEWORK OF THE INDONESIAN GEOTHERMAL POWER AND ELECTRICITY INDUSTRY

The legal framework for the development of geothermal power plants in Indonesia is separate from that of other independent power producers ("**IPPs**") such as that for coal-fired, combined cycle or hydro plants. The regulatory regime that applies to our geothermal business and operations is the regulatory regime that was in place after the enactment of Law No. 27 of 2003 on Geothermal ("**Law No. 27 of 2003**") as revoked and replaced by Law No. 21 of 2014 on Geothermal, as amended by Government Regulation in Lieu of Law No. 2 of 2022 on Job Creation ("**Government Regulation No. 2 of 2022**"), which has been promulgated into law by Law No. 6 of 2023 on the Promulgation of Government Regulation No. 2 of 2022 into Law ("**Job Creation Law**") (together, "**Law No. 21 of 2014**"). We are also subject to Law No. 30 of 2009 on Electricity as amended by the Job Creation Law ("**Law No. 30 of 2009**"), particularly on the regulation governing the tariff that shall be paid by PLN to the IPP in case of purchase of electricity by PLN from the IPP. In addition, we must also comply with other regulations such as environmental and forestry regulations.

Law No. 21 of 2014 on Geothermal

On September 17, 2014, the Parliament of Indonesia passed Law No. 21 of 2014 to entirely replace the previously applicable law on geothermal, Law No. 27 of 2003. Law No. 21 of 2014 regulates, among other things, the division of authority between the central government and the regional government, utilization of geothermal resources for power generation purposes (indirect utilization) and for other purposes (direct utilization), rights and obligations of geothermal license holders, operation of geothermal activity in forestry areas, land utilization, state income, production bonus for regional government and supervision activities. Law No. 21 of 2014 and its implementing regulations serve as the legal basis for geothermal utilization in Indonesia.

Under Law No. 21 of 2014, any existing geothermal mining permit (*izin usaha pertambangan panas bumi* or "**IUP**") prior to the effectiveness of Law No. 21 of 2014, remains valid according to its terms and may be converted into a geothermal license (*izin panas bumi* or "**IPB**") and subject to the provisions of Law No. 21 of 2014.

This section discusses some salient provisions of Law No. 21 of 2014 and its implementing regulations.

Utilization of Geothermal Resources and Centralized Licensing

Similar to the previous geothermal law, Law No. 21 of 2014 differentiates the utilization of geothermal into two types, direct and indirect utilization. Direct utilization refers to activities that utilize geothermal resources for purposes other than generating electricity covering activities such as tourism, agribusiness, industry, and other business activities, while indirect utilization refers to activities that utilize geothermal resources for generating electricity.

Law No. 21 of 2014 and its implementing regulation, Government Regulation No. 7 of 2017 on Indirect Utilization of Geothermal Energy as partially revoked by Government Regulation No. 25 of 2021 on the Organisation of the Energy and Mineral Resources Sector ("**Government Regulation No. 25 of 2021**") ("**Government Regulation No. 7 of 2017**"), vest sole authority in the central government to determine the designated work areas for the indirect utilization of geothermal resources and grant the licensing authority for all aspects of geothermal indirect utilization to the central government, whereas previously such authority was shared with the regional government.

Law No. 21 of 2014 provides that the size of the geothermal working area shall have regard to the geographical extent of the geothermal system. However, under Government Regulation No. 7 of 2017, the size of geothermal working area is capped at 200,000 hectares.

Excluded from Mining Sector

Law No. 21 of 2014 significantly liberalizes the rules regulating the utilization of geothermal resources, in particular by no longer classifying geothermal exploitation as a form of "mining," and therefore exempting it from the restrictive rules governing mining activities in conservation forest areas. See "– *Forestry Laws and Regulations*".

Production Bonus

Although the regional governments no longer have authority over indirect utilization of geothermal resources, Law No. 21 of 2014 provides that the relevant regional governments are entitled to receive a "production bonus" from entities engaged in indirect utilization of geothermal resources, levied in addition to any applicable local taxes.

The implementation of the production bonus is regulated by Government Regulation No. 28 of 2016 on the Scale and Procedure for the Grant of Geothermal Production Bonuses and MEMR Regulation No. 23 of 2017 on the Procedure for the Reconciliation, Depositing and Reporting of Geothermal Energy Production Bonuses ("**Regulations on Production Bonus**").

Pursuant to the Regulations on Production Bonus, the amount of production bonus is set at 1% for the sale of steam and 0.5% for the sale of electricity, calculated based on the entity's gross revenues. The production bonus is payable by all geothermal business entities, including IPB holders, from the commencement of the commercial production stage. In our case, as the commercial production stage commenced before September 17, 2014, the payment of a production bonus has been mandatory since January 1, 2015 and the payment is to be made on a quarterly basis.

An implementing regulation concerning the mechanism for recovery and reimbursement of the production bonus to geothermal businesses was enacted on December 22, 2017 by the Minister of Finance under Regulation No. 201/PMK.02/2017 ("**MOF Regulation No. 201 of 2017**"). Pursuant to MOF Regulation No. 201 of 2017, a geothermal business must fully settle the production bonus and the government's share before it can submit a request for reimbursement to the Directorate General of Budgeting and the Directorate General of New, Renewable Energy and Energy Conservation. To apply for the reimbursement, it is imperative for the geothermal business to obtain a confirmation letter from the regional government that the production bonus has been fully settled and payment receipt for the central government's share. The Directorate General of Budgeting will review and assess whether the geothermal business has fulfilled and complied with its financial obligations (i.e., payment of production bonus and government's share). If the Directorate General of Budgeting approves the request, the Directorate General of Budgeting will instruct the Directorate General of Treasury of the Ministry of Finance to reimburse the geothermal business for the production bonus paid to the regional government. Immediately within seven business days following the receipt of such reimbursement, the geothermal business should send a written confirmation to the Directorate General of Budgeting and the Directorate General of Treasury of the Ministry of Finance that the reimbursement amount has been received in good funds. Should there be any discrepancies in calculation, the negative or positive amount will be credited or debited to the next reimbursement round.

MOF Regulation No. 201 of 2017 came into effect 30 days after December 22, 2017 (i.e., January 21, 2018). We have yet to see the actual implementation of such regulation and what difficulties may arise in relation to the recovery and reimbursement mechanism stipulated by MOF Regulation No. 201 of 2017.

Transfer of Shares and Changes in Board of Directors/Board of Commissioners

On August 3, 2017, the MEMR issued MEMR Regulation No. 48 of 2017 on the Supervision of Businesses in the Energy and Mineral Resources Sector (as partially revoked and amended from time to time, "**MEMR Regulation No. 48 of 2017**"), which sets out, among others, the procedures for the transfer of shares as well as procedures relating to the change of the board of directors and board of commissioners of power and geothermal companies. MEMR Regulation No. 48 of 2017 imposes a MEMR consent obligation for the transfer of shares in geothermal companies that are conducted on the Indonesian stock exchange. Such a transfer can only be made after the end of the exploration stage of the given project including in the case of an initial public offering. Transfer of shares outside the Indonesian stock exchange, such as those of our Company, only require notification to the MEMR after the transfer is completed. Any changes to our board of directors and board of commissioners are also subject to notification to the MEMR.

Environmental Laws and Regulations

Environmental protection in Indonesia is governed by, among others, Law No. 32 of 2009 on Environmental Protection and Management as amended by the Job Creation Law (the "**Environmental Law**"), Government Regulation No. 22 of 2021 on the Implementation of Environmental Protection and Management ("**Government Regulation No. 22 of 2021**"), Law No. 5 of 1990 on the Conservation of Biodiversity and Ecosystems and Minister of Environment and Forestry ("**MOEF**") Regulation No. 4 of 2021 on the List of Businesses and/or Activities that are Required to Secure Environmental Impact Assessment, Environmental Management Efforts and Environmental Monitoring Efforts or a Statement of Environmental Management and Monitoring Efforts ("**MOEF Regulation No. 4 of 2021**").

Under MOEF Regulation No. 4 of 2021, geothermal activities in the exploitation and/or utilization stage require an. Environmental Impact Analysis (*Analisis Mengenai Dampak Lingkungan Hidup* or "**AMDAL**"), while geothermal activities in the exploration stage require an environmental management effort, known as *Upaya Pengelolaan Lingkungan* ("**UKL**") and an environmental control effort, known as *Upaya Pemantauan Lingkungan* ("**UPL**").

Furthermore, under the Environmental Law, we are also required to obtain environmental approval (*persetujuan lingkungan*). Pursuant to Government Regulation No. 22 of 2021, a company required to have the AMDAL or UKL-UPL (as stipulated under MOEF Regulation No. 4 of 2021) is also obliged to obtain the corresponding environmental approval of its AMDAL or UKL-UPL, known as environmental approval (*persetujuan lingkungan*). The environmental approval (*persetujuan lingkungan*) is a pre-requisite to obtaining the relevant business licenses and if such environmental approval (*persetujuan lingkungan*) is revoked, the business licenses granted will also be revoked. The procedures for the application, approval and granting of an environmental approval (*persetujuan lingkungan*) are set forth in Government Regulation No. 22 of 2021.

Under the transitional provision of Government Regulation No. 22 of 2021, any AMDAL or UKL-UPL which was approved before the enactment of Government Regulation No. 22 of 2021 shall remain valid and will be treated in the same manner as an environmental approval (*persetujuan lingkungan*). Because our AMDAL was approved before the enactment of Government Regulation No. 22 of 2021, we do not need to obtain an updated environmental approval (*persetujuan lingkungan*) for our current operations. Accordingly, we have maintained the relevant environmental approval (*persetujuan lingkungan*) issued in 2021 by the Mandailing Natal regional government.

Geothermal operating companies must also comply with, among others, Government Regulation No. 74 of 2001 on Management of Hazardous and Toxic Materials (or *bahan berbahaya dan beracun*), State Minister for Environmental Affairs Regulation No. 19 of 2010 on Quality Standard of Wastewater for Business and/or Activity of Oil and Gas and Geothermal, and State Minister for Environmental Affairs Regulation No. 13 of 2007 on Terms and Procedure of Wastewater Management for Business and/or Activity of Upstream Oil and Gas and Geothermal with Injection Method as revoked and replaced by MOEF Regulation No. 5 of 2021 on Procedures for Issuing Technical Approval and Operational Feasibility Letters for Environmental Pollution Control which regulates waste management of geothermal business activities, among others, by requiring the monthly analysis of wastewater in an accredited laboratory.

Forestry Laws and Regulations

Most of the working area used for geothermal operations is located in forestry area. As such, laws and regulations issued by the MOEF in relation to such matters are applicable to geothermal companies, including our Company. Based on Law No. 41 of 1999 on Forestry, as last amended by the Job Creation Law ("**Forestry Law**"), Government Regulation No. 23 of 2021 on the Organization of Forestry and MOEF Regulation No. 7 of 2021 on Forestry Planning, Forest Area Designation Change and Forest Area Function Change, and Forest Area Use, as partly revoked by MOEF Regulation No. 14 of 2023 on the Settlement of Businesses and/or Activities Built in Natural Reserve Areas, Nature Conservation Areas, and Hunting Parks ("**MOEF Regulation No. 7 of 2021**"), the use of forest areas for geothermal purposes needs to be conducted based on a Forestry Area Utilization Approval (*Persetujuan Penggunaan Kawasan Hutan*), which was formerly known as *Izin Pinjam Pakai Kawasan Hutan* or IPPKH) issued by the MOEF (formerly known as Minister of Forestry).

Under MOEF Regulation No. 7 of 2021, if the size of the forestry area in North Sumatra province is equal to or below the set-out forest area adequacy threshold (*kecukupan luas kawasan hutan*), then the PPKH holder using forest area for commercial geothermal activities purposes shall be obliged to pay forest utilization non-tax state revenue and non-tax state revenue compensation as well as perform planting for the purpose of rehabilitation of the area of river watershed in a ratio of 1:1. For the installation of power plants and new and renewable energy activities, including geothermal energy, the maximum PPKH validity period granted shall be in accordance with the operational license or the decision on the stage of the relevant activities. In the event that the operational license or decision in the relevant field does not regulate the relevant period (e.g., the exploration stage period), the PPKH shall be granted for a maximum of two years and can be extended.

We have obtained a PPKH pursuant to MOEF Decree No. SK.899/MENLHK/SETJEN/PLA/0/10/2021 dated October 8, 2021, which was amended by MOEF Decree No. SK.1134/MENLHK/SETJEN/PLA/0/11/2022 dated November 2, 2022 to reflect the increase of our forest utilization area from previously 121.67 hectares to 132.82 hectares in the protected forest area in Mandailing Natal Regency, North Sumatra Province. Our PPKH is valid until October 7, 2025, pursuant to the latest extension as set out under MOEF Decree No. 80 of 2024 dated January 26, 2024.

As previously discussed, exploitation of geothermal for indirect utilization is no longer regarded as a mining activity, hence geothermal businesses are allowed to exploit and utilize geothermal resources located in conservation forest areas. Government Regulation No. 108 of 2015 on the Amendment of Government Regulation No. 28 of 2011 on the Management Zone of Nature Reserve and Conservation Areas and MOEF Regulation No. P.4/MENLHK/SETJEN/KUM.1/1/2019 on the Utilization of Geothermal Environment Services at National Park, Forest Park and Nature Park ("**MOEF Regulation No. 4 of 2019**") regulate the obligations and requirements of geothermal exploitation activities conducted in national parks, forest parks and nature parks. Based on MOEF Regulation 4/2019, the utilization of geothermal resources in national parks, forest parks and nature parks for electricity generation purposes is subject to the obtainment of

a Geothermal Environmental Services Utilization Permit (*Izin Pemanfaatan Jasa Lingkungan Panas Bumi* or "**IPJLPB**") issued by the MOEF. The development of geothermal businesses in the forestry area without the requisite forestry permits is considered as "illegal development, utilization, and/or occupation of forest areas" under the Forestry Law, which is considered a criminal offence that is punishable with up to 10 years of imprisonment and a fine of up to IDR 7.5 billion.

None of our current working areas are located in national parks, forest parks and nature parks, thus we are not required to obtain the IPJLB other than the PPKH that we currently have for an area approximately 131 hectares.

Business Identification Number (*Nomor Induk Berusaha* or NIB)

Pursuant to the Job Creation Law, the Government Regulation No. 5 of 2021 on the Implementation of Risk-Based Business Licensing and Minister of Trade Regulation No. 76 of 2018 on the Implementation of Company Registration, it is mandatory for every company domiciled and conducting business in the territory of the Republic of Indonesia (including a branch office, support office, subsidiary, agent and representative of said company that has authority to enter into an agreement) to register certain corporate information relating to it with the *Online Single Submission* maintained by the Ministry of Investment/Indonesia Investment Coordinating Board (*Badan Koordinasi Penanaman Modal* or BKPM) and as a result thereof, obtain a Business Identification Number (*Nomor Induk Berusaha* or "**NIB**"). We have obtained a NIB No. 8120200940238 on September 3, 2018 which was last amended on June 20, 2022.

Geothermal Licence *(Izin Panas Bumi* or IPB)

Following a competitive bidding process, we obtained a geothermal mining license (*Izin Usaha Pertambangan Panas Bumi* or "**IUP**") No. 540/525/K/2010 which was issued by the Regent of Mandailing Natal on September 2, 2010. Such IUP is valid for 35 years since the date of issuance. Pursuant to such IUP, we were eligible for a 62,900-hectare geothermal mining area located in Mandailing Natal, North Sumatra. The duration of the IUP for the exploration phase was two years. The exploration phase was initially extended for a one-year period and subsequently extended for an additional two-year period up to September 2, 2015. In late 2014, Law No. 21 of 2014, was enacted with the purpose of boosting and promoting the use of geothermal energy in Indonesia's energy mix. Law No. 21 of 2014 distinguishes geothermal activities from mining activities. Consequently, geothermal activities in conservation forests, production forests and protected forest areas, where the majority of Indonesia's geothermal resources are located, are permitted by obtaining an environmental service permit for geothermal or 'borrow-and-use' (PPKH) approval for protected forest areas. Under Law No. 21 of 2014, project developers must obtain an IPB from the central Government before the commencement of geothermal exploration, exploitation and utilization operations. Although an IPB is required for new geothermal working area, Law No. 21 of 2014 grandfathers all of the geothermal permits issued prior to Law No. 21 of 2014. In response to Law No. 21 of 2014, the MEMR converted our IUP to IPB as evidenced by IPB No. 2765 K/30/MEM/2015 dated April 21, 2015. There is no difference in the validity of the license after we converted our IUP to IPB whereby the validity period remains up to 35 years from September 2, 2010. Business entities conducting indirect utilization of geothermal resources without an IPB, which causes physical, health and/or environmental harm shall be punished with a maximum imprisonment of six years or a maximum fine of IDR 50 billion.

Autonomy Law

Indonesia is a large and diverse nation covering a multitude of ethnicities, religions, languages, traditions and customs. Prior to 1999, the Government controlled almost all aspects of national and regional administration. The period following the end of the administration of former President Soeharto was marked by widespread demand for greater regional autonomy. As a result of political changes and demands, in 1999, the Government passed two laws relating to regional autonomy, Law No. 22 of 1999 on Regional Administration, which was later revoked by Law No. 23 of 2014 on Regional Administration as amended the Job Creation Law ("**Autonomy Law**"), and Law No. 33 of 2004 on the Financial Equilibrium between the Central Government and the Regional Government, which was later revoked by Law No. 1 of 2022 on the Financial Relations between the Central Government and Regional Governments. In principle, these laws provide greater authority to regional governments to administer local issues, including those relating to capital investment and licensing. Furthermore, national income is more fairly allocated to the regional governments where revenues are generated. Under the Autonomy Law, the central government and the regional governments theoretically have complementary authorities based on the principle of decentralization and regional autonomy.

Under the Autonomy Law, each regional government has more flexibility to prepare and formulate their own regulations, as it will no longer be necessary to secure prior approval from the central government. However, the central government maintains its authority over matters relating to the national interest (e.g., foreign affairs, defense and security, the judicial system, monetary and fiscal affairs and religious affairs).

Regional autonomy laws and regulations have changed the regulatory environment for companies in Indonesia by decentralizing certain regulatory, taxation and other power from the central government to the regional governments, and this creates uncertainty. These uncertainties include a lack of implementing regulations on areas of regional autonomy and a lack of government personnel with relevant sector experience at some regional government levels. Moreover, limited precedents or other guidance exist concerning the interpretation and implementation of the regional laws and regulations. In addition, pursuant to the regional autonomy laws, regional governments are given the authority to adopt their own regulations and under the pretext of regional autonomy, certain regional governments have put in place various restrictions, taxes and levies which may differ from restrictions, taxes and levies put in place by other regional governments and/or are in addition to restrictions, taxes and levies stipulated by the central government. Currently, there is uncertainty in respect of the balance between regional governments and the central government. Our business and operations are located throughout Indonesia and may be adversely affected by conflicting or additional restrictions, taxes and levies that may be imposed by the applicable regional authorities.

As discussed above, under Law No. 21 of 2014, the regional governments no longer have the authority to manage, organize and issue permits for the indirect utilization of geothermal resources located within their jurisdiction. This provision is in line with the Autonomy Law, which revoked regional government's authority to manage, organize and issue permits for the indirect utilization of geothermal resources located within their jurisdiction. However, it provided that regional governments have the authority to issue permits for the direct utilization of geothermal resources.

Electricity Industry

Law No. 30 of 2009 on Electricity

On September 23, 2009, the Parliament of Indonesia passed Law No. 30 of 2009 to replace the previously applicable law on electricity, Law No. 15 of 1985 on Electricity. Government Regulation No. 14 of 2012 on Electric Power Supply Business Activities issued on January 24, 2012, as amended by Government Regulation No. 23 of 2014 on the Amendment of the Government regulation No. 14 of 2012 ("**Government Regulation No. 14 of 2012**"), is the implementing regulation of Law No. 30 of 2009. The procedure for obtaining an electricity business license is regulated under MEMR Regulation No. 11 of 2021 on the Implementation of Electricity Business, as partly revoked by MEMR Regulation No. 2 of 2024 on Rooftop Solar Power Plants Connected to Electrical Power Networks of Electricity Supply Business License Holders in the Public Interest ("**MEMR Regulation No. 11 of 2021**").

This section discusses some key provisions of Law No. 30 of 2009 and its implementing regulations.

Industry Framework

Under Law No. 30 of 2009, electricity supply is controlled by the State, but management is performed by central government and regional governments (as relevant) through State-owned entities (i.e., PLN) and regional owned entities. The Government's move towards a more competitive electricity industry and the passing of Law No. 30 of 2009) and its implementing regulations, could result in the emergence of new and numerous competitors (including private business entities that may distribute the electricity to end customers) for PLN, which is the sole off taker of electricity from existing power plants. Under Law No. 30 of 2009, private business entities, cooperatives and non-governmental entities (*swadaya masyarakat*) can participate in the electricity supply business. However, PLN is given first priority to be the public electricity supplier. If PLN declines the offer to undertake a public electricity supply business for the specified area, the central government or the regional government, in accordance with their respective authorities, may offer the right to maintain the public electricity supply business to regional owned entities, private business entities or cooperatives.

Pursuant to Law No. 30 of 2009 and its implementing regulations, the electricity industry is divided into two main activities, namely the electricity supply business and electricity supporting business. The electricity supply business is classified into: (i) electricity supply business for public interest; and (ii) electricity supply business for private use. Electricity supply business for public interest covers electricity generation, transmission, distribution and sales. On the other hand, electricity supporting business covers, among others, electricity supply installation consultation, development, construction, examination and inspection, as well as research and development, and education and training on electricity power.

Electricity Licenses

MEMR Regulation No. 11 of 2021 provides that the electricity supply business license will be issued in the form of: (i) an Electricity Supply Business License for Public Interest (*Izin Usaha Penyediaan Tenaga Listrik untuk Kepentingan Umum* or "**IUPTLU**") for electricity supply business for public interest; or (ii) Electricity Supply Business License for Own Use (*Izin Usaha Penyediaan Tenaga Listrik untuk Kepentingan Sendiri* or "**IUPTLS**") for electricity supply business for private use. On the other hand, electricity supporting businesses will be issued an Electricity Supporting Service Business License (*Izin Usaha Jasa Penunjang Tenaga Listrik* or "**IUJPTL**").

As discussed above, an IUPTLU covers electricity generation, electricity transmission, electricity distribution, and sales of electricity. Based on MEMR Regulation No. 11 of 2021, an IUPTLU can be issued separately for each type of electricity business activity. However, the integration of such electricity business activities by the business entity is also permitted under MEMR Regulation No. 11 of 2021.

We have obtained our IUPTLU that was issued by the central government on June 8, 2018. According to MEMR Regulation No. 11 of 2021, any IUPTLU issued prior to the enactment of MEMR Regulation No. 11 of 2021 (i.e., before June 2, 2021), remains valid until the expiry of its validity period, which is for 30 years, as may be extended.

Tariff of Electricity

Law No. 30 of 2009 provides that the central government, with Parliament's approval, would stipulate the tariff for electricity that is sold to end customers by the holder of an IUPTLU. Meanwhile, the regional government, with approval from the regional parliament, would stipulate the tariff for provision of electricity within its jurisdiction in accordance with tariff guidelines provided by the central government, and therefore different tariffs for different regions within a business area may be determined.

Notwithstanding the foregoing, the purchase price for the electricity produced by geothermal companies is subject to (i) Presidential Regulation No. 112 of 2022 on the Acceleration of Development of Renewable Energy for the Supply of Electricity ("**PR No. 112 of 2022**"), (ii) MEMR Regulation No. 17 of 2014; and (iii) MEMR Regulation No. 50 of 2017 on the Utilization of Renewable Energy Resources for the Production of Electricity, as last amended by MEMR Regulation No. 4 of 2020 on the Second Amendment to MEMR Regulation No. 50 of 2017 ("**MEMR Regulation No. 50 of 2017**"). However, specifically for renewable energy, the purchase price of electricity as provided in the amended MEMR Regulation No. 50 of 2017 was superseded by PR No. 112 of 2022.

PR No. 112 of 2022 and MEMR Regulation No. 17 of 2014 requires PLN to purchase electricity generated from geothermal power plants operated by IUPTLU holders that are also holding an IPB. PR No. 112 of 2022 provides that the purchase price of electricity from power plants sourced from renewable energy by PLN consists of either the ceiling price, as provided in the appendix of the regulation, or an agreed-upon price, with or without consideration of the location factor. This price will be reflected in the PPA and will be valid from the commercial operation date. The pricing for geothermal power plant with a capacity over 10 MW up to 50 MW in PR No. 112 of 2022 is set at 9.41 (cent USD/KWH) multiplied by the location factor for the period from the commercial operation date until the tenth anniversary of the commercial operation date and will be reduced to 8.00 (cent USD/KWH) multiplied by the location factor for the period from the eleventh to the thirtieth anniversary of the commercial operation date. Additionally, the location factor for Sumatra, where the plant is located, is 1.10.

Data Disclosure

Pursuant to Law No. 21 of 2014, any data and information obtained from performing geothermal business activities are State owned, of which the utilization management shall be done by the Government. Any party is prohibited from sending, delivering and/or transferring such data and information without the consent of the Government. Restrictions on the utilization and transfer of data and information as stipulated in Law No. 21 of 2014 are fully adopted in Government Regulation No. 7 of 2017 and MEMR Regulation No. 33 of 2018 on the Management and Utilization of Geothermal Data and Information for Indirect Utilization ("**MEMR Regulation No. 33 of 2018**"). In addition, Government Regulation No. 7 of 2017 stipulates that geothermal data and information may be utilized for (i) preparation of power supply business plan; (ii) development of geothermal science and technology; (iii) preparation of regional spatial layout plan; and (iv) other

utilization. Other utilization may only be performed with a certain permit from the MEMR. Further, pursuant to Government Regulation No. 7 of 2017 and MEMR Regulation No. 33 of 2018, geothermal data and information must be stored and secured within the territory of the Republic of Indonesia.

Under the Government Regulation No. 7 of 2017 and MEMR Regulation No. 33 of 2018, geothermal data and information is defined as all facts, reference, indication and information related to geothermal resources. Further, MEMR Regulation No. 37 of 2017 on the Geothermal Working Area for Indirect Use of Geothermal Resources and MEMR Regulation No. 33 of 2018 stipulate that geothermal data and information shall include geoscience data, geochemical data, geophysical data, data on exploration well drilling, and data on geothermal probable reserves.

Under MEMR Regulation No. 33 of 2018, geothermal data and information are divided into (i) general data; (ii) raw data; (iii) processed data; and (iv) interpretation data. General data is data regarding the identification of the geographical location of the potential, well location, and geothermal production operation data ("**General Data**"). Raw data is data containing descriptions or quantities from the recording or recording results of geological, geochemical, geophysical investigations, geothermal well drilling activities, and Geothermal well production ("**Raw Data**"). Processed data is data obtained from the results of analysis and evaluation of Raw Data ("**Processed Data**"), and interpretation data is data obtained from the interpretation of Raw Data and/or Processed Data.

Pursuant to MEMR Regulation No. 33 of 2018, among others, IPB holders intending to transfer geothermal data and information shall obtain a permit from the MEMR. Such permit shall apply to the transfer of geothermal data and information in relation to activities that are outside of geothermal exploitation for indirect utilization, for the transfer of rights (i.e., the disposal, release, or reduction of capital of a geothermal entity to another business entity), or activities outside the implementation of the assignment (i.e., applicable for state-owned enterprises). There can be no assurance that the Government would not deem the information pertaining to the geothermal data as disclosed in this offering memorandum as data which must be kept within the territory of the Republic of Indonesia and requires a permit from the MEMR to be disclosed in this offering memorandum. Under Law No. 21 of 2014, failure to comply with the requirement to obtain consent from the Government prior to transferring geothermal data could result in criminal sanctions of up to five years of imprisonment or fines of up to IDR 25 billion which will be imposed on the director of the geothermal business.

Indonesian Labor Law

Labor or employment in Indonesia is primarily regulated by Law No. 13 of 2003 on Manpower (the "**Labor Law**") (as amended) and Law No. 21 of 2000 on Labor Union (the "**Labor Union Law**"), as amended by the Job Creation Law. Under the Labor Law (as amended), an employee is any person working for a salary or other form of remuneration. In contrast, an employer is any individual, entrepreneur, legal entity or other body employing manpower by paying a salary or other form of remuneration. Employees of a company with more than 10 employees may form a labor union. Such labor union must be registered with Ministry of Manpower ("**MoM**"). A registered labor union is entitled to (i) make a collective labor agreement with the employer (see below), (ii) represent employees in solving industrial relations disputes, (iii) represent employees in various employment activities and (iv) carry out activities that can improve employees' welfare.

The Labor Law further provides that any employer that employs 10 or more employees is required to maintain a company regulation ("**Company Regulation**") which will come into force once registered with MoM (or its regional offices). The Regulation contains, among others, the rights and obligations of the employer and the employee, term of works, and rule of the company. A Company Regulation is valid for two years as from the date it is registered with MoM and must be renewed once expired. Failure to maintain a valid Company Regulation is subject to monetary sanctions ranging from IDR5.0 million up to IDR50.0 million. The obligation to maintain a

Company Regulation does not apply if the employer has entered into a collective employment agreement ("**Collective Employment Agreement**") with its labor union. The Collective Employment Agreement must be made upon consensus between the employer and the labor union. Similar to the Company Regulation, the Collective Employment Agreement is valid for a maximum of two years from the date it is signed (unless otherwise agreed between the parties) and, by written agreement between the parties, can be extended for a further one-year term. The Collective Employment Agreement applies to all employees in a company. If at the same time there is an employment contract entered into by the company and an individual employee, the provisions of Collective Employment Agreement shall apply in the absence of specific provisions in the employment contract or in the event there are conflicting provisions between the two agreements.

Further, if an employer employs more than 10 employees, or pays a salary of at least IDR1.0 million a month, such employer must participate in the Government's social and security program. The Government's employment and social security department consists of the Manpower Social Security Administrator (*Badan Penyelenggara Jaminan Sosial Ketenagakerjaan* or "**Manpower BPJS**") and the Health Social Security Administrator (*Badan Penyelenggara Jaminan Kesehatan* or "**Health BPJS**"). The amount contributed to Manpower BPJS and Health BPJS are to cover the employee for general healthcare and in case of occupational accident, death and for an old age pension is calculated by reference to the amount an employee actually receives. The Job Creation Law introduces a new unemployment insurance under the Manpower BPJS system. The insurance provides cash payments, access to job openings and training, and compensation from the Government for the employees who have had their employment contract terminated. Employers have the obligation to enroll their employees with the Health BPJS and Manpower BPJS. All employees who are already enrolled with the Manpower BPJS system are automatically registered for unemployment insurance. The monthly premium contributions for these benefits are paid by the central government. Employees' entitlement will be deemed to have been waived if they do not claim the benefits within three months of termination, obtain new employment or pass away.

Investment Regulation

On April 26, 2007, the Indonesian Government issued Law No. 25 of 2007 regarding Capital Investments (the "**Investment Law**"), as amended by the Job Creation Law, which principally regulates direct investments in Indonesia, in the form of foreign capital investments (*Penanaman Modal Asing* or "**PMA**") and domestic capital investment (*Penanaman Modal Dalam Negeri* or "**PMDN**"). In Indonesia, a foreign investor must undertake its investment through a foreign investment limited liability company ("**PMA company**").

The Investment Law provides that all types of businesses are open for investment without restriction, except those expressly prohibited or allowed under certain conditions. Currently, these prohibited and restricted business activities are listed in Presidential Regulation No. 10 of 2021 on Investment Business Sectors, which was amended by Presidential Regulation No. 49 of 2021 ("**Regulation No. 10 of 2021**"). The Regulation No. 10 of 2021 also stipulates that all types of business are open for investment except for certain sectors which are fully closed to investment and for certain sectors which can only be carried out by the central government of Indonesia. The types of business which are open for investment are partly or conditionally open based on a system of permitted ownership limits, reserved sectors and licensing requirements. Significantly, the Regulation No. 10 of 2021 provides that any sector not stated to be closed or partly closed will be fully open for investment without restriction. The list of business sectors on the Regulation No. 10 of 2021 is based on the comprehensive classification of sectors set out in the Central Statistics Bureau *(Badan Pusat Statistik)* Regulation No. 2 of 2020 regarding Indonesian Business Sector Classification (*Klasifikasi Baku Lapangan Usaha Indonesia* or "**KBLI**"), drawn up by the Central Statistics Bureau. The geothermal energy sector is not classified as a prohibited and restricted business activity under Regulation No. 10 of 2021 and businesses in such sector may be wholly-owned by foreign shareholders.

To encourage capital investment, the Indonesian Government provides several incentives to PMA and/or PMDN companies such as relief or reduction of tax and customs and convenience in obtaining immigration and import services and/or permits. Another important feature of the Investment Law is the Indonesian Government's guarantee that it will not nationalize a PMA company, except where declared by law. In the event that the Government nationalizes any PMA company, it must pay compensation as determined by the market price of the investment. This guarantee is accompanied by an assurance that the foreign investor will have the right to transfer and repatriate in foreign currency, profit, bank interest, dividends and other means of income.

Under the Government Regulation No. 5 of 2021 on Risk-Based Business Licensing as partially revoked by Indonesian Government Regulation No. 11 of 2023 on Measured Fishing ("**Government Regulation No. 5 of 2021**"), prior to commencing its business, a company must obtain an NIB, see " – *Business Identification Number (Nomor Induk Berusaha or NIB)*". The NIB is used by companies to obtain business, commercial and operating licenses, and grants customs access (*Akses Kepabeanan*). Under the current OSS system, business, commercial or operating licenses take effect only after the holder has fulfilled all commitments and obligations imposed as a condition for the issuance of such licenses. Fulfilment of such conditions will then be recorded in the OSS system, so that relevant government agencies are aware of the holder's compliance. The Government Regulation No. 5 of 2021 also divides business sectors into categories based on their risks level. The categories set out by the Government Regulation No. 5 of 2021 are as follows:

(a) low risk level;

(b) medium risk level, which is divided into two categories:

  (i) medium-low risk level;

  (ii) medium-high risk level; and

(c) high risk level.

Under Government Regulation No. 5 of 2021, business sectors which are categorized as having low risks level will only require NIB to legally conduct their business activities. Business sectors which are categorized as having medium-low risks level need to obtain NIB and Standard Certificates to legally conduct their business activities. Business sectors which are categorized as having medium-high risks level need to obtain NIB and Verified Standard Certificates to legally conduct their business activities. Business sectors which are categorized as having high risks level need NIB and Licenses to legally conduct their business activities. In addition to the foregoing, any business entity is required to obtain a supporting operational business licence (*Perizinan Berusaha Untuk Menunjang Kegiatan Usaha*) – which may vary depending on the operational nature of each business entity. As our Company's business activity (KBLI code 06202) is categorized as "high risk level", our Company is required to obtain an NIB, a Geothermal License and supporting operational business license related to Geothermal Energy Business.

Corporate, Social and Environmental Responsibility

The Companies Law imposes an additional obligation on all companies, including companies engaged in the mining and industry sectors, to undertake activities concerning "corporate, social and environmental responsibility". The purpose of this obligation is to create a sustainable relationship with the environment and to enhance the norms, values and culture of the local community. Such obligation must be budgeted and treated as an expense of the company and must be implemented through reasonable measures. Any non-compliance will be sanctioned in accordance with applicable laws. The Law No. 21 of 2014 regulates that the entire surrounding community of the geothermal activity are entitled to obtain benefits from the geothermal activity through the company's "corporate, social and environmental responsibility" program and/or the community's development program, and the Government Regulation No. 25 of 2021 also requires the IPB holders to organize community development programs for the local community.

On April 4, 2012, the Indonesian Government issued Indonesian Government Regulation No. 47 of 2012 concerning Corporate Social and Environmental Responsibility ("**Government Regulation No. 47 of 2012**") to implement Article 74(4) of the Companies Law which imposes corporate, social and environmental responsibilities. The Government Regulation No. 47 of 2012 stipulates that the board of directors of a company is responsible for implementing the mandatory corporate, social and environmental responsibilities in accordance with the annual working plan of such company. The annual working plan shall include a business plan and budget. The budget plans must be prepared based on considerations of "appropriateness and reasonableness", based on "the financial capacity of the company having regard to the risks that give rise to the social and environmental responsibilities that must be borne by the company, subject to the obligations of the company as set out in the legislation governing the company's business operations". Thus, in theory at least, the higher a company's profits and the greater the impact its operations have on the environment, the more resources it should allocate to its corporate, social and environmental responsibilities.

Indonesian Language Law

On July 9, 2009, Law No. 24 of 2009 on Flag, Language, Coat of Arms and National Anthem ("**Law No. 24 of 2009**") was enacted. It requires agreements to which an Indonesian party is a party to be executed in the Indonesian language. If both an Indonesian party and a foreign party are parties to an agreement (a "cross-border agreement"), in addition to Indonesian language, such cross-border agreement may also be executed in English or the national language of the foreign party. Law No. 24 of 2009 is silent as to whether both the Indonesian language and foreign language versions of such cross-border agreements need to be executed at the same time. On September 30, 2019, Presidential Regulation No. 63 of 2019 on the Use of Indonesian Language ("**Presidential Regulation No. 63 of 2019**") was issued as an implementing regulation of Law No. 24 of 2009. Presidential Regulation No. 63 of 2019 further stipulates that parties to a cross-border agreement may contractually agree on the governing language of such agreement. Further, Presidential Regulation No. 63 of 2019 suggests that the Indonesian language version of a cross-border agreement must exist before or at the time the foreign language version of such agreement is executed, implying that both the Indonesian language and foreign language versions of a cross-border agreement must at least be executed simultaneously.

Neither Law No. 24 of 2009 nor Presidential Regulation No. 63 of 2019 prescribe any sanctions for the absence of an Indonesian language version of a cross-border agreement. However, on June 20, 2013, the District Court of West Jakarta ruled in a decision No. 451/Pdt.E/2012/PN.Jkt Bar (the "**June 2013 Decision**") that an Indonesian law governed loan agreement entered into between an Indonesian borrower, PT Bangun Karya Pratama Lestari (the plaintiff) and a non-Indonesian lender, Nine AM Ltd. (the defendant), is null and void due to the absence of an Indonesian language version. The court ruled that the agreement had contravened Law No. 24 of 2009 and declared it to be invalid. In arriving at this conclusion, the court relied on Articles 1320, 1335 and 1337 of the Indonesian Civil Code, which taken together render an agreement void if, *inter alia*, it is tainted by illegality. The court held that as the agreement had not been drafted in the Indonesian language, as required by Law No. 24 of 2009, it therefore failed to satisfy the "lawful cause" (*sebab yang halal*) requirement and was void from the outset, meaning that a valid and binding agreement had never existed. On May 7, 2014, the Jakarta High Court rejected the appeal submitted by Nine AM Ltd. and affirmed the June 2013 Decision in its entirety. In its judgment, the Jakarta High Court was of the opinion that the District Court of West Jakarta's judgment was correct and accurate. As such, the absence of an Indonesian language version of a cross-border agreement may affect such agreement's validity. On December 29, 2023, the Indonesian Supreme Court issued Supreme Court Circular No. 3 of 2023 which is a binding guideline for Indonesian courts. Supreme Court Circular No. 3 of 2023 states that the absence of a Bahasa Indonesia translation of an agreement involving a foreign party cannot be used as a basis to invalidate an agreement, unless the disputing parties can prove that the absence of such Bahasa Indonesia translation is due to bad faith.

BUSINESS

Overview

We are among the top 10 geothermal energy producers in Indonesia, accounting for 6.9% of geothermal energy capacity in Indonesia in 2022, according to the MEMR Handbook of Energy and Economic Statistics Indonesia 2022. See "*Overview of the Indonesian Power Industry – Geothermal Resources and Reserves (as of December 2022)*". We own and operate a geothermal power plant with gross installed generation capacity of 185 MW (net installed generation capacity of 159 MW) across four geothermal generation units, with plans to develop additional geothermal generation unit(s). As of the date of this offering memorandum, we are in the process of developing our fifth geothermal unit, Unit 5, which is expected to increase our gross installed generation capacity by 27 MW to a total of 212 MW (net installed generation capacity of Unit 5 at 23 MW, bringing the total to 182 MW). Our facility is situated in the Sorik Marapi-Roburan-Sampuraga working area near the town of Panyabungan in North Sumatra, Indonesia, approximately 350 kilometers south/south-east of the city of Medan, the capital of North Sumatra, Indonesia. Pursuant to MEMR Decree No. 159.K/90/MEM/2020 dated September 3, 2020, the Sorik Marapi area has been designated as an Indonesian "National Vital Object". We have entered into an up to 240 MW long-term (over 30 years) take-or-pay power purchase agreement (the "**PPA**") with PT PLN (Persero) ("**PLN**"), Indonesia's state-owned electric utility provider. Our PPA with PLN is valid for 32 years from the commercial operation date ("**COD**") of Unit 1 and will expire in 2051.

We began commercial operations in October 2019 with Unit 1. We increased our gross installed generation capacity by 51 MW in July 2021 through the commercial operation of Unit 2, increasing our gross installed generation capacity to 103 MW. We later increased our gross installed generation capacity by 51 MW in October 2022 through the commercial operation of Unit 3, increasing our gross installed generation capacity to 154 MW, and further by 31 MW to 185 MW in December 2023, when we began commercial operations at Unit 4. We are in the process of developing Unit 5, which is expected to increase our gross installed generation capacity by 27 MW to 212 MW. The net installed generation capacity of Unit 1, Unit 2, Unit 3 and Unit 4 is 42 MW, 44 MW, 46 MW and 27 MW, respectively, which totals to 159 MW. Unit 5 is expected to have a net installed generation capacity of 23 MW, bringing the total to 182 MW. Our key equipment providers and engineering, procurement and construction ("**EPC**") contractors for the development of each of Unit 1, Unit 2, Unit 3 and Unit 4 were Zhejiang Kaishan Energy Equipment Co. Ltd. and Shanghai Kaishan Energy Equipment Co. Ltd. Unit 1 has maintained availability of 90.12%, 99.03%, 99.89%, 99.54% and 100.00% for the years ended December 31, 2021, 2022 and 2023 and for the three-month periods ended March 31, 2023 and 2024, respectively; Unit 2 has maintained availability of 97.31%, 97.90%, 99.85%, 99.40% and 100.00% for the years ended December 31, 2021, 2022 and 2023 and for the three-month periods ended March 31, 2023 and 2024, respectively; Unit 3 has maintained availability of 99.82%, 99.91%, 99.72% and 100.00% for the years ended December 31, 2022 and 2023 and for the three-month periods ended March 31, 2023 and 2024, respectively; and Unit 4 has maintained availability of 100.00% and 100.00% for the year ended December 31, 2023 and for the three-month period ended March 31, 2024, respectively.[5]

Our business is mainly based on the *Izin Panas Bumi* ("**IPB**", or geothermal license), the *Izin Usaha Penyediaan Tenaga Listrik Untuk Kepentingan Umum* ("**IUPTLU**", or electricity supply for public interest business license) and one material contract, the PPA. Under the IPB, which was issued by the Ministry of Energy and Mineral Resources ("**MEMR**") in April 2015, we have the exclusive right to exploit and utilize geothermal energy in the Sorik Marapi-Roburan-Sampuraga working area for an area of 62,920 hectares. We also have the exclusive right to convert

5 As each of Unit 2, Unit 3 and Unit 4 commenced operations at different times during the presented periods, the availability figures presented only reflect data for the time following which each Unit commenced commercial operations. See "*– Our Facility – Power Plant*".

geothermal resources to electricity and to deliver such electricity to PLN pursuant to a long term take-or-pay PPA and are licensed to supply the electricity under our IUPTLU. See "*Description of Material Contracts – Power Purchase Agreement*", "*– Our Operations – The Power Purchase Agreement*" and "*– Our Operations –The Izin Panas Bumi*".

We intend to explore the potential growth of our business by expanding the gross installed generation capacity at Sorik Marapi to take advantage of the PPA with PLN. Following a series of geoscience studies that commenced in early 2017, we have commenced development of an additional geothermal unit, Unit 5, in Sorik Marapi. Any future development of our power plant is subject to the success of further exploratory drilling activities and the economic viability of such development.

Our total revenues for the years ended December 31, 2021, 2022 and 2023 and for the three-month periods ended March 31, 2023 and 2024 were US$37.5 million, US$66.1 million, US$83.3 million, US$20.1 million and US$25.6 million, respectively. Our EBITDA for the years ended December 31, 2021, 2022 and 2023 and for the three-month periods ended March 31, 2023 and 2024 was US$25.6 million, US$51.4 million, US$61.9 million, US$15.4 million and US$18.7 million, respectively, and our profit for the years ended December 31, 2021, 2022 and 2023 and for the three-month periods ended March 31, 2023 and 2024 was US$12.6 million, US$27.5 million, US$26.2 million, US$4.4 million and US$7.7 million, respectively. Our EBITDA Margin, which is the ratio of EBITDA to total revenues, for the years ended December 31, 2021, 2022 and 2023 and for the three-month periods ended March 31, 2023 and 2024 was 68.1%, 77.7%, 74.3%, 76.7% and 72.9%, respectively.

Strengths

We believe that we play an important role in the electricity sector of Indonesia, particularly in the development of renewable energy sources. We believe that the following are our key strengths:

Significant and de-risked operating geothermal asset in exclusive concession area

We are among the top 10 geothermal energy producers in Indonesia, accounting for 6.9% of geothermal energy capacity in Indonesia in 2022, according to the MEMR Handbook of Energy and Economic Statistics Indonesia 2022. See "*Overview of the Indonesian Power Industry – Geothermal Resources and Reserves (as of December 2022)*". We believe that we benefit from a significant and de-risked operating geothermal asset located in the Sorik Marapi area, which area was designated as a "National Vital Object" pursuant to MEMR Decree No. 159.K/90/MEM/2020 dated September 3, 2020. Our asset has been developed using screw expander technology patented by Kaishan Holding Group Co., Ltd. and its group of companies (the "**Kaishan Group**"), and in cooperation with established third parties, including Powerchina Huadong Engineering Corporation Limited, one of our EPC contractors, PT Halliburton Logging Services Indonesia, PT Schlumberger Geophysic Nusantara and PT Baker Hughes Indonesia, our drilling consultants, and other third-party technical consultants. Under the terms of the IPB, which was issued to us by the MEMR in April 2015, we have the exclusive right to exploit and utilize geothermal energy in the Sorik Marapi-Roburan-Sampuraga working area for an area of 62,920 hectares until 2045. The Sorik Marapi-Roburan-Sampuraga has significant high-temperature steam reserves that contain low levels of impurities, which is favorable for geothermal power production. See "*Description of Material Contracts*" for a description of the PPA, and "*– Our Operations – The Izin Panas Bumi*" for a description of the IPB.

As of the date of this offering memorandum, approximately 0.2% of the total working area is in use for the geothermal operations at our power plant. The current gross installed generation capacity of our power plant is 185 MW, comprising 52 MW, 51 MW, 51 MW and 31 MW for Unit 1, Unit 2, Unit 3 and Unit 4, respectively, and the current net installed generation capacity of our power plant is 159 MW, comprising 42 MW, 44 MW, 46 MW and 27 MW for Unit 1, Unit 2, Unit 3 and Unit 4, respectively, while the aggregate potential deliverable capacity based on the PPA (the "**PPA Deliverable Capacity**") is up to 240 MW. The most recent Sorik Marapi geothermal reservoir

modeling prepared in June 2024 by an independent geothermal resources consultant, Geologica Geothermal Group, Inc. ("**Geologica**") indicates that, based on numerical reservoir modeling of the geothermal resource, the project can be maintained at net power generation output level of 173 MW until 2035 and 135 MW until 2051 with appropriate reservoir maintenance such as successful makeup well drilling. Models prepared by Geologica have also identified four areas in the Sorik Marapi-Roburan-Sampuraga working area which are suitable for geothermal operations, including Area 1 – Sibanggor area, where Unit 1, Unit 2, Unit 3 and Unit 4 are situated, and where Unit 5 is being developed, which has proven reserves of 168 MW (9.5 km^2), with a further 40 MW (11.3 km^2) of probable reserves and 32 MW (13.5 km^2) of possible reserves under investigation. This estimate takes into account the results of the most recent drilling campaign of 2023-2024, as well as field performance through the end of April 2024. The potential for exploiting the geothermal energy reserves beyond the output of Unit 1, Unit 2, Unit 3 and Unit 4 is subject to future well drilling results.

Strong operational track record

Our power plant has a demonstrated track record of operations, with consistently high operational reliability in terms of net generation, availability factor and net capacity factor. In the year ended December 31, 2023, the total power generated by Unit 1, Unit 2, Unit 3 and Unit 4 was 958 GWh, and the average availability factor across Unit 1, Unit 2, Unit 3 and Unit 4 was 99.9%. In the same year, we recorded total revenues of US$83.3 million, a 26.0% increase over our total revenues of US$66.1 million in the year ended December 31, 2022. Our first geothermal unit, Unit 1 commenced commercial operations in October 2019, with our second unit, Unit 2 commencing commercial operations in July 2021. This was followed by the commencement of commercial operations at our third unit, Unit 3, in October 2022, and most recently the commencement of commercial operations of our fourth unit, Unit 4 in December 2023. We are currently developing geothermal resources to supply additional unit(s), with our fifth unit, Unit 5, expected to commence commercial operations in December 2024.

The following tables set out certain operational performance and other data relating to the Sorik Marapi power plant as of the dates and for the periods/years presented:

		For the years ended December 31,			For the three-month periods ended March 31,	
	Unit	**2021**	**2022**	**2023**	**2023**	**2024**
Unit 1 Operating History						
Net Generation[(1)]	MWh	307,450[(4)(5)]	314,650	289,913	65,997	69,515
Availability Factor[(2)]	%	90.12[(4)(5)]	99.03	99.89	99.54	100.00
Net Capacity Factor[(3)]	%	82.71[(4)(5)]	90.30	105.76	98.67	87.07
Unit 2 Operating History						
Net Generation[(1)]	MWh	145,452[(5)(7)]	361,997	339,836[(6)]	85,860	86,303
Availability Factor[(2)]	%	97.31[(5)]	97.90	99.85[(6)]	99.40	100.00
Net Capacity Factor[(3)]	%	87.76[(5)]	95.91	93.98[(6)]	95.89	102.57
Unit 3 Operating History						
Net Generation[(1)]	MWh	–	81,331[(7)]	318,104[(6)]	77,883	85,652
Availability Factor[(2)]	%	–	99.82	99.91[(6)]	99.72	100.00
Net Capacity Factor[(3)]	%	–	84.97	79.37[(6)]	78.13	99.57
Unit 4 Operating History						
Net Generation[(1)]	MWh	–	–	10,048[(7)]	–	55,058
Availability Factor[(2)]	%	–	–	100.00	–	100.00
Net Capacity Factor[(3)]	%	–	–	94.23	–	93.14

Notes:

(1) Net generation means the net electricity sent out of the relevant geothermal generation unit to PLN (after the deduction of the electricity used to run our power plant).

(2) Availability means the number of hours during a period when the relevant geothermal generation unit is available for service divided by the total number of hours in the relevant period, expressed as a percentage.

(3) Net capacity factor means the ratio of the actual output of the relevant geothermal generation unit to the theoretical output assuming full capacity usage (excluding planned maintenance).

(4) In January 2021, Unit 1 experienced a forced shutdown for approximately one and a half months as a result of hydrogen sulfide gas exposure at Pad T. See "*Business – Environmental, Health and Safety Compliance – January 2021 Hydrogen Sulfide Gas Exposure*". Prior to the gas leak, for the month ended January 31, 2021, our net generation for Unit 1 was 23,147 MWh, our availability factor for Unit 1 was 77.42%, and our net capacity factor for Unit 1 was 73.41%.

(5) In August 2021, we experienced an unplanned shutdown of Unit 1 and Unit 2 for a period of seven days due to PLN grid blackouts and an all-unit trip.

(6) In May 2023, we experienced a partial shutdown at Unit 2 and Unit 3 for less than one hour at PAD AA due to an occupation by monkeys in the area.

(7) As each of Unit 2, Unit 3 and Unit 4 commenced operations at different times during the presented periods, the full period impact of their operations has not been reflected in net generation.

		For the years ended December 31,			For the three-month period ended March 31,
	Unit	**2021**	**2022**	**2023**	**2024**
Average tariffs	US$/KWh	0.083	0.087	0.087	0.087

		As of			
	Unit	**July 31, 2021**	**October 31, 2022**	**December 31, 2023**	**April 30, 2024**
End of period total steam/ brine supply extracted(1)					
Steam supply (A)	kg/s	149	201	233	231
Brine water supply (B)(2)	kg/s	723	861	791	695
Total mass supply (A) + (B)	**kg/s**	**871**	**1,062**	**1,023**	**926**

Notes:

(1) Unit 1 COD occurred in October 2019, Unit 2 COD occurred in July 2021, Unit 3 COD occurred in October 2022, Unit 4 COD occurred in December 2023 and Unit 5 COD is scheduled to be in December 2024.

(2) Net generation from brine organic rankine cycle ("**ORC**") accounted for less than 10% of our annual net generation from 2021-2023. The amount of brine has declined due to increasing enthalpy in some wells consistent with a decline in reservoir pressure. This is expected to level off with the optimization and continuous injection of brine to the reservoir.

	Unit	2025	2030	2035	2051
Total expected mass flow[1]					
Steam production (A)	kg/s	262	255	241	204
Brine water production (B)	kg/s	1,070	912	893	858
Total mass production (A) + (B)	**kg/s**	**1,333**	**1,167**	**1,134**	**1,062**

Note:

(1) The above expected production profile and figures are projections that are forward-looking in nature, and based on a numerical model that does not incorporate an improved condition resulting from Pad V, which were drilled in 2024. Accordingly, these projections involve risks and uncertainties, and actual results may differ materially from those discussed in or implied by any of the projections above as a result of various factors, including those listed in "*Risk Factors*" and "*Forward-Looking Statements*".

	Number
Wells	
Active production wells[1]	15
New production wells for Unit 1, Unit 2, Unit 3, Unit 4 and Unit 5 (to commence production in later 2024)[2]	6
Monitoring wells	4
Reinjection wells – common	18
Abandoned wells	0
Exploration wells	0
Total wells	**43**

Notes:

(1) Total active production well number includes six production wells which are shared between Unit 1, Unit 2, Unit 3 and Unit 4.

(2) Well drilling for these new production wells is complete. Well testing is expected to be conducted from August 2024, and completion is targeted for prior to Unit 5 COD in December 2024.

See "– *Our Operations*" below for further information on the key facility metrics and operational and financial performance of geothermal operations at our power plant.

Established revenue visibility from long term PPA with investment grade off-taker, PLN

Our cash flows are underpinned by a long-term PPA between us and PLN, which provides us with high cash flow generation visibility and a stable yield profile. Our PPA with PLN is set to last for 32 years from the COD of Unit 1, with expiry on October 1, 2051. We may enter into negotiations with the PLN to extend such date upon expiry, or otherwise enter into negotiations for a new PPA to be entered into to, to allow us to capture further value from our geothermal asset. PLN is wholly-owned by the Indonesian Government, which is obliged to subsidize PLN when its electricity production costs exceed the revenue from electricity sales at tariff rates set by the Indonesian Government. As Indonesia's state-owned electricity utility provider, PLN has had an indirect monopoly over the transmission and distribution of electricity in Indonesia, making it the sole off-taker of power for most independent power producers. PLN is rated "Baa2" by Moody's, "BBB" by S&P and "BBB" by Fitch as of the date of this offering memorandum.

Under the PPA, we are obliged to make available the unit rated capacity of each geothermal turbine-generator unit after the COD of that geothermal turbine-generator unit to PLN, and PLN is obliged to make payments regardless of whether such electricity is dispatched by PLN, according to an agreed formula consisting of a fixed component and variable component, which includes a mechanism to allow the tariff to increase with inflation as measured by the US Producer Price Index ("**PPI**"). PLN is obliged to purchase power from us under an annual 'take-or-pay' payment mechanism, with the average of the monthly take-or-pay percentages over the contract year (being the specified percentage of the applicable time-weighted plant rated capacity multiplied by total hours in the relevant contract year) being equal to 90%. For the period from April 2024 to June 2024, the PPA tariff included a power price of US$0.0865/kWh, which is calculated with a base power price of US$0.0810/kWh, indexed to the PPI; and a fixed transmission power charge of US$0.00054/kWh, which is not subject to indexation. Under Indonesian law, PLN is obliged to make payments to us in Indonesian Rupiah. Nevertheless, our tariff is denominated in US dollars and our invoices are submitted in US dollars. Payments are made to us in US dollar by PT Bank Rakyat Indonesia Tbk ("**BRI**") as the converting bank under a tripartite converting agreement (the "**Tripartite Converting Agreement**"). Pursuant to the Tripartite Converting Agreement, on each relevant payment date, PLN will deposit Rupiah with BRI in an amount that when converted to US dollar by BRI using the Jakarta Interbank Spot Dollar Rate applicable on that date, will allow BRI to have sufficient US dollars to pay the full amount of the invoice in US dollars. This arrangement ensures both that payments under the PPA are compliant with Indonesian law, and that the foreign exchange risk lies with PLN and BRI. See "*Description of Material Contracts – Power Purchase Agreement – Tariff*" for further details on the tariff. Given our PPA with our committed off-taker, PLN, our dispatch and offtake risk is accordingly low.

Moreover, as our power plant relies on geothermal steam and brine to generate electricity, we do not incur fuel costs. As such, the stable cash flows that we are able to realize under the terms of the PPA are not exposed to market fluctuations in commodity prices. We also have a robust contractual framework for operational costs, through long-term operations and maintenance ("**O&M**") contracts with the Kaishan Group.

As our power plant is located in North Sumatra and is linked via a transmission system to the North Sumatra grid, we are well positioned to take advantage of future growth in power demand in this region. To reduce Indonesia's dependency on fuel oil and increase electricity production capacity to meet rising demand, the Government has mandated PLN, among others, through the Fast Track Programs ("**FTP**"), to procure renewable, gas and coal-fired energy. The FTP in Indonesia is a government initiative aimed at rapidly developing the country's electricity infrastructure to meet rising power demand and ensure energy security. By accelerating the construction of new power plants, including coal, gas, and renewable energy sources, the FTP aims to enhance the national grid's capacity and provide reliable electricity access to both urban and rural areas. This initiative supports industrial growth, economic development, and aligns with global sustainability goals through an increased focus on renewable energy. Additionally, the FTP encourages public-private partnerships to mobilize investment and expertise, reflecting the government's commitment to modernizing and expanding the energy sector. According to the MEMR Handbook of Energy and Economic Statistics Indonesia 2022, Indonesia has proven reserves of 3,210 MW and combined probable and possible reserves of 10,632 MW as of December 2022. In addition, Indonesian geothermal energy capacity is forecasted to reach 808 MW by 2030 from 136 MW in 2021, which is about 9.7% of Indonesia's total forecasted power capacity in 2030, from 5.5% in 2021, according to the latest Electricity Power Supply Business Plan ("**RUPTL**") for 2021-2030, which is a plan that outlines the 10-year demand forecast and the transmission and generation expansion plan to meet the forecasted demand prepared by PLN and approved by the MEMR. See "*Overview of the Indonesian Power Industry*".

Higher efficiency and operational flexibility from modular design and use of screw expander technology

We use a modular power plant which utilizes equipment and systems that are pre-fabricated and skid-mounted on site, and we are able to deploy and shift modules to strategic locations depending on the resources available in the working area and according to enthalpy and wellhead pressure, allowing us to maximize well power output. The modularity of our power plant presents several advantages over traditional, centralized turbine systems, including higher availability from utilization of lower temperature wells, where, for instance, steam with a pressure of less than 0.6 MPa can be used, whereas this may not be possible in a traditional system, and minimal downtime from unit maintenance. The modularity of our power plant also requires lower capital expenditure due, among other things, to reduced construction costs including as a result of not having to construct pipelines between the well and the generation modules, which also minimizes the land required for steam or brine water transmission pipelines, and minimal installation time, with a reduced construction cycle of 1.5 to two years, as compared to five to seven years in a traditional, non-modular system. This also allows us to phase development and reduce the initial investment and payback time compared to traditional on-site construction. Additionally, with our modular system there is virtually no downtime during maintenance as other modules can continue operating, whereas in a traditional centralized turbine system, there may be longer periods of downtime during maintenance.

Our power plant also uses patented screw expander technology from the Kaishan Group, which has been implemented with success in other geothermal projects, including PT Sokoria Geothermal Indonesia, and presents us with several advantages over traditional turbine technology. For instance, we are able to use both geothermal steam and brine water for power generation, as compared to only steam in a traditional turbine system. Approximately 17 to 18% of all available heat resources (including dry steam, wet steam and brine) (collectively, "**working fluid**") are utilized in hybrid cycles in a cascade system at our power plant, allowing for greater well thermal efficiency. At our power plant, we use both steam expanders, which use a working fluid of saturated or wet steam or other gas with high pressure, and organic rankine cycle ("**ORC**") expanders, including brine ORC expanders and steam ORC expanders, which use a working fluid of organic fluid, such as brine and exhaust steam from steam expanders, or even a mixture of steam and brine or geothermal steam without pressure. Both these expander types can maintain high isentropic efficiency under a wide range of load capacity and have increased resistance to hot water corrosion and scaling, with a robust screw structure and material that may grind scale as it appears, with less need for regular descaling and balancing of screw rotors, as compared with traditional turbine systems, where the blade is more susceptible to corrosion and requires periodic descaling on the impeller to maintain the rotor's dynamic balance. Additionally, our screw expanders are also not sensitive to scaling or the fluctuation of steam flow capacity and pressure and are not affected by the presence of droplets in the working fluid, whereas traditional turbine systems are more sensitive to steam variation, requiring more frequent scheduled plant outage and maintenance. As a result of the modular screw expander technology used at our power plant, we have been able to enjoy increased annual available hours, at an average of above 8,200 hours per annum, with an overall average plant availability factor of 99.9% for the year ended December 31, 2023,[6] as compared to an average of 7,000 to 7,500 hours for traditional systems.

6 Calculated as the average of the monthly availability factor for January to December in 2023.

Strong focus on CSR and HSE initiatives

We believe in the connection between socially responsible management and our long-term growth and development. We take an active and leading role in community development and invest in the economic wellbeing of the community by providing assistance to the local community where we operate. Our community development approach rests on five pillars, including economic empowerment; education; health promotion; environmental protection; and socio-cultural and religious development, with activities organized to help in the development of the seven villages of Puncak Sorik Marapi, two villages of Lembah Sorik Marapi and the two villages of Panyabungan Selatan. We have received various awards such as an appreciation letter from the Directorate-General of New Energy, Renewable Energy, and Energy Conservation (*Direktorat Jenderal Energi Baru Terbarukan dan Konservasi Energi* or "**EBTKE**") dated February 21, 2024 for our corporate social responsibility efforts and our local business development program, as well as awards from the Regent of Mandailing Natal in respect of our educational initiatives, such as providing a scholarship program for students from less advantaged backgrounds and a special scholarship program for students who obtain educational achievements at a provincial and national level. We have discussions at regular intervals with community leaders on the scope and focus of our programs, to ensure that they continue to achieve an effective contribution to the community. While our corporate social responsibility program changes from year to year, we will maintain key programs in the areas of economic empowerment, education, health promotion, environmental protection and socio-cultural and religious development. For more details on our CSR efforts, see "*– Corporate Social Responsibility*".

We are also committed to environmental, health and safety ("**EHS**" or "**HSE**") practices into our operations. In particular, we engage in environmental monitoring and reporting and submit monthly, quarterly and semesterly (i.e., biannually) monitoring and compliance reports as required to the appropriate authorities in compliance with *Analisis Mengenai Dampak Lingkungan* – Analysis of Environmental Impact ("**AMDAL**"), Efforts for Environmental Management and Monitoring (*Upaya Pengelolaan dan Pemantauan Lingkungan Hidup* or "**UKL-UPL**") and environmental permit requirements. We also monitor the air quality, emissions, water, domestic liquid waste, hazardous waste, domestic waste and noise resulting from our operations on an ongoing basis and have a number of health, safety and environmental programs in place that seek to ensure our workers' health and safety in the workplace, as well as to ensure the health and safety of the local community where we operate. These programs include plans, procedures and policies regarding health and safety, administration, human resources and emergency action issues. As of March 31, 2024, we had operated for a period of 27,950 man-hours with no material accident or injury. In 2022 and 2023, we received the Blue PROPER award granted under the PROPER Rating Program administered by the Indonesian Ministry of Environment and Forestry ("**MOEF**"). Additionally, in 2023, we received the Subroto Award Pratama Rating for Environmental Protection and Management from the MEMR and were also awarded a Certificate of Award by the Environment Agency of North Sumatra in 2022, in recognition of our commitment to manage hazardous waste management based on information technology. For more details on our EHS efforts, see "*– Environmental, Health and Safety Compliance*".

Highly experienced management team with significant experience in geothermal industry

Our Board of Directors and management team have extensive experience in the relevant fields, and the geothermal industry in particular. Members of our Board and management team have held a variety of managerial and executive positions including at companies such as Star Energy Geothermal Salak, Ltd., PT Pertamina Geothermal Energy Tbk ("**PGE**"), Chevron Geothermal Indonesia and Energy Development Corporation. Our management team has extensive experience in the Indonesian geothermal power industry and the regulatory environment, having developed positive relationships with key industry participants such as PLN, PGE and Perusahaan Pertambangan Minyak Dan Gas Bumi Negara ("**Pertamina**") and governmental authorities such as EBTKE, MOF and MEMR, which are crucial to ensuring the sustainability of our operations. The top five technical team members of the Sorik Marapi project have cumulative experience of over 100 years.

In addition, our President Director, Dr. Yan Tang, has extensive experience and expertise in the screw expander technology which underpins the power generation capacities of our power plant, having developed air screw compressors, steam gas oil-free screw expanders and systems, lubricated ORC screw expanders and systems, screw blowers and vacuum pumps, screw refrigerant pumps for ORC applications, hybrid cycles for geothermal modular power plants, as well as two-stage air compressors in his concurrent role as General Manager of Kaishan Group Co., Ltd.. See "*Management*".

Commitment from sponsor Kaishan

Kaishan Group Co., Ltd. ("**Kaishan**") indirectly owns a 95.0% stake in our Company, which it acquired in August 2016. Kaishan has extensive expertise in the energy and power generation industry and is the third largest manufacturer of compressors globally and a fast-growing geothermal independent power producer ("IPP") and operator. Kaishan additionally has a market capitalization of US$1.3 billion, as of July 1, 2024, and exports its products to over 90 countries and regions. In 2015, Kaishan made its foray into the geothermal industry with projects in the United States, Turkey, Kenya, Indonesia and Hungary, as set out below:

Country	Project	Capacity	COD	Kaishan's scope
United States	Alaska Chena Spring	600 kW	August 2014	Equipment supplier
Hungary	Turawell	2.2 MW	November 2017	EPC contractor and sponsor
United States	Wabuska	3 MW	February 2018	EPC contractor and sponsor
Turkey	Transmark Gulpinar	3.2 MW	June 2021	EPC and O&M contractor; co-sponsor for phase 2
United States	Star Peak	12 MW	August 2021	EPC contractor and sponsor
Indonesia	Sokoria	8 MW	Unit 1: March 2022 Unit 2: July 2023	EPC contractor and sponsor
Indonesia	Lahendong Binary Plant	500 kW	December 2022	Equipment supplier
Kenya	Sosian-Menengai	35 MW	November 2023	EPC and O&M contractor
Turkey	K Block	11 MW	Third quarter of 2024	EPC contractor and sponsor

We believe that Kaishan is committed to our success as part of their objective to enter the Indonesian power industry and to develop multiple geothermal power plants in Indonesia, and that we benefit from the experience that they provide to our operations. In addition, with Kaishan's involvement, we benefit from an enhanced ability to access Kaishan's proprietary technology and buy equipment from Kaishan's wide portfolio of key products, which include air compressors (i.e. screw, centrifugal, scroll and piston compressors), which are widely used all kinds of industries and mining; process gas and refrigeration screw compressors; screw expanders, which are used for power generation; rock drillers, which are applied in the mining and construction industry; and digging machines, which are majorly applied in road construction. Specifically, we have been able to leverage our relationship with Kaishan to obtain products such as screw expanders from Zhejiang Kaishan Energy Equipment limited and Shanghai Kaishan Energy Equipment Limited, which are both wholly-owned by Kaishan.

In addition, our relationship with Kaishan allows us to obtain support in project funding for feasible renewable energy projects, which provides liquidity for our Company. The Kaishan Group was also one of the key EPC contractors for our Company, with Zhejiang Kaishan Energy Equipment Co. Ltd. and Shanghai Kaishan Energy Equipment Co. Ltd. having been contracted for the development of each of Unit 1, Unit 2, Unit 3, Unit 4 and Unit 5. See "*Related Party Transactions*".

Through our relationship with Kaishan, we are also able to obtain O&M services and have entered into a contract for O&M services with Zhejiang Kaishan Geothermal Power Plant O&M Service Co. Ltd., a member of the Kaishan Group. As of the date of this offering memorandum, the Kaishan Group is in the process of establishing a new company, PT Kaishan Group Geothermal Indonesia ("**KGGI**"), with the intention that all O&M services currently undertaken by Zhejiang Kaishan Geothermal Power Plant O&M Service Co. Ltd. will be transferred to the new entity, KGGI.

Strategy

Our strategic objectives aim to maximize our Company's potential while maintaining a sustainable business model.

Optimize our assets and uphold our high level of reliability and long-term availability

We will continue to focus on improving our dispatch capability to PLN. We will also strive to continue to optimize the efficiency of the geothermal units in our power plant and maintain and improve our high standards through critical equipment monitoring; enhanced work processes; an enhanced and proactive approach to O&M, including O&M training programs and procedures, to minimize plant outages; a proactive approach to third-party review of our power plant to improve its design, operational performance and reliability; and energy loss monitoring and mitigation. We also intend to continue to refine our operating procedures and maintenance plans, and to further develop our computer-based management system, a suite of programs which handles maintenance data, inventory needs and activity scheduling and also provides financial management systems.

We intend to remain a cost-efficient power producer by managing costs through strict cost-control initiatives that help reduce unit operating costs, while continuing to maintain high availability. We have developed in-house drilling team and internalize some of drilling services that have resulted in lower capital expenditures for drilling compared to if these activities were outsourced. We expect drilling campaigns in the future will also see further cost reductions as a result of continuous operational and technological enhancements which we have implemented.

Continue to leverage screw expander technology to optimize steam use and achieve superior operating efficiency

We believe our use of patented screw expander technology from the Kaishan Group allows us to achieve superior operating efficiency as compared to traditional turbine systems and intend to continue using such technology to optimize steam and brine water use and electricity production at our power plant. As our screw expanders can operate in two phases (i.e., with steam and brine water), and are not sensitive to inlet dryness, the inlet steam can be saturated or wet steam, and we are able to utilize 17 to 18% of all heat resources in a cascade system in our power plant. Additionally, our screw expanders also allow flexibility in flowing wellhead pressure of the wells, which may be reduced over the time of productive period while still optimizing generation levels from the available resource supply. Once more make-up steam (which is additional steam gained at a later time as a result of drilling to fill in the declined production over time) is available to the plant at a higher pressure, the operability of the power plant can accommodate this closer to the returned initial setting. We expect to continue taking advantage of the flexibility of operating characteristics of screw expander technology in our power plant in order to optimize generation levels from the resource and ensure high operating efficiency, as measured by our net generation, availability factor and net capacity factor.

Sustain and develop positive relationships with our key stakeholders

In order to achieve success in our business, we believe it is imperative to continuously maintain a positive relationship with the communities in which we operate. Our operations are designed to adhere to strict environmental standards. As a result, in 2022 and 2023, we received the Blue PROPER award granted under the PROPER Rating Program for environmental, safety and corporate social responsibility management, administered by the MOEF, and were awarded the Subroto Award for the 2022-2023 period issued by EBTKE. We also received an appreciation letter from EBTKE dated February 21, 2024 for our corporate social responsibility efforts and our local business development program.

We also consider it vital to maintain relations with local stakeholders, which we have done through our community development and community relations programs, which rest on five pillars, namely economic empowerment, health promotion, education, environmental protection and socio-cultural and religious development. Specifically, in relation to economic empowerment, we provide assistance in agriculture to members of the local community, including providing capital, training, packaging, assistance in obtaining licenses as well as assistance in the sales of products such as coffee, palm sugar, pumpkin chips, catfish and tempeh. In relation to health promotion, we provide clean water piping to eight villages in the vicinity of our power plant. For education, we invest in the local community by improving education levels and awarding scholarships to local students. In relation to environmental protection, we compost domestic waste from our kitchens and pantries for use as organic fertilizers and train villagers to provide their own fertilizer to replace the use of chemical fertilizers, which are expensive and less environmentally friendly. Finally, in relation to socio-cultural and religious development, we organize events in the local community to observe the Islamic holy month of Ramadhan, provide donations of basic groceries to commemorate the end of Ramadhan/Eid al-Fitr and also provide assistance for the renovations of mosques. Furthermore, we actively manage our relationships with other key stakeholders, such as PLN, our employees and governmental authorities, as well as with the Kaishan Group, who we leverage for their considerable technical expertise in the geothermal industry.

Utilize geothermal resources optimally and assess economic feasibility to further grow revenues

We intend to grow our business by expanding the gross installed generation capacity at the Sorik Marapi power plant to take full advantage of the PPA with PLN, which has a maximum PPA Deliverable Capacity of 240 MW.

As of the date of this offering memorandum, we are in the process of developing a fifth geothermal unit, Unit 5, which we anticipate to be operational by December 2024. Once complete, we expect Unit 5 to increase our gross installed generation capacity by up to 27 MW from 185 MW to up to 212 MW. Correspondingly, we expect our net installed generation capacity to grow by 23 MW from 159 MW to 182 MW. We would explore the possibilities of proceeding with the development of additional unit(s) in the Sorik Marapi-Roburan-Sampuraga working area if certain conditions are favorable, such as obtaining necessary financing and governmental approvals, including either an amendment of the existing PPA or the execution of a new PPA in respect of additional units in excess of the number currently permissible under our PPA, and an attractive tariff rate under any PPA with PLN.

The most recent Sorik Marapi geothermal reservoir modeling prepared in June 2024 by independent geothermal resources consultant, Geologica, indicates that, based on numerical reservoir modeling of the geothermal resource, the project can be maintained at net power generation output level of 173 MW until 2035 and 135 MW until 2051 with appropriate reservoir maintenance such as successful makeup well drilling. Models prepared by Geologica have also identified four areas in the Sorik Marapi-Roburan-Sampuraga working area which are suitable for geothermal operations, including Area 1 – Sibanggor area, where Unit 1, Unit 2, Unit 3 and Unit 4 are situated, and where Unit 5 is being developed, which has proven reserves of 168 MW (9.5 km^2), with a further 40 MW (11.3 km^2) of probable and 32 MW (13.5 km^2) of possible reserves under investigation. This estimate takes into account the results of the most recent drilling campaign of 2023-2024, as well as field performance through the end of April 2024. The potential for exploiting the geothermal energy reserves beyond the output of Unit 1, Unit 2, Unit 3 and Unit 4 is subject to future well drilling results.

We expect to continue to maintain financial discipline when evaluating growth opportunities.

Maintain and strengthen our workforce to support our operations

The capability, motivation and performance of our workforce is critical to our success. As we seek to implement the strategies discussed above and to expand our operations, we will continue to devote the resources required for recruiting, training and retaining a talented workforce, including through task-specific training, on-the-job learning and periodic assessments in line with our annual people development plans and relevant government rules and regulations. We intend to offer competitive compensation packages, training and career opportunities to attract and retain talented employees.

Preserve a stable operating profile with a robust and conservative financing profile

We expect to generate stable, predictable and sufficient cash flows to support our working capital requirements, while servicing and repaying our debt on a timely basis. Our financial objectives include balancing our capital structure, maintaining adequate liquidity and managing our debt amortization schedule according to cash flow generation to prevent earnings volatility. We believe that our forecasted steady cash flow generation capability is attributable to several sustainable and long-term factors, including stable and secure demand from PLN, a robust tariff structure with numerous price protection mechanisms, operational optimization, reliable and long-term fuel supply, high-quality generation facilities, our efficient in-house O&M capabilities and an experienced and proven management team.

Corporate Structure and History

We were incorporated on June 11, 2010 in Indonesia under the name PT Sorik Marapi Geothermal Power to engage in the exploitation of geothermal resources and the generation and sale of electric power.

We were issued a 35-year *Izin Usaha Pertambangan* ("**IUP**", or mining license) in September 2010 by the Regent of Mandailing Natal for the development of a geothermal plant in the Sorik Marapi-Roburan-Sampuraga working area, following a competitive bidding process. Following a change in geothermal law in Indonesia, our IUP was converted into an IPB issued by the MEMR in April 2015, with a validity period of 35 years from September 2010. The IPB permits us to explore, exploit and utilize geothermal resources in and to receive any proceeds in connection with the Sorik Marapi-Roburan-Sampuraga working area. We also entered into a PPA with PLN on August 29, 2014, for the sale by our Company of energy and capacity delivered or made available by our Company up to a maximum 240 MW and the purchase of such energy and capacity by PLN. Our PPA with PLN is valid for 32 years from the COD of the first unit and will expire in 2051. In contrast, our IPB is valid for 35 years from September 2, 2010 and will expire in 2045. See "*Risk Factors – Risks Relating to our Business – Our business is fully dependent on the IPB, IUPTLU, PPKH and the PPA – Discrepancy in Validity Periods between the IPB and PPA"*. We commenced development of the Sorik Marapi-Roburan-Sampuraga working area in October 2016. See "*– Our Operations – The Power Purchase Agreement*" and "*– Our Operations – The Izin Panas Bumi*".

Our original development plan included the development of three geothermal generation units, each with a potential deliverable capacity based on the PPA ("**PPA Deliverable Capacity**") of 80 MW. However, following the second amendment to the PPA, dated June 27, 2019 (the "**Second Amendment**"), our development plan was amended to provide for the development of a variable number of units, with a combined PPA Deliverable Capacity not to exceed 240 MW plus 10% thereof.

As of the date of this offering memorandum, our shareholders are PT Supraco Indonesia, which holds a 5% interest in our Company, and OTP Geothermal PTE. Limited, which holds the remaining 95% interest in our Company and which is, in turn, wholly-owned by KS Orka Renewables Pte Ltd ("**KS Orka**"), a company which is wholly-owned by Kaishan Compressor (Hong Kong) Co. Ltd. The parent company of Kaishan Compressor (Hong Kong) Co. Ltd., Kaishan Group Co., Ltd., is listed on the Shenzhen Stock Exchange. PT Supraco Indonesia is a subsidiary of PT Radiant Utama Interinsco Tbk., which is listed on the Indonesia Stock Exchange. See "*Major Shareholders*".

The following list summarizes several significant milestones in our corporate history:

September 2010	The 35-year IUP was issued to our Company by the Regent of Mandailing Natal, following a competitive bidding process.
May 2014	The shareholders' agreement was entered into between OTP Geothermal PTE. Limited, PT Supraco Indonesia and our Company.
August 2014	The PPA was signed between our Company and PLN, for the sale by our Company of energy and capacity delivered or made available by our Company up to a maximum 240 MW and the purchase of such energy and capacity by PLN.

April 2015	Following a change in geothermal law in Indonesia, the MEMR converted the IUP into an IPB, with a validity of 35 years from September 2, 2010.
May 2016	The Shareholders' Agreement was supplemented by an agreement dated May 25, 2016, among other things, to (i) provide for KS Orka's indirect acquisition of a 95% interest in our Company and (ii) include provisions relating to possible roles of PT Supraco Indonesia in our Company and amendments to the loan agreement entered into by OTP Geothermal PTE. Limited and PT Supraco Indonesia on May 13, 2014.
August 2016	KS Orka acquired 100% of the shares in OTP Geothermal PTE. Limited, which holds 95% of our Company's shares.
	The First Amendment to the PPA was signed between our Company and PLN, whereby among other things, PLN consented to KS Orka's indirect acquisition of a 95% ownership stake in our Company.
October 2016	We first commenced well drilling in the Sorik Marapi Geothermal Power Plant.
March 2017	Well testing began on Wellpad A, Sorik Merapi Geothermal Power Plant.
August 2017	We submitted the feasibility study result to PLN and the MEMR, confirming that there were at least 50 MW of proven resources, based on drilling activities on Wellpad A.
November 2017	We began construction of the power plant for Unit 1 in Wellpad A, for a maximum unit generation capacity of 20 MW.
June 2018	We completed the construction of the first phase of Unit 1 of the Sorik Marapi Geothermal Power Plant, for a maximum output of 20 MW.
August 2018	We drilled 18 wells on five wellpads on the Sorik Marapi Geothermal Power Plant.
February 2019	The 150 kV transmission line connecting the Sorik Marapi Geothermal Power substation and the PLN substation became ready.
March 2019	We entered into an agreement with PLN for PLN to provide 30 MVA of power for backfeeding.

June 2019	The Second Amendment to the PPA was signed between our Company and PLN, whereby, among other things, the PPA Deliverable Capacity for our units was changed from three units with a PPA Deliverable Capacity of 80 MW each, to five units, with a combined PPA Deliverable Capacity not to exceed 240 MW plus 10% thereof.
July 2019	We connected 45 MW of power to the PLN grid via the 150 kV transmission line.
October 2019	Unit 1 commenced commercial operations on its COD.
	We commenced construction of Unit 2.
September 2020	Pursuant to MEMR Decree No. 159.K/90/MEM/2020 dated September 3, 2020, the Sorik Marapi area was designated as an Indonesian "National Vital Object".
June 2021	We commenced construction of Unit 3.
July 2021	Unit 2 commenced commercial operations on its COD.
April 2022	We handed over the special facilities, comprising the 150 kV Extension Substation Panyabung, 150 kV Transmission Line SMGP-Panyabungan and Town Feeder Trafo 150/20 kV 30 MVA Transformer to PLN.
October 2022	Unit 3 commenced commercial operations on its COD.
	We submitted the notice of intention to develop ("**NOID**") to PLN in respect of Unit 4.
March 2023	The Third Amendment for the last unit to the PPA was signed between our Company and PLN, which, among other things, extended the COD for Unit 2 from December 2020 to May 2021, Unit 3 from December 2021 to May 2022, Unit 4 from December 2022 to May 2023 and Unit 5 from December 2023 to May 2024.
December 2023	Unit 4 commenced commercial operations on its COD.

Geothermal Energy

Geothermal energy is generated by tapping into reservoirs of steam or hot water from within the earth. It is clean, renewable and generally sustainable. It does not use combustion in the production of electricity and, therefore, releases significantly lower levels of emissions than those that result from energy generation based on the burning of fossil fuels. Steam that is extracted from underground geothermal reservoirs usually also contains a small percentage of dissolved gases, including carbon dioxide and hydrogen sulfide. Geothermal processes are considered to be one of the cleanest forms of energy generation, as compared to other non-renewable energy sources such as coal and oil, given that the carbon dioxide emissions of geothermal energy are negligible.

The principal emission in geothermal energy production is steam and hot brine water. Heated water is brought close to the surface of the earth through thermal conduction and by the intrusion into the earth's crust of molten rock magma. When ground water comes sufficiently close to hot molten rock, the water is heated to temperatures of up to 320°C. The heated water then rises towards the earth's surface where, if geological conditions are suitable, it can be extracted for commercial geothermal power production by drilling geothermal production wells.

Dormant volcanoes, hot springs and other geothermal activity indicate the presence of prospective geothermal reservoirs. Geothermal reservoirs are usually classified under either of two categories: liquid dominated or dry steam. A natural dry steam geothermal system, which only consists of steam, is relatively rare and produces pure steam at the surface when drilled by a geothermal production well. Most geothermal systems contain both water and steam. A liquid dominated system, consists of a mixture of steam and brine water overlying a deep level of hot liquid in the reservoir.

To access the steam and brine water for power generation, wells can be drilled into underground geothermal reservoirs using technology that is similar to that employed in the oil and gas industry. Steam and brine that is produced from these wells cannot be transported economically over long distances given concerns on degradation of the pressure and temperature of the steam and brine, which would then lower the efficacy of the screw expanders. Geothermal production wells are thus usually located sufficiently close to the power plant (at a distance of up to 5 km) to prevent excessive loss of heat and pressure.

A geothermal reservoir can become a source of sustainable energy for as long as the geothermal field is properly managed. Extracted water from the geothermal process should be re-injected into the geothermal reservoir to replenish it, and the field should not be excessively exploited.

Geothermal energy projects typically have high capital costs as a result of costs attributable to the development of the geothermal field. However, these projects tend to have lower variable operating costs, including maintenance expenditures, compared to fossil fuel-fired power plants, which continue to be subject to ongoing fuel expenses throughout their productive lives.

Our Operations

Our power generation operations are based on a framework set out in the PPA and the IPB. For a detailed description of the PPA, see "*Description of Material Contracts*".

The Power Purchase Agreement

On August 29, 2014, we signed the PPA with PLN setting forth the rights and obligations of our Company and PLN relating to the sale by our Company of energy and capacity delivered or made available by our Company up to a maximum 240 MW and the purchase of such energy and capacity by PLN. On August 8, 2016, we and PLN signed the first amendment to the PPA, whereby, among other things, PLN consented to KS Orka's acquisition of an indirect 95% ownership stake in our Company. We and PLN signed the second amendment to the PPA on June 27, 2019, whereby, among other things, the PPA Deliverable Capacity for our units was changed from three units with a PPA Deliverable Capacity of 80 MW each, to five units, with a combined PPA Deliverable Capacity not to exceed 240 MW plus 10% thereof. We subsequently signed the third amendment to the PPA on March 2, 2023, which, among other things, extended the COD for Unit 4 from December 2022 to May 2023.

We derive our revenue from tariff payments by PLN under our exclusive right to sell electricity generated from the Sorik Marapi-Roburan-Sampuraga field to PLN. The PPA, as amended, provides for revised commercial terms, including PLN's payment of an agreed tariff, the expansion of our geothermal generation units of up to 240 MW and the payment of certain payment arrears

owed by PLN to us. For the period from April 2024 to June 2024, the PPA tariff included a power price of US$0.0865/kWh, which is calculated with a base power price of US$0.0810/kWh, indexed to the US Producer Price Index; and a fixed transmission power charge of US$0.00054/kWh, which is not subject to indexation. Under Indonesian law, PLN is obliged to make payments to us in Indonesian Rupiah. Nevertheless, our tariff is denominated in US dollars and our invoices are submitted in US dollars. Payments are made to us in US dollar by PT Bank Rakyat Indonesia Tbk ("**BRI**") as the converting bank under the Tripartite Converting Agreement. Pursuant to the Tripartite Converting Agreement, on each relevant payment date, PLN will deposit Rupiah with BRI in an amount that when converted to US dollar by BRI using the Jakarta Interbank Spot Dollar Rate applicable on that date, will allow BRI to have sufficient US dollars to pay the full amount of the invoice in US dollar. This arrangement ensures both that payments under the PPA are compliant with Indonesian law, and that the foreign exchange risk lies with PLN and BRI.

Under the terms of the PPA, we are required to deliver to PLN the capacity of each geothermal generation unit after the commencement of commercial operations of that geothermal generation unit. The project COD is set as August 3, 2024. PLN is obligated under the PPA to make payments to us for net electrical output or, if PLN does not dispatch from our generators, 90% of unit rated capacity of each of our geothermal generation units on a take-or-pay basis. The PPA expires on the 32nd anniversary of October 1, 2019, starting from the COD of Unit 1, as may be extended.

Sole Off-taker

PLN is the sole off-taker of electricity from our plant. PLN has had a monopoly over the transmission and distribution of electricity in Indonesia, making it the sole off-taker of power for most IPPs. PLN is rated "Baa2" by Moody's, "BBB" by S&P and "BBB" by Fitch. As well as operating as a commercial enterprise, PLN is directed by the Government to meet public service obligations in the electricity sector and in doing so, may conduct activities in generation, transmission, and distribution of electricity throughout Indonesia. With the passage of Law No. 30 of 2009 in September 2009, independent power producer companies have been granted the right to distribute and sell electricity directly to end-users or even cross border with certain requirements as provided thereunder. Further terms relating to the mechanisms and procedures for private electric companies' distribution, sale and charging of electricity to consumers are regulated by ministerial regulations, relevant governor regulations or regent/mayor decree. Although, we are classified as independent power producer, we are not expected to be allowed to directly sell electricity to end-users or to parties other than PLN without the prior consent of PLN. See "*Overview of the Indonesian Power Industry*".

The Izin Panas Bumi

On September 2, 2010, a 35-year IUP was issued to our Company by the Regent of Mandailing Natal, North Sumatra, following a competitive bidding process. Pursuant to such IUP, we were initially eligible for a 62,900-hectare geothermal mining area located in Mandailing Natal, North Sumatra.

In late 2014, the Indonesian Government passed a new geothermal law (the "**2014 Geothermal Law**"), which classified geothermal as non-mining and moved the authority for geothermal activities to EBTKE.

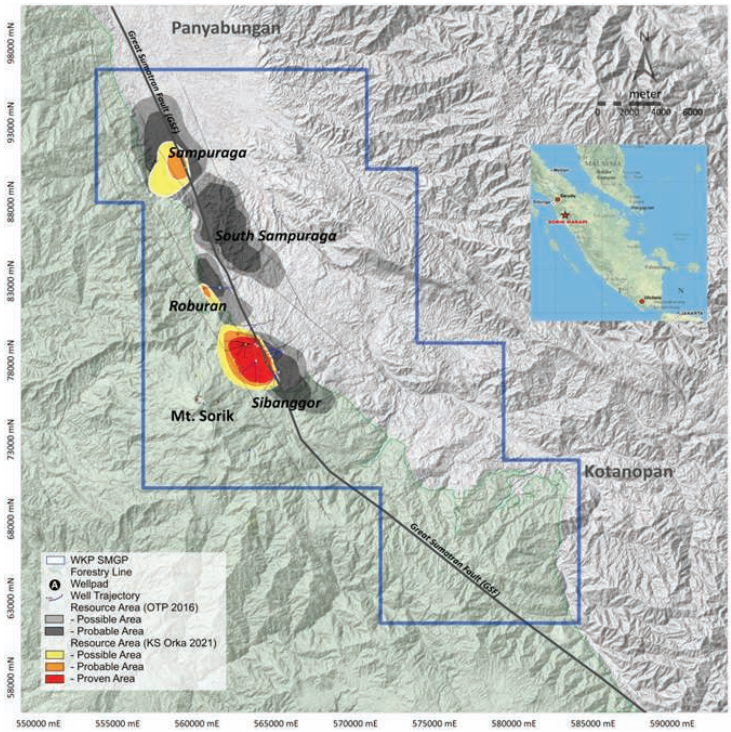
Following the 2014 Geothermal Law, the MEMR converted our IUP to an *Izin Panas Bumi* (IPB) as evidenced by IPB No. 2765 K/30/MEM/2015 dated April 21, 2015. The new regulation allowed for a five-year exploration period (including the feasibility study) with two one-year extensions and a thirty-year term as of the issuance of feasibility study approval by the MEMR. There is no difference in the validity of the license after our IUP was converted into an IPB whereby the validity period remains up to 35 years from September 2, 2010.

In July 2019, the MEMR issued MEMR Decree No. 139K/30/MEM/2019 on the Amendment to MEMR Decree No. 2963K/30/MEM/2008 regarding the Geothermal Mining Working Area Determination in Sorik Marapi-Roburan-Sampuraga, Mandailing Natal Regency, North Sumatra Province, which amended our geothermal working area from 62,900 hectares to 62,920 hectares.

Our Facility

Our Facility is situated in Mandailing Natal Regency in North Sumatra, Indonesia, approximately 350 kilometers south/south-east of Medan, the capital of North Sumatra. Our Facility is located in a pull-apart basin controlled by the Sumatran Fault Zone ("**SFZ**"), on the east of the Sorik Marapi active volcano of the Bukit Barisan volcano chain. The Sorik Marapi-Roburan-Sampuraga working area covers an area of 62,920 hectares, which stretches from the Sorik Marapi to the Roburan and Sampuraga areas, which encapsulates the majority of the areas with observed thermal activity throughout the area. The Sorik Marapi geothermal system is focused within the Panyabungan Graben, which occupies the western extensional segment of the contract, and is a typical active volcano-driven high-temperature geothermal system, and is one of 30 pull-apart basin geothermal systems along the SFZ. Although the immediate area surrounding the working area is only sparsely populated, the nearby town of Panyabungan, approximately 20 kilometers away, is densely populated.

There are no other geothermal projects in the area other than that of our Company. Currently only approximately 0.2% of the total working area is in use. The map below shows the location of our Facility in North Sumatra, Indonesia:



Power Plant

Our power plant is located in the Puncak Sorik Marapi district near the center of the Huta Lombang, Hutanamale, the Sibanggor Jae, the Sibanggor Julu and the Sibanggor Tonga area, the Panyabungan Selatan district in the Roburan Dolok area and the Lembah Sorik Marapi district in the Purba Baru and the Purba Lamo area. Access to the power plant is by way of a paved road connecting existing roads serving nearby well sites running toward the village of Panyabungan in one direction and the wellpads in the other. The power plant site is located in an area that is considered to be of moderate seismic risk and is spread over approximately 15 hectares of land.

The power plant comprises Unit 1, Unit 2, Unit 3, Unit 4 and an additional geothermal unit, Unit 5, that is currently under development, of which Unit 1, Unit 2, Unit 3 and Unit 4 have been constructed and are operational. As of the date of this offering memorandum, we are in the process of developing the field to supply geothermal energy to Unit 5. Unit 1, Unit 2, Unit 3 and Unit 4 are located adjacent to each other and utilize the same portion of the working area of approximately 15 hectares in size. Each of Unit 1, Unit 2, Unit 3 and Unit 4 has its own steam expanders and steam ORC expanders, power generation facilities, geothermal wells, wellheads, pipelines and related steam gathering and re-injection system ("**SGRS**") within the current working area of 62,920 hectares, but share common facilities, such as the power plant building and control room and the 150 kV Sumatra Interconnected Power Grid System substation. In addition, each of Unit 2, Unit 3 and Unit 4 has its own brine ORC expanders. Zhejiang Kaishan Energy Equipment Co. Ltd. and Shanghai Kaishan Energy Equipment Co. Ltd. supplied our power equipment for and served as our contractor in the construction of Unit 1, Unit 2, Unit 3 and Unit 4. Our facilities were designed in accordance with Indonesian and international seismic codes, including Indonesian seismic code RSNI 03-1726-2019, with a seismic approach to withstand earthquakes to a magnitude of seven on the Richter scale. We also conduct landslide risk assessments and have implemented a monitoring system including the use of a network of inclinometers to monitor land movement. Set out below are pictorial overviews of Unit 1, Unit 2, Unit 3 and Unit 4.

Unit 1

Unit 2

Unit 3

Unit 4

Unit 1, Unit 2, Unit 3 and Unit 4 are capable of producing 52 MW, 51 MW, 51 MW and 31 MW, respectively, for an aggregate gross installed generation capacity of up to 185 MW, and 42 MW, 44 MW, 46 MW and 27 MW, respectively, for an aggregate net installed generation capacity of 159 MW, from heated steam and brine water drawn from geothermal wells drilled in the Sorik Marapi-Roburan-Sampuraga working area operated by us. In addition, the current total unit rated capacity ("**URC**") for Unit 1 to Unit 4 is 142 MW, based on net generation due to resource availability while URC testing for each unit was conducted. While Unit 1 is served by six production wells, Unit 2 is served by five production wells, Unit 3 is served by seven production wells and Unit 4 is served by seven production wells. All four units are served by 18 common reinjection wells.

We also maintain two transmission lines. The first transmission line is a 3.6km 66 kV transmission line, which provides for the transmission of power/electricity from Pad A to our substation near our base camp. This transmission line is fully operational, and has a maximum of 100 MVA, comprising two 50 MVA lines. Our second transmission line is a 3.4 km 66 kV transmission line which provides for the transmission of power/electricity from Pad AA to our substation near our base camp. Similarly, this transmission line is fully operational, and has a maximum of 100 MVA, comprising two 50 MVA lines. There is an additional transmission line is used by our power plant, being a special facility that has been handed over to PLN. This is a 4 km 150 kV transmission line which facilitates the transmission of power/electricity from our substation to the PLN substation in Panyabungan. This transmission line is fully operational, with a maximum capacity of 240 MW. Set out below are diagrams showing the location of our transmission lines in the working area.

(*from left to right, the first, second and third transmission lines*)

Unit 1 has been producing electricity since July 2019 and Unit 1 typically delivers 45 MW of net electric power into the Indonesian national grid through a sole off-taker, PLN. Such electric power is delivered to the grid via the 150 kV Sumatra Interconnected Power Grid System substation. Unit 1 maintained availability of 90.12%, 99.03%, 99.89% and 100.00% for the years ended December 31, 2021, 2022 and 2023 and for the three-month period ended March 31, 2024, respectively, Unit 2 achieved 97.31%, 97.90%, 99.85% and 100.00% availability for the period between the date on which it became commercially operational in July 2021 and December 31, 2021, the years ended December 31, 2022 and 2023, and for the three-month period ended March 31, 2024, respectively, Unit 3 achieved 99.82%, 99.91% and 100.00% availability for the period between the date on which it became commercially operational in October 2022 and December 31, 2022, the year ended December 31, 2023, and for the three-month period ended March 31, 2024, respectively and Unit 4 achieved 100.00% and 100.00% availability for the period between the date on which it became commercially operational in December 2023 and December 31, 2023, and for the three-month period ended March 31, 2024, respectively. Unit 1 commenced commercial operations in October 2019, Unit 2 commenced commercial operations in July 2021, Unit 3 commenced commercial operations in October 2022 and Unit 4 commenced commercial operations in December 2023. We generally use the same technology for each of Unit 1, Unit 2, Unit 3 and Unit 4.

The operational performance of Unit 1, Unit 2, Unit 3 and Unit 4 for the years ended December 31, 2021, 2022 and 2023 and for the three-month periods ended March 31, 2023 and 2024 are shown in the table below.

		For the years ended December 31,			For the three-month periods ended March 31,	
	Unit	**2021**	**2022**	**2023**	**2023**	**2024**
Unit 1 Operating History						
Net Generation[(1)]	MWh	307,450[(4)(5)]	314,650	289,913	65,997	69,515
Availability Factor[(2)]	%	90.12[(4)(5)]	99.03	99.89	99.54	100.00
Net Capacity Factor[(3)]	%	82.71[(4)(5)]	90.30	105.76	98.67	87.07
Unit 2 Operating History						
Net Generation[(1)]	MWh	145,452[(5)(7)]	361,997	339,836[(6)]	85,860	86,303
Availability Factor[(2)]	%	97.31[(5)]	97.90	99.85[(6)]	99.40	100.00
Net Capacity Factor[(3)]	%	87.76[(5)]	95.91	93.98[(6)]	95.89	102.57
Unit 3 Operating History						
Net Generation[(1)]	MWh	–	81,331[(7)]	318,104[(6)]	77,883	85,652
Availability Factor[(2)]	%	–	99.82	99.91[(6)]	99.72	100.00
Net Capacity Factor[(3)]	%	–	84.97	79.37[(6)]	78.13	99.57
Unit 4 Operating History						
Net Generation[(1)]	MWh	–	–	10,048[(7)]	–	55,058
Availability Factor[(2)]	%	–	–	100.00	–	100.00
Net Capacity Factor[(3)]	%	–	–	94.23	–	93.14

Notes:

(1) Net generation means the net electricity sent out of the relevant geothermal generation unit to PLN (after the deduction of the electricity used to run our power plant).

(2) Availability means the number of hours during a period when the relevant geothermal generation unit is available for service divided by the total number of hours in the relevant period, expressed as a percentage.

(3) Net capacity factor means the ratio of the actual output of the relevant geothermal generation unit to the theoretical output assuming full capacity usage (excluding planned maintenance).

(4) In January 2021, Unit 1 experienced a forced shutdown for approximately one and a half months as a result of hydrogen sulfide gas exposure at Pad T. See "*Business – Environmental, Health and Safety Compliance – January 2021 Hydrogen Sulfide Gas Exposure*". Prior to the gas leak, for the month ended January 31, 2021, our net generation for Unit 1 was 23,147 MWh, our availability factor for Unit 1 was 77.42%, and our net capacity factor for Unit 1 was 73.41%.

(5) In August 2021, we experienced an unplanned shutdown of Unit 1 and Unit 2 for a period of seven days due to PLN grid blackouts and an all-unit trip.

(6) In May 2023, we experienced a partial shutdown at Unit 2 and Unit 3 for less than one hour at PAD AA due to an occupation by monkeys in the area.

(7) As each of Unit 2, Unit 3 and Unit 4 commenced operations at different times during the presented periods, the full period impact of their operations has not been reflected in net generation.

The consistently high operational reliability of Unit 1, Unit 2, Unit 3 and Unit 4 is a direct result of both the technology deployed, as well as the technical expertise of our team, and is a consequence of the predictive and preventative maintenance program which we implement in the facility, in which we have identified the most critical plant and systems, and use up to date diagnostic techniques.

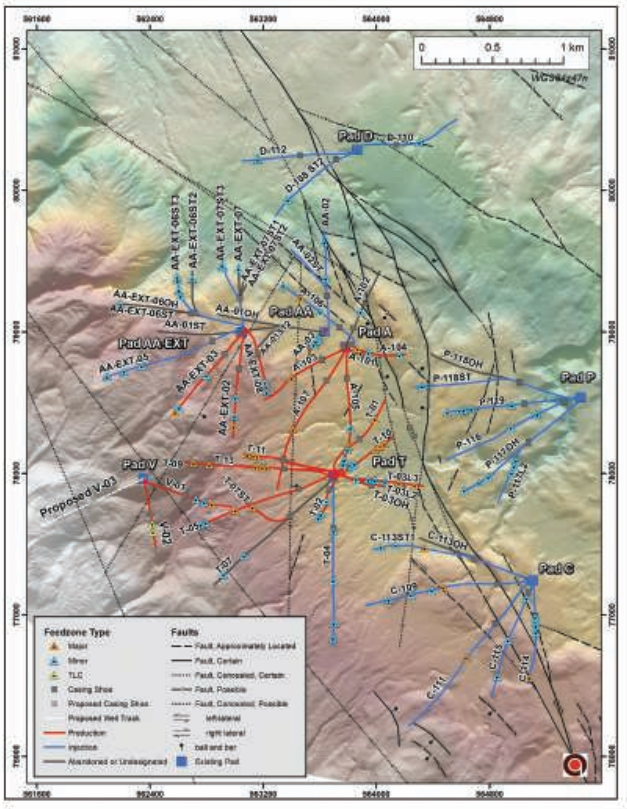
While, as of the date of this offering memorandum, we are in the process of developing an additional geothermal unit, Unit 5, we may encounter delays in achieving COD for this unit in accordance with the terms of the PPA. See "*Risk Factors – Risks Relating to our Business–In the future, any expansion plans may not be successful, additional facilities may not commence operation as planned and we may have difficulty securing necessary financing or financing on terms favorable to us for our facility expansion plans*." A number of milestones are required in order for Unit 5 to commence operations. These include (a) the drilling of Pad V and connecting a pipeline to Pad C; and (b) installation and fitting of power module, which we have completed. Additionally, we will be required to (c) complete the construction and installation of insulation for Unit 5, which we anticipate to occur in either the end of July or the first week of August. This will be followed by (d) well testing, which we anticipate to occur in the first week of August following the approval of the EBTKE to proceed with the well test. Subsequently, we will have to do (e) commissioning and testing for steam and brine gathering and certifications for new modules, which we anticipate will occur between August and November. Following this, (f) Unit 5 will be connected to the transformer and there will be a cold start-up, both of which we expect to occur in November 2024. In connection with the above, PLN has approved the shutdown of our power plant for the commissioning of Unit 5; however, it has only agreed for such shutdown from November 22, 2024 to December 5, 2024 and commissioning to be done in December 2024.

The Sorik Marapi-Roburan-Sampuraga Field

The Sorik Marapi-Roburan-Sampuraga field transitions between liquid-dominated and vapor-dominated reservoirs with temperatures of up to 320°C. The Sorik Marapi-Roburan-Sampuraga field supplies steam and brine water to our SGRS. As of March 31, 2024, the SGRS included 15 active production wells supplying steam and brine water for Unit 1, Unit 2, Unit 3 and Unit 4.

The following table describes the wells (including both production and injection wells) that are shown in the maps below and form part of our Facility as of the date of this offering memorandum:

Pad	Wells	Status
A	7	Production and Injection
C	5	Injection
D	3	Injection
E	2	Idle
P	4	Injection
T	10	Production and Injection
AA	3	Production and Injection
AAE	6	Production and Injection
V	3	Production
Total	**43**	



Steam and Brine Water Reserves

We have formulated immediate and long-term reservoir management strategies for the sustainability of the geothermal resource at the Sorik Marapi field by carefully monitoring the field's behavior before and during its production. Extensive reservoir monitoring programs have been put in place to provide early warning of any changes in performance characteristics, and we apply state-of-the-art reservoir modeling to forecast long-term reservoir performance and identify optimum reservoir management strategies to ensure reliable steam and water supply. These reservoir management strategies are modified during the production stage to adapt to the field's behavior and to optimize production at the field.

We consider reserve estimation to be one of the most important activities in the planning stage of geothermal power development. Any geothermal power development requires some assurance that the field has a reserve capacity to produce over the projected life of the project. Reserve estimation also determines the facilities and infrastructure and investment requirements of our projects. We employ the numerical reservoir simulation model, which is the most common and reliable reserve estimation method for the assessment of brown geothermal reservoirs. A numerical reservoir simulation model is a discretized network of blocks, in which each block covers a portion of the geothermal reservoir parameters. Each of the parameters (thermodynamic, geologic, petrophysical, chemical, etc.) within the volume represented by a grid block has a single, averaged value in the model. Thus for a given volume, subdivision into more grid blocks enables a more detailed representation of the actual reservoir to be achieved. In principle, the model captures three states of reservoir conditions: (i) the natural state or initial state of the reservoir indicating the overall fluid and heat patterns of the Sorik Marapi geothermal system in its natural state; (ii) the history matching which is matching the historical data from the field; and (iii) the forecasts or projections of the field performance through its project life.

The most recent Sorik Marapi geothermal reservoir modeling prepared in June 2024 by an independent geothermal resources consultant, Geologica, indicates that, based on numerical reservoir modeling of the geothermal resource, the project can be maintained at power generation output level of 173 MW until 2035 and 135 MW until 2051 with appropriate reservoir maintenance such as successful makeup well drilling. Models prepared by Geologica have identified four areas in the Sorik Marapi-Roburan-Sampuraga working area which are suitable for geothermal operations, including Area 1 – Sibanggor area, which has proven reserves of 168 MW (9.5 km^2), with a further 40 MW (11.3 km^2) of probable reserves and 32 MW (13.5 km^2) of possible reserves under investigation. Area 1 is where Unit 1, Unit 2, Unit 3 and Unit 4 are situated, and where Unit 5 is currently being built. This estimate takes into account the results of the most recent drilling campaign of 2023-2024, as well as field performance through the end of April 2024. The potential for exploiting the geothermal energy reserves beyond the output of Unit 1, Unit 2, Unit 3 and Unit 4 is subject to future well drilling results.

The performance of the wells supplying Unit 1, Unit 2, Unit 3 and Unit 4 have been stable with a predictable decline rate since each unit became commercially operational. None of our wells has shown formation of scale on the wells, which is a typical issue in geothermal wells. With respect to such wells, we will clean these wells using water or acid to dissolve and mechanical reaming to remove scale which had formed, as a result of which, the wells will return to their previous levels of production or injection capacity. This is a relatively common practice in commercially operated geothermal reservoirs and will be an element of our ongoing budgeted maintenance program. We also implement a policy of injecting wastewater back into the Sorik Marapi reservoir to manage significant pressure drawdown resulting from large-scale fluid extraction. Some of our wells have started to display some worsening decline of production performance due to cooling impact from reinjection returns, while some wells maintain pressure with pressure support without temperature impact. These findings prompt a reassessment of injection practices of managing injection locations to the boundaries for injection suitability. With reinjection, the risk of phreatic eruptions caused by pressure drawdown on hot springs or thermal areas is mitigated. We diligently monitor these thermal areas for any changes in characteristics that could signal potential eruption and promptly take necessary precautions or remedial actions to prevent such events.

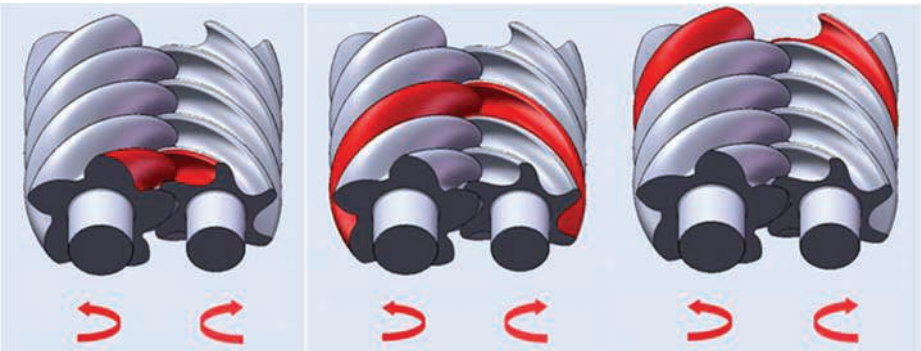
Geothermal Power Generation Process

The main inputs to the geothermal power generation process are the geothermal steam and brine which come from the Sorik Marapi geothermal reservoir. By employing strategic management of the reservoir, we can ensure stable operations for the economic life of the power plant. See "– *Our Facility – Steam and Brine Water Reserves*".

Steam and brine output from some of our wells varies on a day-to-day basis, which can affect our instantaneous steam and brine availability. The power plant modular facility installed by our Company can withstand such fluctuations and changes in wellhead pressure, steam rate and flow rate.

We have a modular power plant, whereby power modules, including our steam expanders, steam ORC expanders and brine ORC expanders (collectively, "**screw expanders**") and turbo expanders are pre-fabricated and skid-mounted on site, and we are able to deploy and shift modules to strategic locations depending on the resources available in the working area. The modularity of our power plant enables us to phase development, reduce construction and installation time and costs and reduce the initial investment and payback time compared to traditional on-site construction. Additionally, this ensures maximum flexibility in matching well conditions and resource changes and eliminating waste or idling wells.

As each modular power plant can operate independently, this also helps us to optimize well thermal efficiency and maximize well power output according to enthalpy and wellhead pressure. The modularity of our power plant also enables decentralization, which eliminates steam collection system losses. Approximately 17 to 18% of all available heat resources are utilized in a cascade system. We use both steam expanders, which use a working fluid of saturated or wet steam or other gas with high pressure, and ORC expanders, including brine ORC expanders and steam ORC expanders, which use a working fluid of organic fluid, such as brine and exhaust steam from steam expanders, or even a mixture of steam and brine or geothermal steam without pressure. Both these expander types can maintain high isentropic efficiency under a wide range of load capacity, are not sensitive to scaling or the fluctuation of steam flow capacity and pressure and are not affected by the presence of droplets in the working fluid. Our screw expanders reach optimum tip speed when coupled with generators or other rotational machineries. We are also able to utilize hybrid cycles to improve well thermal efficiency, including using a double flash system, which is a system in which the two-phase fluid source supplied from the wells, which is a mixture of steam and brine, enters into a high-pressure separator, separating steam from a mixture of brine and steam, with the resulting brine then being passed into a low-pressure separator; and single flash system, among others. In our facility, both steam and brine streams are utilized in the power plant facility as source of energy and heat. Set out below is a diagram showing the functioning of the screw expander technology used in our power plant, which is used in our steam expanders, steam ORC expanders and brine ORC expanders:



Suction process	Expansion process	Discharge process
The working fluid vapor with high pressure and temperature enters screw expander working chamber	The working fluid vapor expands in the working chamber and drive rotors to rotate and finally drive generator or other equipment connected with the rotor	The working fluid vapor with lower pressure and temperature after expansion, flows out working chamber

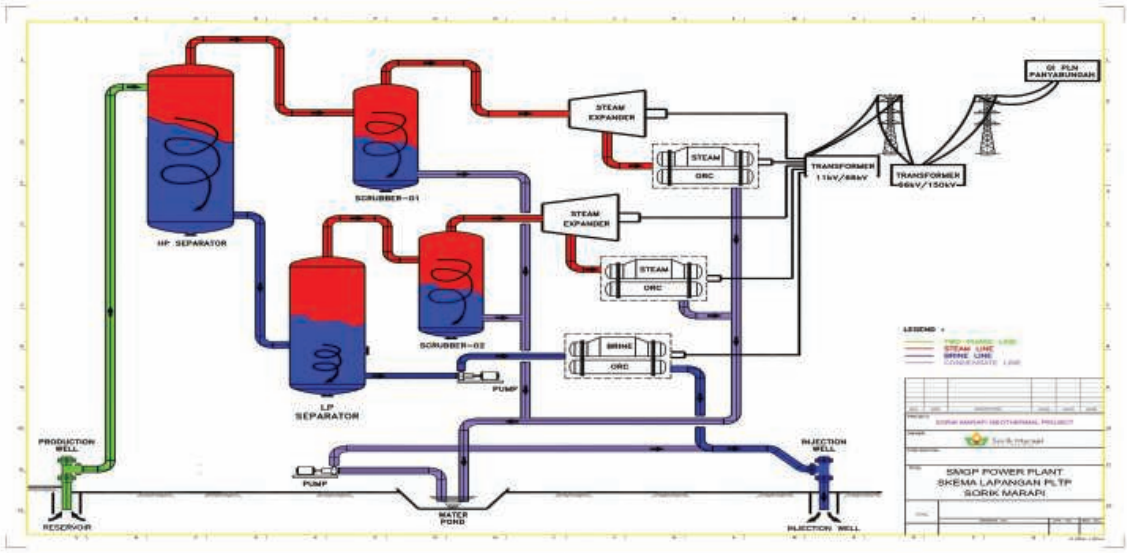
As of March 31, 2024, Unit 1 employed six steam expanders and 12 steam ORC expanders, for a total of 18 modules; Unit 2 employed three steam expanders, four steam ORC expanders, one steam ORC turbo expander and two brine ORC expanders, for a total of 10 modules; Unit 3 employed three steam expanders, three steam ORC expanders, two steam ORC turbo expanders and two brine ORC expanders, for a total of 10 modules; and Unit 4 employed two steam expanders, one steam ORC expander, one steam ORC turbo expander and one brine ORC turbo expander, for a total of five modules. Once completed, Unit 5 will be employing two steam expanders, one steam ORC expander, one steam ORC turbo expander and two brine ORC expanders, for a total of six modules.

During the suction process, geothermal working fluid, comprising steam and brine, flows under pressure from production wells, including Pads A, T, AA and AAE, through a system of gathering pipelines aboveground to a high-pressure separator near the power plant. The high-pressure separators separate the steam from the resulting mixture of brine and steam. The separated steam is then sent to the steam expander. The brine is passed along to a low-pressure separator which further separates steam from brine. Brine from the separators flows to the brine ORC expanders in each of Unit 2, Unit 3 and Unit 4. Steam that passes from the low-pressure separators is then piped to the low-pressure steam expander/steam ORC heat exchangers.

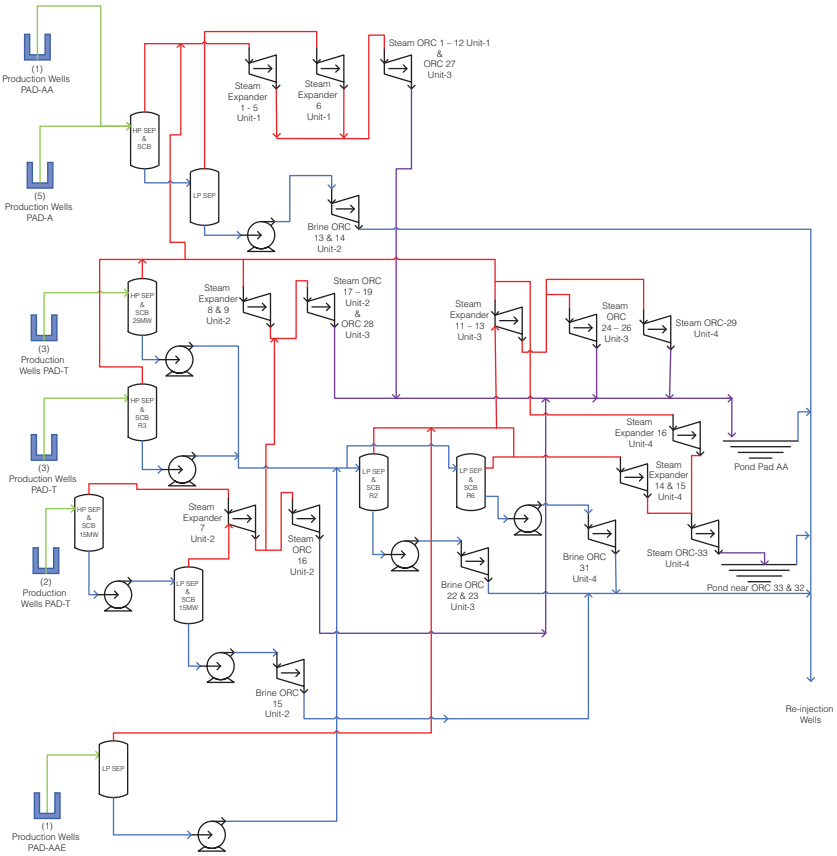
During the expansion process, the flow of working fluid (i.e., either steam or brine) into our screw expanders causes the screw expanders rotors to rotate. Since each screw expander shaft is connected to the generator shaft, this also causes the generator rotor to turn. Each of our generators has a capacity ranging from 2 MW to 14 MW, and our modular power plant allows multiple generator units to be combined to create one large generator set. There is no multiple generator maximum capacity for the generators. Inside the generators of each of Unit 1, Unit 2, Unit 3 and Unit 4, the rotor passes through a magnetic field and generates electricity. The output of the generator is connected to a transformer which increases the voltage to match that of the PLN electricity grid. The electricity then passes through meters at the high voltage side of the transformer and is transferred to PLN. These meters record the amount of electricity which is dispatched to the PLN grid for which PLN is invoiced accordingly.

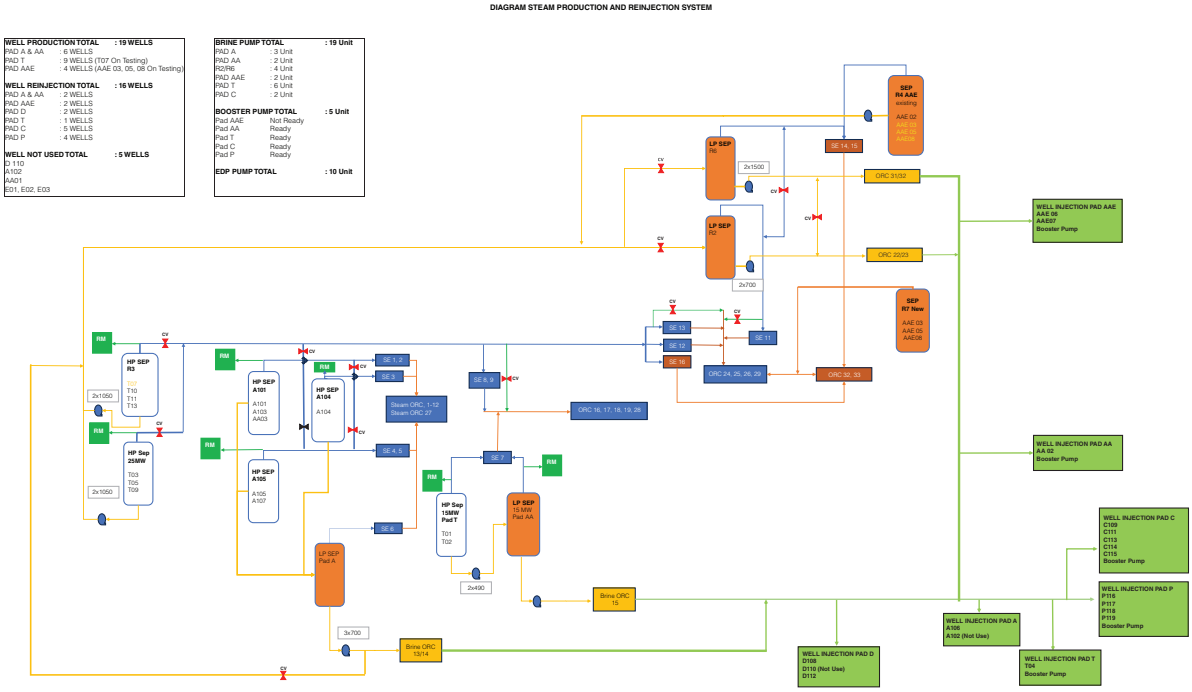
In the discharge process, steam that is passed through the screw expanders loses pressure and flows out of the working chamber of the steam ORC screw expander. Steam from the steam expander and brine from the separator flows to the heat exchanger, with both fluids then heating up the working fluid (refrigerant). This working fluid then flows to the steam and brine ORC expander and is then turned into water within a condenser in each of Unit 1, Unit 2, Unit 3 and Unit 4. Our condensers are all either evaporative condensers, air-cooled condensers or hybrid evaporative. Cooling water is sprayed onto the vapor to assist this condensation. Dissolved gases, including hydrogen sulfide and carbon dioxide that collect in the condenser are removed by the Non Condensable Gas ("**NCG**") system. If dissolved gas is not removed, it will cause a buildup of high condensers pressure and restrict the operation of the expanders. The surplus condensate is removed in a continuous stream and is re-injected into the reservoir through injection wells. Brine that is passed through the brine ORC expander is also returned to the underground reservoir via an injection well.

A simplified illustration of the geothermal power generation process is shown in the diagram below.

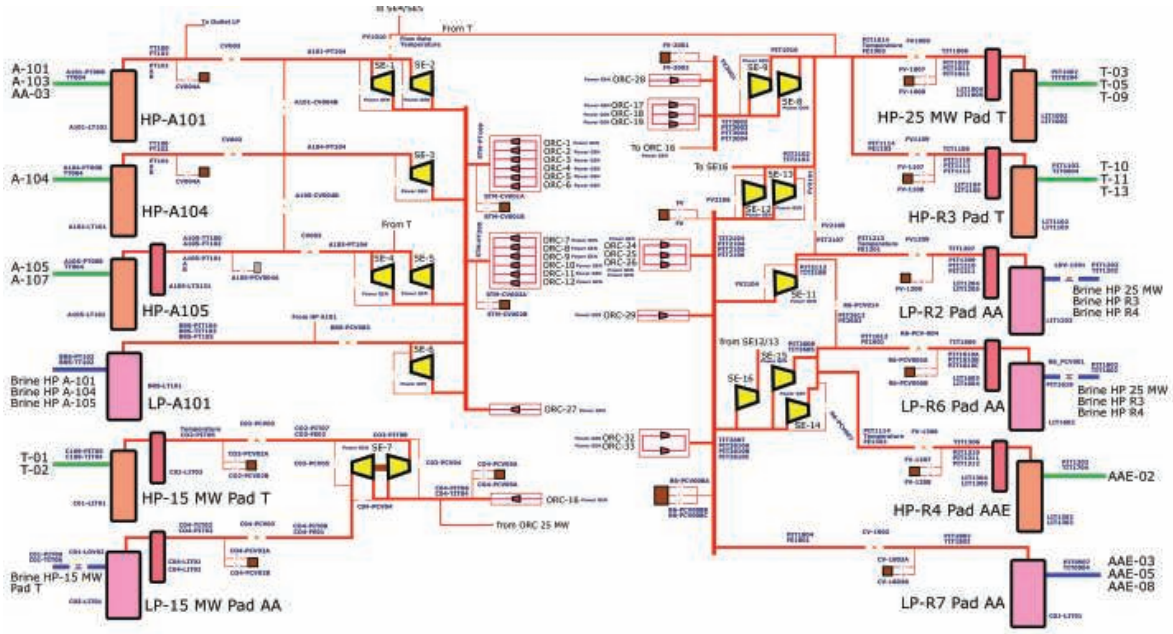


The diagram below shows our power plant process flow.

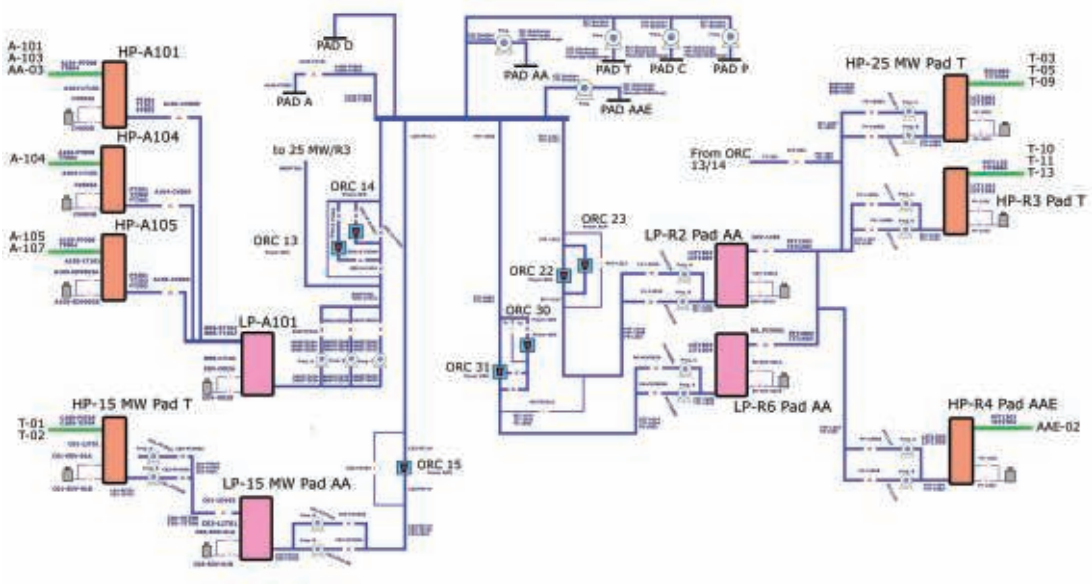




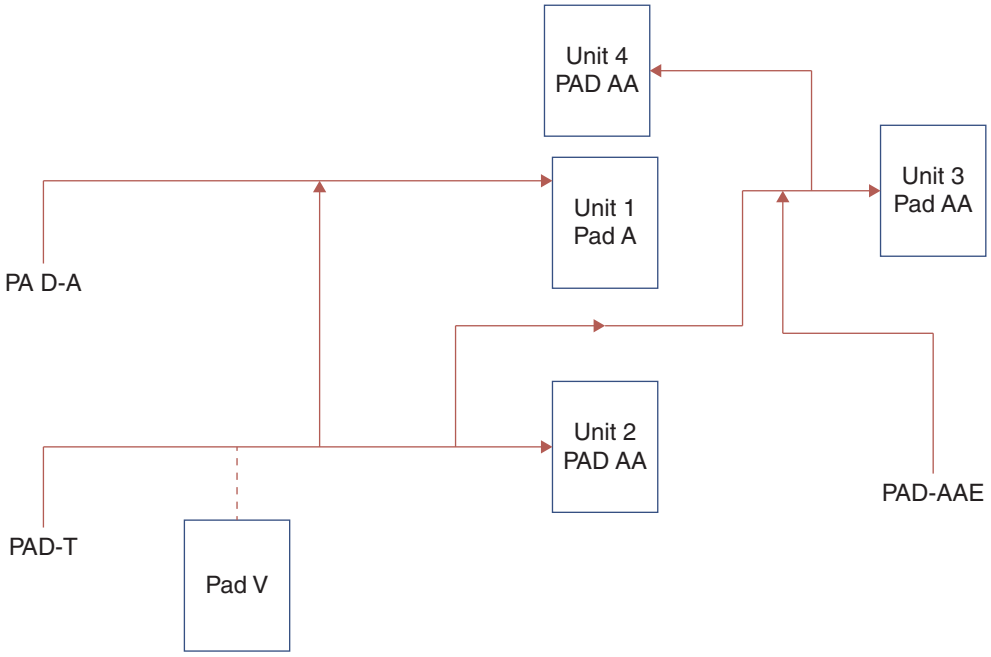
The diagram below provides an overview of our production and steam system.



The diagram below provides an overview of our brine and reinjection system.



The resource distribution chart below shows the flow of steam/brine from our pads to our units.



We use a modular power plant which utilizes equipment and systems that are pre-fabricated and skid-mounted on site, and which we are able to deploy and shift modules to strategic locations depending on the resources available in the working area. The modularity of our power plant presents several advantages over traditional, centralized turbine systems, including a reduced construction cycle of 1.5 to two years, as compared to five to seven years in traditional systems; an increased geothermal well utilization rate, with a distributed wellhead power station, whereas in traditional systems wells producing steam of less than 0.6 MPa may not be usable; increased geothermal utilization, as both geothermal steam and water can be used for power generation, as compared to only steam in a traditional system; reduced construction costs, as there is no need to construct pipelines between the well and the steam turbine room; reduced land costs as less land is required for steam transmission pipelines; increased annual available hours, at an average of above 8,200 hours per annum, with an overall average plant availability factor of 99.9% for the

year ended December 31, 2023,[7] as compared to an average of 7,000 to 7,500 hours for traditional systems; and increased resistance to hot water corrosion and scaling, with a robust screw structure and material with less need for regular descaling and balancing of screw rotors, as compared with traditional systems, where the blade is more susceptible to corrosion and require periodic descaling and rebalancing.

We use the following equipment and systems to generate electricity in our power plant:

- *Steam and Brine ORC expanders*

  The steam ORC expanders and brine ORC expanders in our power plant were supplied by Zhejiang Kaishan Energy Equipment Co. Ltd. and Shanghai Kaishan Energy Equipment Co. Ltd. The ORC expanders have capacity ratings from 2.7 MW to 11 MW for the steam ORC expanders and 2.8 MW to 12 MW for brine ORC expanders at the generator terminals rotating 1,500 revolutions per minute. Our ORC expanders use a working fluid of organic fluid, such as brine and exhaust steam from steam expanders, or a mixture of steam and brine or geothermal steam without pressure. Our ORC expanders can also maintain high isentropic efficiency under a wide range of load capacity.

- *Steam Expanders*

  The steam expanders in our power plant were supplied by Zhejiang Kaishan Energy Equipment Co. Ltd. Each of the steam expanders are oil-free steam screw expanders, which use screw expander technology that is patented and exclusive to Kaishan. Such screw expanders have a simple structure with few moving parts. The steam expanders can operate in wet steam and are not sensitive to inlet dryness, which means that inlet steam can be saturated or wet steam, and the steam expanders are not sensitive to liquid droplets or even small solid particles. Additionally, the steam expanders are not sensitive to the variation of steam flow capacity and inlet pressure. The steam expanders have a high isentropic efficiency under a wide range of load capacities, and there is no need to rebalance the rotors, with a shaft vibration as low as 20 μm/s.

  Our steam expanders are also not sensitive to rotor scaling, resulting in less frequent shutdown maintenance compared to traditional turbine technology. As scaling reduces the gaps in the screw expander, reducing pressure loss, rotor scaling actually improves the performance of the steam expanders.

- *Generators*

  The 43 generators in our power plant were also supplied by Zhejiang Kaishan Energy Equipment Co. Ltd. and Shanghai Kaishan Energy Equipment Co. Ltd. Each of the generators is rated 11 kV, with a capacity range of 2,222 – 15,555 kVA at 0.9 power factor, 50 hertz.

- *Condensers*

  The surface condensers in our power plant were also supplied by Zhejiang Kaishan Energy Equipment Co. Ltd. and Shanghai Kaishan Energy Equipment Co. Ltd., and include evaporative condensers, air-cooled condensers and hybrid evaporative. The working fluids used in our condensers are non-flammable, non-explosive, non-toxic and environmentally-friendly. The condenser for Unit 1 is constructed using stainless steel material, and those for Unit 2, Unit 3 and Unit 4 are constructed of fiber.

7 Calculated as the average of the monthly availability factor for January to December in 2023.

- *Remaining Plant Systems*

  In addition to the generation equipment described above, there are a number of systems common to Unit 1, Unit 2, Unit 3 and Unit 4 including the following systems:

  - a compressed air system consisting of eight air compressors with associated receivers and air dryers serving the power plant and instrument air requirements of the power plant and SGRS;

  - potable quality domestic water that is provided by a water treatment facility supplied with water by a water reservoir. This raw water reservoir is supplied by water from a deep-water stream close to the power plant site. Treated potable water is stored in a pressurized potable water-storage tank;

  - power plant service water that is provided from the raw water storage tank by six pumps; and

  - a firewater system that includes a diesel engine-driven pump, an electric motor-driven pump and a jockey pump. The primary source of firewater in the power plant is the raw water reservoir with the fire water tank serving as a backup source.

- *Electrical System*

  The 11 kV generators are connected to a 11 kV/66 kV step up transformer rated 4 x 50 MVA with an outdoor oil and air-cooled system. The transformers are then connected to two 66 kV transmission lines rated 200 MVA, to our substation. Our substation is then connected to a 150 kV system to the PLN substation. The point of interconnection with PLN is at the line take off structure for the 150 kV circuit breaker at our Company's substation. As of the date of this offering memorandum, this transmission system is fully operational and ready for 240 MW capacity. Revenue metering is at the high voltage side 150 kV of the circuit breaker of our Company's substation. One double circuit 150 kV 300 MVA transmission line connects PLN's switchyard with the Panyabungan substation to deliver power to the PLN transmission system. The transmission lines and associated switchgear and facilities are supplied by PLN. PLN operates the necessary transmission lines to connect our power plant to the existing PLN transmission system that delivers power from Unit 1, Unit 2, Unit 3 and Unit 4 to the North Sumatra electric grid. To provide uninterrupted power functions and lightning and surge protection, the power plant has in place emergency power systems, which include a 10,200 kW diesel generator, a 110 and 48 V DC battery charger and a 29.7 kW uninterruptible power supply.

- *Process Control System*

  The process control system, ALLEN-BRADLEY 11756 & 1769 distributed control system ("**DCS**"), is primarily operated from the control room and is shared between Unit 1, Unit 2, Unit 3 and Unit 4. It provides analog and digital control, data acquisition and interface to other microprocessor control systems in the power plant and SGRS. Included with the DCS is a data acquisition system, and a sequence of events recorder with time stamping of all alarms.

Steam Gathering and Re-injection System

The SGRS consists of the steam-gathering pipelines, separators, scrubbers, rock mufflers, silencer, brine and condensate injection pipelines and associated steam transfer pipelines, auxiliary equipment and controls. The interface of the SGRS with the power plant occurs at the interface header, which is located on the outlet of the scrubbers. The SGRS currently use a total of 41 wells, some of which may be out of service for testing and maintenance from time to time, and a total of 18 injection wells (from a total of 43) for operation of the power plant.

The separators consist of six centrifugal high-pressure separators and six low-pressure separators for each of Unit 1, Unit 2, Unit 3 and Unit 4 and are located approximately 20 meters to one kilometer away from the power plant at an elevation approximately 10 meters higher than the power plant site. From the high-pressure separators, six steam transfer lines, ranging from 18-inch-diameter to 32-inch-diameter, run to the steam expanders for each of Unit 1, Unit 2, Unit 3 and Unit 4. Exhaust steam from the steam expanders and steam separated at the low-pressure separator runs through to low-pressure steam transfer lines, ranging from 18-inch-diameter to 48-inch-diameter, to the steam ORC expanders for each of Unit 1, Unit 2, Unit 3 and Unit 4. Brine removed at the low-pressure separators enters the existing pipelines and flows to the brine ORC expanders for each of Unit 2, Unit 3 and Unit 4, before later flowing by pump to brine injection wellpads located at elevations below the separator station. The injection system for the power plant condensate and brine injection system use the same injection wells by pump.

Steam and brine system pressure is maintained by having sufficient steam and brine production capacity to support unit load. Control of excess pressure developed by the production wells is vented to the atmosphere through vent valve stations and rock mufflers. The vent off-takes are located on the steam lines between the separators and the scrubbers. Motorized flow control valves on the production wells are used to help maintain stable system pressure to minimize exhausting of excess steam. Rupture disks are located on each separator outlet steam line to protect against excursions of excess pressure.

Injection Wells

Excess condensate from the power plant collected at the ponds or containment pools is introduced to the existing injection pipeline and piped back to the underground thermal reservoir through four existing injection wellpads. Geothermal brine collected from the brine ORC expanders is piped back to the underground thermal reservoir via four brine injection wellpads. Eight existing open containment pools are also provided near the separators to serve as holding ponds, which are lined with polyethylene lining and some concrete to prevent leakage, for geothermal brine and condensate. These ponds have been sized for operation of Unit 1, Unit 2, Unit 3 and Unit 4. There is also a thermal pond alongside each production well, which engineers use during drilling operations to avoid discharging liquids to the environment.

Plant Operations and Maintenance

We carry out planned maintenance activities on a regular basis to ensure our power plant's operability and reliability, including routine checks of each expander and generator unit, the changing and cleaning of filters, refilling of lubricants and changing of failed parts. Operating parameters are checked and interlocking alarm and trip are set to monitor the equipment condition and protect the equipment from abnormal running condition. The operation and maintenance of two 66 kV power transmission and interconnection equipment, the resource gathering system, the field as well as balance of plant is done in-house by our own skilled and experienced personnel, 18 of whom were trained by the Kaishan Group. We outsource the operations and maintenance of our remaining equipment, including spare parts to the Kaishan Group. We currently hold an inventory of key spare parts for Unit 1, Unit 2, Unit 3 and Unit 4. These parts have been selected based on an assessment of critical plant and equipment, to maximize the chance that we can maintain the overall plant in essentially continuous operation, with only infrequent scheduled outages.

The operations and maintenance of Unit 1, Unit 2, Unit 3 and Unit 4 are categorized into four levels, according to the frequency such maintenance is conduced:

1. Daily operation data monitoring – The operating data of the unit includes steam source pressure and temperature, valve control positioning, vibration for the expander and bearing, winding temperature, shell vibration, and power data (generated power, three-phase voltage, current, and power factor) for the generator. The data is recorded every shift. Each daily shift is recorded, compared, and checked, and if abnormalities are found, we check and analyze the problems and deal with them in time. Through the automated data record of DCS, all the operation data can be recorded for a long period of time to form a trend curve. Such maintenance is carried out on a daily basis.

2. For the lubrication of the expander, the lubricant is sent to the manufacturer for inspection every six months to ensure that the oil quality meets the requirements. The bearings of some generators are lubricated with grease, and the grease is filled within the specified period by the generator manufacturer. Oil pumps, water circulation pumps, and fans are lubricated with grease within the specified period by the manufacturer's requirements the date of lubricating, amount of lubricating, and type of oil or grease is recorded. Such maintenance is carried out once every one to six months.

3. For the steam and oil filter inspection, based on the circumstances, if the pressure drop is close to 1 bar, we immediately switch the filter and replace it with a new filter. For the inspection of the valve parts, temperature, pressure, flow, and level of the transmitter conduct in daily inspection, if we find any incorrect data or damage to the instrument, we immediately replace and repair them in time and record the date of repair, the content of repair, and analyze the cause of the problem. Such maintenance is carried out as required.

4. During the shutdown period, we will check the wiring terminals of the Programmable Logic Controller ("**PLC**") cabinets, low-voltage control cabinets, DC voltage systems, and UPS cabinets and fasten the bolts. Such maintenance is carried out on an annual basis.

The wiring of the generator, potential transformer and current transformer and the incoming, outgoing, and auxiliary power supply and resistance control panels of the medium-voltage cabinets are inspected according to the maintenance specifications on an annual basis. The control terminals are inspected, and the bolts are tightened. We also clean the inlet-outlet air-cooling filter and oil-cooling filter of the generator. In addition, we re-tighten the grounding wire bolts of the generator and carry out anti-corrosion. We will also record the maintenance date and maintenance content, analyze the cause of the problem, and summarize the experience.

We also conduct scheduled maintenance of our other equipment on a regular basis, including condition monitoring maintenance of our electronic system, which includes oil analysis for the transformer every year and thermography inspections of our transformers, switchgears and switchyards and vibration monitoring of the pumps and electric motors every month. We also carry out scheduled yearly maintenance of our pressure retaining equipment, which includes a thickness inspection, repair, replacement, chemical treatment and certification of piping, valves including pressure safety valves, pressure vessels and other parts; of our instrument system, including the inspection, testing, calibration, repair and replacement of flow meters, kWh meters, pressure and temperature transmitters and gauges, sensors, PLC and DCS; of our protection system, including the inspection, testing, calibration, repair and replacement of our fire protection system, hydrogen sulfide protection system, operation protection system, CCTV, fences, gates, access control and sound barriers; of our engine and rotating equipment, including the maintenance and repair of our pumps, electric motors, fans and generator sets; of our heavy equipment, including the inspection, repair, replacement, rental, re-certification, and maintenance of our cranes, foco trucks, excavators, wheel loaders, backhoes and forklifts; and of our safety and environmental equipment, including the inspection, testing, calibration, repair, replacement,

rental, re-certification, maintenance, emission measurement, analysis, sampling and environmental monitoring of our Personal Protective Equipment ("**PPE**"), Personal Alarm Monitoring ("**PAM**"), AMDAL, drill cutting, waste and hazard handling, audits and certification. We also carry out scheduled maintenance of our electrical system every three years, where we inspect, test, calibrate, repair, replace, maintain and ensure the certification of our transmission systems, two 66 kV transmission lines, our overhead cable from Pad A to Pad P, our substation switchgears, switch yards, transformers, protection relay, Uninterruptible Power Supply ("**UPS**") and Variable Frequency Drive ("**VFD**"). As the main issue facing our plant equipment is the corrosion of electronic components and devices, we also implement preventive measures such as using piping with insulation and electrical containers using hydrogen sulfide filters to procure anti-corrosion alternatives.

We also conduct numerous simulations to predict well performance at different production and reinjection pairings and strategies and monitor the performance of all wells on a real-time basis, including by collecting data to diagnose specific well performance issues. We maintain annual operating plans, including projects to optimize well performance such as well washing, rotary jetting, acidizing, and reaming, and also conduct regular chemical tracer tests to determine the connectivity between production and reinjection wells to identify the injection wells that would optimize overall production.

Regular planned maintenance programs are also carried out throughout the year. We have operations and maintenance programs and procedures in place, including our operation daily routine check ("**ODRC**"), first line maintenance ("**FLM**"), running and function tests of emergency equipment, preventive, corrective and predictive maintenance plans, operation and maintenance procedures, administrative and human resources procedures and policies, emergency action plans, health and safety procedures, monitoring and recording procedures and warehouse storage procedures. In addition, we have developed a formal training program for operations and maintenance personnel. Operators and technicians are trained in proper equipment, systems and integrated project operations.

Combination of spreadsheet and internal developed computerized maintenance management system handles maintenance data, inventory needs, and scheduling of activities. Preventive maintenance work orders are loaded, scheduled, and issued by the planner. The operators generate service requests for work orders, which are put into the system for tracking.

In conjunction with a performance monitoring program that monitors equipment performance and trends, we also use a spreadsheet-plant information system which collects, archives, displays, and disseminates process and performance data and process variables obtained from our DCS and manual data. The information system accommodates historical databases and is used to develop reports and track equipment performance.

For information on the engineering, procurement and construction ("**EPC**") contracts we are party to, see "*Description of Material Contracts*".

Drilling Program and Facility Expansion

We plan to expand our Facility and to sell such increased capacity to PLN under the PPA. As part of our expansion plans, we conduct comprehensive feasibility studies (including geological and subsurface studies) involving reputable third-party consultants to identify the most optimal well drilling location and approach. We then utilize an experienced subsurface and in-house drilling team, with an international consultant as stand-by advisor, to conduct efficient and effective drilling campaign, applying up-to-date technology such as directional drilling, advanced drill bits selections, high performance drilling fluids, integrated in-house drilling database and fracture characterization to reduce drilling costs and increase production from new wells. Additionally, from time to time, we optimize our drilling procedures to make the drilling operation more efficient to

increase our success rate and production capacity including wells designed to reach deeper subsurface targets and multi-lateral completions. As of the date of this offering memorandum, we are expanding our operations westward from Pad V to harness the potential resources identified in the sector through ongoing drilling. We are undertaking a significant risk by drilling these wells without the benefit of test results. If these wells fail to yield commercially viable results, all costs incurred in their development could be lost. So far, the results from the three drilling wells indicate favorable outcomes, with very high wellhead pressures developing immediately after completion. All three wells show temperatures approaching 300°C and good permeability in at least the first two wells. The third well reveals a deeper resource compared to the first two. As long as temperature remain high and accessing the deeper resource does not pose technical challenges, moving further west remains an option, contingent on addressing safety concerns related to impacts from the Sorik volcano. Any future development is subject to the success of further exploratory drilling activities and the economic viability of such development. See "*Risk Factors – Risks Relating to our Business – In the future, any expansion plans may not be successful, additional facilities may not commence operation as planned and we may have difficulty securing necessary financing or financing on terms favorable to us for our facility expansion plans*".

Environmental, Health and Safety

Our operations are subject to various environmental, health and safety ("**EHS**" or "**HSE**") laws and regulations relating to water, air and noise pollution, the management of hazardous and toxic chemicals, materials and waste and workplace conditions and employee exposure to hazardous substances. The Director General of EBTKE has also issued several decrees concerning occupational health and safety that apply to our operations.

Law No. 32 of 2009 on Environmental Protection and Management as amended by Government Regulation in Lieu of Law No. 2 of 2022 on Job Creation, which has been promulgated into Law by Law No. 6 of 2023 ("**Environmental Law**") provides that any business required to comply with AMDAL or UKL-UPL requirements is obliged to obtain the corresponding environmental approval of its AMDAL or UKL-UPL, known as environmental approval (*persetujuan lingkungan*). In 2021, we completed the AMDAL Exploitation for 165 MW. We also completed the UKL-UPL Exploration for 240 MW in 2012, which was subsequently updated in 2018. We also completed a new AMDAL in 2023 to reflect provide for an increase in production capacity from 165 MW to 240 MW. We obtained our Environment Approval on April 27, 2021, Decree of the Regent of Mandailing Natal No. 660/0769/K/2020 concerning the Environmental Feasibility of Environmental Impact Analysis (AMDAL) Activities of Geothermal Power Plant Development Plan (PLTP) from 45 MW Capacity to 165 MW Capacity and 70KV High Voltage Air Line (SUTT) Construction Plan and Other Supporting Facilities in Sorik Merapi Valley District, Puncak Mandailing Natal District, North Sumatra Province by PT Sorik Marapi Geothermal Power in Mandailing Natal Regency, North Sumatra Province (SKKL AMDAL 165 MW) on December 8, 2020 and UKL-UPL 240 MW on April 27, 2021. We have also obtained technical approvals (*persetujuan teknis*) for our wastewater discharge activity and compliance with emission quality standards as required under the Environmental Law.

Our environmental, health and safety measures include environmental monitoring and reporting, pursuant to which we submit monthly, quarterly and semesterly (i.e., biannually) monitoring and compliance reports as required to the appropriate authorities in compliance with AMDAL's, UKL-UPL's requirements and our environmental permit. In addition, to mitigate geohazard potential in our operational area, we have several procedures in place including an initial geohazard assessment, the implementation of an early warning system in high geohazard potential areas, initiatives such as providing a nursery area to support revegetation activity, alongside monitoring erosion and landslide risks in the project area. In respect of emission dispersions, we have conducted emission dispersion modelling for the maximum PPA Deliverable Capacity assumption of 240 MW, which has found that emission dispersion into surrounding villages is far below the threshold value. Our power plant emissions (hydrogen sulfide and

ammonia) are also emitted through a stack installed above the evaporative condenser, which is equipped with a fan for increased dispersion to the atmosphere. We also conduct independent emissions monitoring on a quarterly basis and have a hydrogen sulfide gas detector at the power plant, well pad, and the two nearest villages to measure hydrogen sulfide concentration in real time and function as an early warning system. We also monitor air quality, emissions, water, domestic liquid waste, hazardous waste, domestic waste and noise resulting from our operations on an ongoing basis as required. Beyond maximizing our geothermal potential in a safe and sustainable manner, we have also implemented operational efficiency measures to reduce carbon emissions by applying the most advanced power plant technology known as the "binary cycle", which means that both steam and brine are used for power generation at our power plant.

In 2022 and 2023, we received the Blue PROPER award granted under the PROPER Rating Program administered by the Indonesian Ministry of Environment and Forestry. Additionally, in 2023, we received the Subroto Award Pratama Rating for Environmental Protection and Management from the Ministry of Energy and Mineral Resources and were also awarded a Certificate of Award by the Environment Agency of North Sumatra in 2022, in recognition of our commitment to manage hazardous waste management based on information technology.

In addition, we have a number of safety, health and environmental programs in place that seek to ensure our workers' health and safety in the workplace, as well as to ensure the health and safety of the local community where we operate. These programs include plans, procedures and policies regarding health and safety, administration, human resources and emergency action issues, such as HSE induction training, hydrogen sulfide awareness training, onsite well opening safety training, obtaining operation supervisory certifications by EBTKE, obtaining operator and rigger certifications, making first aid available to workers and the community on a permanent basis, implementing an early warning system and putting up safety signs and HSE boards. We also have work controls to manage, minimize and eliminate risks and hazards. For instance, we ensure that a safe work permit is obtained for all necessary works, conduct job safety analyses and organize independent gas testing and monitoring around the area of our power plant. We also take efforts to regularly review our HSE policies and monitor the controls we have in place. These efforts include regular HSE committee meetings, putting in place HSE controls and observations and seeking HSE awards and recognitions.

Moreover, we have also appointed external consultants to re-evaluate and improve our occupational health and safety ("**OHS**") policy, including engaging PT Kualifikasi Migas Indonesia ("**KMI**") to conduct a HSE drilling audit from June 24, 2022 to July 6, 2022. KMI has expertise in HSE policy, sustainable development goals, integrated management for quality, health, safety and environment systems, safety management systems, quality management systems and environmental management systems. The KMI team that conducted the HSE drilling audit was led by Dr. Waluyo, who previously served at the Indonesian Commission of Corruption Eradication (*Komisi Pemberantasan Korupsi*, or "**KPK**") and has more than 30 years of experience in HSE and drilling in the oil and gas industry, having worked with BP, Pertamina and other leading oil and gas companies. The KMI audit found that our Company had established a complete set of HSE policies, a HSE management system, safe work practices and work instructions, although noting that these policies, systems and practices had not, at that time, been fully implemented. As of the date of this offering memorandum, we are in the process of implementing such policies, systems and practices. As of March 31, 2024, we had operated for a period of 27,950 man-hours with no material accident or injury. For the years ended December 31, 2021, 2022 and 2023 and for the three-month period ended March 31, 2024, we recorded eight, five, three and three serious hazardous occurrences and/or serious accidents, including welding accidents and falls, reportable to EBTKE in accordance with Minister of Energy and Mineral Resources Regulation No. 33 of 2021 on Occupational Health and Safety, Environmental Protection and Management, and Technical Guidelines for Indirect Geothermal Utilization, respectively. In respect of each of these incidents, a detailed investigation was performed to understand the root cause of the incident and, we took corrective actions to reinforce awareness of safety procedures in all activities around the

geothermal field. See *"Risk Factors – Risks Relating to our Business – Our financial performance depends on the successful operation of our facility, which is subject to various operational risks"*. Other than as disclosed in this offering memorandum, we believe that we are in compliance in all material respects with applicable environmental, health and safety laws and regulations.

Well opening process flow

In relation to well opening activities, we have put in place a well opening safety procedure, which involves prior socialization of the well opening with the community, safety briefings, inspection of production facilities and mandatory site-clearing. We also use drones to monitor the perimeter of the well opening site to ensure that the site is cleared of persons within a 300-meter-perimeter, to ensure the health and safety of the community and our employees. Our efforts are supported by the Mandailing Natal Regency government, and the police and local military district command assist in our mandatory site-clearing activities. In addition, all workers who operate the well opening activities are equipped with self-contained breathing apparatus to enable them to work safely in high-risk areas. As a routine procedure for every well opening activity, we have also put in place a hydrogen sulfide abatement system, which reduces the hydrogen sulfide gas concentration that accumulates at the wellhead. Following the opening of the wells, we also take steps to ensure that operation activities are back to normal, monitor and measure well performance and conduct gas and fluid sampling from opened wells for detailed analysis.

Environmental and Social Risk Management

Our Company has put in place a strong evaluation and selection process and risk management framework to ensure mitigation of potential environmental and social risks associated with the Eligible Green Projects. For example, we have developed an Environmental Health and Safety Management System based on ISO 14001:2015 and ISO 45001:2018 and to monitor and mitigate negative environmental impacts associated with our operations, including in relation to waste management, water conservation, domestic wastewater management and noise management. We plan to have this management system certified by the third quarter of 2024 through PT Sucofindo, a third-party certification company accredited by KAN (Indonesia Accreditation Committee), who we have engaged to conduct a quality assessment on Environment, Occupational, Safety, Health, social responsibility, and regulation compliance.

In addition, we ensure that certain procedures are undertaken in all operating activities such as an environmental aspect-impact assessment (EAIA), geohazard assessments and hydrogen sulfide gas abatement system for detection and monitoring in real time. Moreover, we incorporate the views of EBTKE and local stakeholders to further enhance mitigation plans regarding potential environmental and social issues, and have also taken steps to ensure that further developments at our Company meet applicable national and international environmental and social standards and regulations.

January 2021 Hydrogen Sulfide Exposure

On January 25, 2021, there was an incident at Pad T, where hydrogen sulfide gas exposure during well discharge/well opening activities resulted in the deaths of five civilians, who were at that time living within 90 meters of Pad T, which was within the 300-meter-perimeter clear area for well discharge, and the hospitalization of 50 civilians. This resulted in the government ordering the stoppage of operations at Unit 1 by way of a government letter for a period of one and a half months from January 25, 2021, with partial operations beginning to resume on February 28, 2021, and full operations resuming in the first week of March 2021.

Based on our investigations, the causes of this incident included a failure to implement OHS policies, risk management failures from inadequate safety equipment, emergency response and preparedness; the resistance of the local community to evacuate, partially due to a lack of awareness of potential hazards; and the limited capacity of the third-party contractor we had engaged to facilitate evacuation from around the well opening area.

Corrective action has been taken by improving internal standard operating procedures ("**SOP**") related to well opening until well discharge. We also arranged for an OHS external audit to be conducted by Surveyor Indonesia; ensured competency in well opening activities; conducted training for hydrogen sulfide gas control; and implemented greater overall risk management policies, including implementing a stop-work authority, where well discharge or well opening activities will not commence until all individuals in the evacuation zone have been evacuated. We also installed a hydrogen sulfide abatement system to neutralize the hydrogen sulfide gas concentration that accumulates at the wellhead and ensure that hydrogen sulfide gas that comes out at discharge point ranges between 0 to less than 10 PPM or below the allowable threshold limit, and which has now been applied as a routine procedure in every well opening activity. Additionally, we installed gas detectors at several locations in Sibanggor Tonga and Sibanggor Julu to monitor gas concentrations in the air as an early warning system and engaged in active campaigns for hydrogen sulfide socialization. We also provided compensation to the community and stakeholders affected, and began to conduct active campaigns to educate the local community of the potential hazards during well discharge/well opening activities. We also hired additional experienced staff in order to ensure the proper implementation of HSE procedures. We have also engaged a third-party contractor and doubled our security capacity in order to facilitate future evacuations.

As of the date of this offering memorandum, there have not been any substantiated occurrences of gas leaks since we installed the early warning system in 2021.

March 2022 Gas Leak Allegation

On March 6, 2022, there was a suspected gas leak at our power plant from well AAE-05 in Sibanggor Julu, resulting in the hospitalization of at least 58 local residents, who experienced symptoms including nausea, dizziness, vomiting and fainting. The incident began as a flow test that we conducted on well AAE-05 on March 6, 2022, whereby fluid flowed from the well through the bleeding line, sodium hydroxide was subsequently sprayed to neutralize hydrogen sulfide gas at approximately 17.00 pm, at which time several resident from Sibanggor Julu village complained of smelling a pungent odor, which was suspected to be due to hydrogen sulfide gas, and experienced above symptoms. Based on above information, we immediately closed the well and arranged for the impacted local residents to be sent to the nearest hospital in Panyabungan.

As of the date of this offering memorandum, it was concluded that the odor smelled was not typical of hydrogen sulfide gas, nor were the symptoms experienced by local residents typical of hydrogen sulfide gas exposure, though the cause of the pungent odor and the symptoms experienced by the local residents has not been ultimately identified.

In addition, the distance between the point of gas discharge, which was already neutralized by abatement, and the village exceeded 500 meters, and the wind direction at the time of the incident was not in the direction of the village. The village is also located at an altitude 36 m higher than well AAE-05. Hydrogen sulfide is also approximately 20% heavier than air and would not be able to rise to the villages located above.

April 2022 Well Kick Incident

On April 24, 2022, we experienced a blowout resulting from the collision of wells T-12 and T-11 at Pad T, which precipitated a mudflow and the release of a low amount of hydrogen sulfide in a very short period with a maximum concentration of 20 ppm mixed with mud and steam into the atmosphere. This resulted in a delay in the COD for Unit 3 to October 2022. While 22 local residents were also hospitalized after the incident, there was no correlation between this and the blowout itself. It also resulted in property damage to the rice fields of local residents, which were submerged in mud. This resulted in the government ordering the stoppage of drilling and well testing activities at Unit 3 by way of a government letter. Drilling and well testing activities at Unit 3 only recommenced on January 4, 2023.

Our investigations revealed that the cause of this incident was a deviation from the planned drill trajectory, and an early kick-off, which resulted in well T-12 being near to well T-11. There were also medium levels of accuracy (Sigma Level 2, based on industry standards) used in survey measurements, which did not accurately capture the distance between wells T-11 and T-12 and led to a well collision.

In response to this incident, we took steps to ensure risk assessments are made and signed before any deviations are made from original plans; ensured directional service providers have a standard operating procedure; increased levels of accuracy in survey measurements (to Sigma Level 3) to determine the distance between wells; adopted conservative anti-collision procedures and extensive planning of well trajectories; as well as restored the integrity of the casing for well T-11.

September 2022 Gas Leak Allegation

On September 27, 2022, there was a suspected gas leak from well T-11 flowing activity using the latest improved SOP by implementing the hydrogen sulfide abatement system. During the flow, several local residents of Sibanggor Julu and Sibanggor Tonga complained of a foul odor and experienced symptoms of nausea, dizziness, vomiting and fainting, and 105 local residents were hospitalized. We immediately stopped the flowing activity and took action to help local residents.

It was concluded that the odor smelled was not typical of hydrogen sulfide gas, nor were the symptoms experienced by local residents typical of hydrogen sulfide gas exposure, though, as of the date of this offering memorandum, the cause of the pungent odor and the symptoms experienced by the local residents has not been ultimately identified. In addition, the well opening was witnessed by an EBTKE inspector, the Environmental Office of Mandailing Natal district, 30 members of the local police force and village security personnel, spread out around the 300 m perimeter of the well, as well as in Sibanggor Julu and Sibanggor Tonga villages. No hydrogen sulfide was detected at 10 of monitoring points. The distance between the point of gas discharge, which was already neutralized by the abatement system, and each of Sibanggor Julu and Sibanggor Tonga villages exceeded 500 m. Additionally, none of the well-testing crew who conducted the well opening at pad T suffered from symptoms of hydrogen sulfide exposure. Along with the well logging, hydrogen sulfide measured at the discharge point remained at 0 PPM.

February 2024 Gas Leak Allegation

On February 22, 2024, there was a suspected gas exposure from well pad V to Sibanggor Julu and Sibanggor Tonga Villages. We conducted the activation of well V-01 using the latest improved SOP by implementing a hydrogen sulfide abatement system. After more than six hours of performing that activity, at approximately at 18:45 pm, several local residents of Sibanggor Julu and Sibanggor Tonga complained of a foul odor and experienced symptom of nausea, dizziness, vomiting and fainting, resulting in the hospitalization of 105 local residents.

It was concluded that the odor smelled was not typical of hydrogen sulfide gas, nor were the symptoms experienced by local residents typical of hydrogen sulfide gas exposure, though, as of the date of this offering memorandum, the cause of the pungent odor and the symptoms experienced by the local residents has not been ultimately identified. Almost all the residents returned to their homes on the following day.

Following this incident, we requested a re-enactment of the incident by a multi-agency team comprising representatives from EBTKE, the local police forensic lab and the local police. This re-enactment was successfully implemented by the same team, equipment, facility, SOP, start and stop time as in the incident, showing that there was no leakage of hydrogen sulfide. On March 5, 2024, EBTKE has issued Letter No. B-822/EK.04/DEP.T/2024 on the Approval to Continue Drilling in Well SMP V-02 in Well Pad V which allowed our Company to continue the drilling in well SMP V-02.

Sustainability and Governance

We believe it is essential to have a robust environmental, sustainability and governance ("**ESG**") governance structure in place to ensure that sustainability is effectively integrated across all our operations. Whilst our Board of Directors have ultimate responsibility for ESG, it is the Head of Geothermal Engineering (*KTPB – Kepala Teknik Panas Bumi*) who is responsible for implementing our sustainability agenda and who reviews potential ESG risks of planned projects and associated activities. We have also implemented several governance policies such as the Code of Conduct which has anti-bribery and corruption, environmental, and human rights policies integrated, as well as procurement guidelines that enable us to operate responsibly.

Corporate Social Responsibility

We believe in the connection between socially responsible management and our long-term growth and development. We take an active and leading role in community development and invest in the economic wellbeing of the community by providing assistance to the local community where we operate.

Our community development approach rests on five pillars, including economic; education; health; environment; and social culture and religion, with activities organized to help in the development of the seven villages of Puncak Sorik Marapi, two villages of Lembah Sorik Marapi and the two villages of Panyabungan Selatan. We have received various awards such as an appreciation letter from EBTKE dated February 21, 2024 for our corporate social responsibility efforts and our local business development program, as well as awards from the Regent of Mandailing Natal in respect of our educational initiatives, such as providing a scholarship program for students from less advantaged backgrounds and a special scholarship program for students who obtain educational achievements at a provincial and national level. We have discussions at regular intervals with community leaders on the scope and focus of our programs, to ensure that they continue to achieve an effective contribution to the community. While our corporate social responsibility program changes from year to year, we will maintain key programs in the areas of education, economic empowerment, health promotion, environmental protection and socio-cultural and religious development.

In relation to economic empowerment, we provide assistance in agriculture, including providing capital, training, packaging, assistance in obtaining licenses as well as assistance in the sales of products such as coffee, palm sugar, pumpkin chips, catfish and tempeh. We have also helped to promote some community products, including promoting Mandheling Coffee at the 8th Indonesia International Geothermal Convention and Exhibition 2022, held at the Jakarta Convention Center to boost the local economy. In addition, we prioritize the recruitment of local workers and engage with local vendors, especially from local villages in the vicinity of our power plant. For example, we recruit shift operator trainees locally as part of our commitment to human resources capacity development, and many restaurants, shops, and lodgings can be found near our well pads and

substations. In relation to education, we set up a scholarship program for 23 local students from less advantaged backgrounds, sponsoring their studies for college/university, as well as a special scholarship, recognizing special achievements by local students at a provincial and national level. We have also provided educational assistance by organizing English classes conducted by our employees. Additionally, we organized a series of farming classes, with a curriculum including implementation, plantation, fence and waste management. We also built a set up an EDU corner (a smart cottage) for student learning. In relation to health promotion, we have provided clean water piping to eight villages in the vicinity of our power plant. In relation to environmental protection, we compost domestic waste from our kitchens and pantries for use as organic fertilizers and trained 11 villages to provide their own fertilizer to replace the use of chemical fertilizers, which are expensive and less environmentally friendly. We have also provided assistance in setting up plant nurseries and plantations in the local community and training villagers on how to select rice seeds. Finally, in relation to socio-cultural and religious development, we have organized events in the local community to observe the Islamic holy month of Ramadhan, including an event marking the start of the month, providing breakfasting during the holy month, as well as providing donations of basic groceries to approximately 950 to 1,150 orphans to commemorate the end of Ramadhan/Eid al-Fitr. We have additionally organized Qur'an recitations and provided assistance for the renovations for more than 10 mosques, and also donated livestock for the celebration of the Islamic festival of Eid al-Adha. Furthermore, we provide emergency support in times of need caused by floods, earthquakes, and landslides. We ensure that local people are employed by contractors undertaking work for us. As of March 31, 2024, 59 of our employees were locally employed from the Panyabungan and surrounding areas. We have responded to requests by local community representatives for increased employment of the local community, and our current number of local employees illustrates the ongoing commitment. We are committed to maintaining and developing our positive relationship with the local community where our Facility is located and to hold discussions with them on a routine basis in relation to their request for employment.

Competition

Under the terms of the PPA, PLN is obliged to purchase net electrical output or, if PLN does not dispatch from our generators, 90% of unit rated capacity of each of our geothermal generation units, up to a maximum of 240 MW for the term of the PPA. As a result, we believe that we do not face any material competition from other geothermal energy producers or IPPs in our business.

Properties

Our Facility, which we own, is situated in a working area of 62,920 hectares to the southwest of the Mount Sorik Volcano. We are currently using approximately 115 hectares of operation area located in the Sorik Marapi-Roburan-Sampuraga working area for our geothermal power operations by virtue of the IPB, HGB and certain PPKH. Our HGB lands cover approximately 69 hectares with different expiry dates of which the soonest will be in 2034. Based on the Cover Note issued by Fitrisna, S.H., M.Kn., Notary in Mandailing Natal Regency No. 1816/PPAT/FB/VI/2024 dated June 29, 2024, there is a total land area of 22.0103 hectares currently in the process of HGB registration. The area is divided into Wellpad A, Wellpad GA and Access Road Wellpad GA, and the New Transmission Line 66 KV.

We use 131.8 hectares of forestry land to conduct explorations located in the Sorik Marapi-Roburan-Sampuraga working area pursuant to a Forestry Area Utilization Approval (*Persetujuan Penggunaan kawasan hutan*, or "**PPKH**") which expires on October 7, 2025. We use this land covered by the borrow and use permit for our roads, pipelines and wellpads.

We lease offices located in Menara Sentraya 19th Floor, Iskandarsyah Raya no. 1A, Kebayoran Baru, South Jakarta, Indonesia.

Ownership of the Facility

We own and operate the electricity generation facilities, including the power plant, as well as all field facilities required to produce, process, transport and deliver the geothermal energy to the electricity generation facilities in the Sorik Marapi-Roburan-Sampuraga working area. Pursuant to the IPB No. 2765 K/30/MEM/2015 dated April 21, 2015, we have the exclusive right to conduct geothermal exploitation to carry out indirect utilization in the form of conducting exploration and exploitation activities in order to obtain results and benefits of the Sorik Marapi-Roburan-Sampuraga working area and all field facilities during the term of the IPB without any disturbance from the Government. See "*Risk Factors – Risks Relating to Our Business – Our operations are dependent on our ability to obtain, maintain and renew land use rights*".

The SGRS, other field facilities, including materials and equipment purchased by our Company and incorporated into the field facilities, are owned and operated by our Company.

Intellectual Property

Kaishan Group Co., Ltd, Zhejiang Kaishan Energy Equipment Limited and Shanghai Kaishan Energy Equipment Limited are owners of patents and licenses in regard to the modular plant used by our Company. We use licenses for the software such as Microsoft, Adobe and Autocad.

The logo of our Company is registered as a trademark in Indonesia.

Insurance

We maintain an insurance program including (i) property all risks insurance covering buildings and decoration, equipment, raw materials and spare parts, (ii) machinery breakdown insurance covering business interruption, and (iii) comprehensive general liability insurance. We do not, however, maintain insurance for drilling (including major accidents resulting from well-drilling activities) and for data security breaches. We intend to renew certain of the insurance policies upon their expiration on January 24, 2025. Our insurance policies are provided by Indonesian insurance companies with a minimum of 50% reinsured off-shore with insurance companies with a minimum Standard & Poor's rating of "**A-**" or higher or a minimum Moody's rating of "**A3**" or higher if rated by one of the respective rating agencies (and a minimum of both "**A-**" and "**A3**" if rated by both Standard & Poor's and Moody's).

The following table sets forth certain information regarding our current key insurance coverage.

Type of Insurance	Coverage	Term of Coverage	Deductibles		Sum Insured/ Limit of Liabilities
					(in US$ millions)
Property All Risks	Earthquake, eruption of volcano and tsunami	January 24, 2024-January 24, 2025	For fire, lighting, explosion, impact of falling aircraft, smoke	5% of claim or 0.1% of total sum insured, whichever is greater, for each and every loss	415.0
			For flood, windstorm, tempest and water damage	10% of claim minimum US$50,000 each and every loss	
			For earthquakes, tsunamis, volcanic eruptions	Minimum US$3 million	
			For riots, strikes, malicious damage plus civil commotion	US$50,000 or 20% of total loss whichever is higher, each and every loss	
Business Interruption under Property All Risks	Estimated revenue-fixed operation and debt service	January 24, 2024-January 24, 2025	30 days of each and every loss		82.7
Machinery Breakdown	Machine, equipment and relevant systems	January 24, 2024-January 24, 2025	US$50,000 for each and every loss		348.7
Business Interruption under Machinery Breakdown	Estimated revenue-fixed operation and debt service	January 24, 2024-January 24, 2025	30 days of each and every loss		82.7
Comprehensive General Liability	Accidental bodily injury to third party	January 24, 2024-January 24, 2025	US$2 million any one accident		10.0

We believe that the types and amounts of insurance coverage set out above are in line with standard market practice for the industry and are adequate for the conduct of our business. However, we cannot assure you that all risks are covered or are adequately insured against. See "*Risk Factors – Risks Relating to our Business – We may not have adequate insurance coverage and may not be able to obtain or maintain adequate insurance*". See also "*Description of the Notes – Certain Covenants – Maintenance of Insurance*".

Employees and Labor Relations

As of March 31, 2024, we employed 130 employees, of which 115 are on permanent contracts and 15 are employed on a contract basis. Employees who perform adequately during their contract may thereafter be permanently employed by us, subject to business needs. We do not employ part-time workers but do outsource some routine functions, such as catering and housekeeping, to third parties.

The table below sets forth the number of our employees as of December 31, 2021, 2022 and 2023 and as of March 31, 2023 and 2024 by activity and location.

	As of December 31,			As of March 31,	
	2021	**2022**	**2023**	**2023**	**2024**
Employees by Activity:					
Management	7	4	4	5	5
Staff	125	139	135	131	125
Total	**132**	**143**	**139**	**136**	**130**
Employees by Geographic Region:					
Jakarta, Indonesia	38	38	38	39	38
North Sumatra, Indonesia	94	105	101	97	92
Total	**132**	**143**	**139**	**136**	**130**

While all critical tasks are undertaken by our permanent employees, we outsource certain of our activities to contractors. These contractors are either individuals, engaged through a third-party contract labor company, or specialist contracting companies who are engaged under specific limited scope contracts. Tasks which are outsourced include catering and housekeeping, landscape maintenance, EPC, civil construction, non-skilled operations and maintenance ("**O&M**") activities, certain skilled mechanical and electrical activities and some low-priority administration duties. In all cases, contractors are actively supervised by our permanent and direct contract staff who take responsibility for the activity concerned. All activities related to O&M are guided by standard operating procedures which form part of the management system.

Our employees are not part of any organized labor union, nor are they party to any collective labor agreements with us in relation to compensation, employee benefits and other employee entitlements. We review and develop our corporate regulations every two years with involvement from management and employee representatives to seek input and feedback as required by regulation to obtain the ratification from the Ministry of Manpower. We have not experienced any strikes or material labor disputes or actions and we consider our relations with our employees to be good.

We provide various benefits to our employees, including medical benefits, mandatory *Lebaran* allowance, a performance bonus, international project allowance and long service awards. Our employees are not members of a defined contribution pension plan.

We believe that we are in compliance with manpower laws, such as the Labor Law No. 13 of 2003 as amended by Government Regulation in lieu of Law No. 2 of 2022 on Job Creation as promulgated into Law by Law No. 6 of 2023 and its implementing regulations.

We have several policies and procedures to attract and retain key employees. These include:

- good corporate values and practices;
- fast track promotion prospects;
- People development program;
- performance bonuses; and
- social, sport and religious programs.

Legal Proceedings

On October 31, 2023, PT Greatwall Drilling Asia Pacific ("**GWD**") commenced arbitral proceedings (the "**Arbitral Proceedings**") against our Company in the Singapore International Arbitration Centre ("**SIAC**"), claiming a sum of US$11,668,401.65 in respect of allegedly unpaid invoices arising under a contract for the provision of drilling services, dated January 20, 2019, pursuant to which GWD was engaged to drill several geothermal wells. As of the date of this offering memorandum, we are in the process of defending against the Arbitral Proceedings and are also pursuing a counterclaim against GWD for breach of contract and associated losses, with a total claim amount of approximately US$21,000,000.

Apart from the Arbitral Proceedings, we are not involved in and have not, in the last 12 months preceding the date of this offering memorandum, been involved in, any legal or arbitration proceedings, and no proceedings are threatened, which we believe may have or would be likely to have a material adverse effect on our business, prospects, financial condition, operational results or cash flows.

Power Purchase Agreement

On August 29, 2014, we signed the power purchase agreement ("**PPA**") with PLN setting forth the rights and obligations of our Company as seller and PLN as buyer relating to the sale by our Company of energy and capacity delivered or made available by our Company up to a maximum 240 MW and the purchase of such energy and capacity by PLN. On August 8, 2016, we and PLN signed the first amendment to the PPA, whereby the initial sponsors as provided in the original version of the PPA were amended. We and PLN signed the second amendment to the PPA on June 27, 2019, which, among other things, amended the provisions on 20 kV temporary distribution facilities, effective date, required commercial operation date, notice of intent to develop, details on special facilities and financing agreements. We subsequently signed the third amendment to the PPA on March 2, 2023, which adjusted the commercial operation date ("**COD**") for Unit 4 from December 2022 to May 2023. As of the date of this offering memorandum, the PPA tariff is set at a base power price of US$0.0810/kWh, with a transmission power charge of US$0.00054/kWh. The PPA is essentially a "take-or-pay" contract. The electricity tariff is paid for regardless of whether electricity is being further used or distributed by PLN so long as it is dispatched by our Company.

Term

The term of the PPA is 32 years from the COD of Unit 1 and is set to expire in 2051, as may be extended.

Rights and obligations

Our Company has undertaken to (i) develop the design, engineering, financing, construction, testing, commissioning, ownership, management and operation and maintenance of the Sorik Marapi geothermal field facility and geothermal power plant and the exploration, exploitation, and development of the geothermal field and the carrying out of certain special facilities activities ("**Project**") and (ii) make available and/or transmit, sell and deliver the power generated from the geothermal power plant to the metering points. Accordingly, PLN has agreed to pay for the electricity made available and/or buy and receive the electricity supplied and transmitted by our Company to the connection points.

Further to the above, we and PLN have also agreed to comply with the respective obligations in respect of the special facilities, being the substation, town feeder transformer for 150 kV/ 20 kV, transmission lines and construction interfaces (the "**Special Facilities**") prescribed in the agreement, among others, as set out below:

(1) Our Company's responsibilities with respect to the Special Facilities

(a) Routing of transmission lines;

(b) Obtaining all consents required for construction of transmission lines, which includes location permit, UKL/UPL, borrow and use permit, or any other consent as required for surveying, construction or commissioning of the special facilities;

(c) Land acquisition;

(d) Detailed engineering; and

(e) Construction, testing and commissioning of the special facilities.

(2) PLN's responsibilities with respect to the Special Facilities

(a) Provide the necessary support for our Company in obtaining required consents;

(b) Review and provide the necessary approvals;

(c) Provide space in our Company's building for panels and associated equipment (as relevant);

(d) Provide requirements for voltage transformers and current transformers for integrating into our Company's busbar protection scheme;

(e) Carry out any modification of the existing transmission line system as necessary to accommodate the crossing with special facilities;

(f) Design, supply, install and test busbar protection, panel with associated equipment; and

(g) Provide a layout of the nearest substation.

Tariff

As of the date of this offering memorandum, the PPA tariff is set at a base power price of US$0.0810/kWh, with a transmission power charge of US$0.00054/kWh.

The monthly power charge payable by PLN to our Company is calculated in US dollars for each contract month. For months ending before the initial commercial operation date (or the partial month in which this date falls), the charge is determined by the formula:

$$PC=[(Pb\times 25\%)\times D]$$

For months starting on or after the initial commercial operation date (or the partial month in which this date falls), the charge is determined by the formula:

$$PC=[(Pb\times D\times I]+[TPC\times D]$$

where:

- PC is the monthly power charge ("**Monthly Power Charge**").
- Pb is the base power price ("**Base Power Price**") as specified in Article 9.1 of the PPA.
- D is the sum of the actual number of kWh delivered and the deemed dispatch kWhs.
- I is an adjustment factor based on the US Producer Price Index I = 0.75 + (0.25 x (Yp/Ypb))
- TPC is the transmission power charge ("**Transmission Power Charge**"), which is a fixed charge of US$0.054 per kWh.

Deemed Dispatch kWhs are calculated based on conditions where PLN's dispatch instructions or our Company's capacity affect the kWh delivered. If the delivered kWhs exceed the monthly take-or-pay guarantee kWhs, the excess is recorded as the PLN's monthly excess kWhs for the relevant contract year.

The declared capacity of the geothermal power plant is the lesser of the plant rated capacity or the available capacity declared by our Company. Our Company must inform the dispatch centre immediately about any changes in declared available capacity, including unavailable plant rated capacity and the hours of unavailability, following established procedures and timeframes.

Tax

Each party will be responsible for the payment of tax, customs, and other levies incurred/imposed with regard to this PPA and shall be at the expense of each party pursuant to the prevailing laws and regulations in the Republic of Indonesia. The taxation in pursuant to PPA however is without prejudice to our Company's right on adjustment and any changes to it may be considered as triggering event.

Change in law

Change in law is defined as triggering event under the PPA. In the PPA, the triggering event is further defined as follows:

(1) the adoption, enactment or application the adoption, enactment or application of, or any change in the interpretation or application of, any legal requirement of any governmental instrumentality, (whether or not existing or applicable as of the signing date and including legal requirements resulting from the completion of the AMDAL process) that results in the imposition of environmental requirements different from those applicable as of the signing date (but not including the adoption of any such legal requirement where such legal requirement was in existence at as of the signing date but, by its provisions, was only to become effective upon a clear and express date (such date falling after the signing date) as specified in such legal requirement) or

(2) the adoption, enactment or application of any legal requirement of any governmental instrumentality not existing or not applicable as of the signing date, or any change in any such legal requirement or the application or interpretation thereof by a governmental instrumentality after the signing date, other than a legal requirement relating to the environment (but not including the adoption of any such legal requirement where such legal requirement was in existence as of the signing date but, by its provisions, was only to become effective upon a clear and express date (such date falling after the signing date) as specified in such legal requirement).

The PPA stipulates that if either party believes a triggering event has occurred that will cause costs or savings, they must promptly notify the other party. This notice should describe the event and estimate the costs or savings, and the seller must work to minimize costs and maximize savings following good utility practice. The notifying party can send more notices about the event as additional costs or savings become known, but must do so within one year of discovering them. Within seven days of receiving a notice, the parties must meet to discuss it. If, within fourteen days, either party disputes the notice, the matter will be referred to an expert. The parties should ensure the expert makes a decision within thirty days of their appointment. If a claim for costs or savings from a triggering event is not disputed or is approved by the expert, the base power price and/or transmission payment charge will be adjusted:

(1) On the project commercial operation date, to include all such claims from the signing date to the operation date.

(2) On the first day of each contract year, starting from the second contract year, to include all such claims from the previous year.

These adjustments will ensure the seller's net after-tax economic return is unchanged as if the costs or savings hadn't occurred and will be retroactive to when the costs were incurred, or savings realized. The parties should work together to make these adjustments go smoothly.

If the parties cannot agree on adjusting the Base Power Price or Transmission Payment Charge within thirty days of allowing or agreeing on a claim for costs or savings, the dispute will be referred to an expert per Article 16.2 of the PPA. The parties should ensure the expert makes a decision within 30 days of their appointment. Until then, the current prices will remain in effect. Either party can refer an expert's decision to arbitration. While arbitration is ongoing, the expert's decision remains binding. If the arbitration panel's decision differs from the expert's, the Base Power Price and/or Transmission Payment Charge will be adjusted accordingly.

Payment terms

Pursuant to the PPA, PLN will pay the monthly power charge for each contract month. Additionally, PLN must pay for all power delivered by our Company during the commissioning of a unit until its commissioned or commercial operation date. This invoice will be issued along with the first contract month's invoice after the unit's commissioned or commercial operation date. Our Company will send invoice documentation to PLN each contract month. PLN must pay the invoiced amount to the seller within 30 days of receiving the invoice. If the 30th day is not a business day, payment is due on the next business day, referred to as the "payment date". Late payments will accrue interest at the late payment interest rate from the original due date until the payment is made.

If PLN disputes part of an invoice, they must notify us within 12 months after the first auditor's recommendation (issued by the State Auditors) following the payment date. PLN can then refer the dispute to the resolution process. Invoices not disputed within this period cannot be disputed later. Despite any disputes, PLN must pay the full invoice amount by the payment date. If the dispute is resolved in PLN's favor, the amount owed will be refunded with interest, adjusted in the next monthly payment. If PLN underpays due to our error, no interest is required if the corrected amount is paid within 30 days of receiving a corrected invoice.

Termination

The PPA divides the termination clause based on remediable events and non-remediable events by each of our Company and PLN. For our Company's remediable and non-remediable events, the details are as follows:

<u>The following events are considered as Company's remediable events:</u>

(1) Failure to start project construction within 90 days of the effective date.

(2) Failure to achieve initial commercial operation within 90 days after the required date.

(3) Unexcused suspension or abandonment of construction for over 60 consecutive days before commercial operation.

(4) Willful failure to operate a unit according to the agreement for more than seven consecutive days after commissioning without buyer consent.

(5) Breach of material obligations not remedied within 45 days after notice from PLN.

(6) Failure to make a payment when due not remedied within 45 days after notice from PLN.

The following events are considered as Company's non-remediable events:

(1) (i) if our Company faces bankruptcy, insolvency, or similar proceedings; (ii) if someone is appointed to manage such proceedings; or (iii) if a court confirms bankruptcy or insolvency, within sixty days of the order.

(2) After a Company remediable event and notification, actions include: (i) starting construction within 90 days; (ii) resuming construction within 30 days; (iii) restarting operations within 7 days; (iv) providing and implementing a remedial program diligently; or (v) resolving the breach within 45 days.

(3) Failure of the initial commercial operation date within 180 days of the required date.

(4) Failure to remedy a breach within 180 days after receiving a remedial notice for a breach.

(5) If these conditions are met: (i) a final judgment finds a director violated anti-money laundering or anti-corruption laws in connection with the project; (ii) PLN notifies our Company to remove the director; (iii) we fail to remove the director within 45 days of notification.

For PLN's remediable and non-remediable events, the details are as follows:

The following events are considered as PLN's remediable events:

(1) Failure of PLN to make payments exceeding US$1,200,000 after the effective date.

(2) Breach by PLN of material obligations under the agreement, not remedied within 45 days of notice from our Company detailing the breach and demanding remedy.

The following events are considered as PLN's non-remediable events:

(1) The dissolution, merger, or reorganization of PLN, unless it does not affect its ability to fulfil this agreement.

(2) After a Company's-remediable event and notification, failure to make payment within 45 days or provide a satisfactory remedial program within specified timeframes.

(3) Failure to remedy a breach within 180 days after receiving a remedial notice.

(4) If the letter of business viability guarantee becomes invalid or is rescinded.

(5) Events related to bankruptcy, insolvency, or court orders against our Company.

(6) If these events occur: (i) a judgment finds a director violated anti-money laundering or anti-corruption laws related to the project; (ii) our Company notifies PLN to remove the director; (iii) PLN fails to remove the director within 45 days since receipt of notice from our Company.

Upon the occurrence of our Company's or PLN's remediable events, PLN can notify our Company of a Company-remediable event, and vice versa, in a "remedial notice". Upon receiving a remedial notice about a Company-remediable event, or a PLN-remediable event, the receiving party must promptly prepare and provide a detailed program ("remedial program") within 30 days to remedy the event specified in the notice. Upon the determination of a non-remediable event by either party, the following steps occur:

1. The unaffected party issues a termination notice to the other party, detailing the event and proposing a termination date no less than 30 days after the notice.

2. Both parties consult for 30 days (or longer if agreed) to discuss mitigating the event's consequences.

3. If the receiving party disputes the termination, they must inform the other party within 15 days and refer the matter to an expert for determination within 30 days of the expert's appointment.

4. If at the end of the consultation period:

   (i) The events have not been remedied,

   (ii) Expert proceedings or arbitration are ongoing and diligently pursued, or

   (iii) A final determination by the expert or arbitrator rules against the termination, then the termination notice can be acted upon, and the agreement will end as specified.

The PPA also provides rights to terminate other than upon each party's non-remediable events, as below:

(1) on the expiry date, unless extended. After termination, except for provisions that are specified to survive termination, including confidentiality provisions, neither party has further obligations.

(2) If a force majeure event prevents our Company from developing or operating for over 24 months, or if the parties cannot resolve a force majeure issue, we can terminate the PPA with 60 days' notice. After termination, except for provisions that are specified to survive termination, including confidentiality provisions, neither party has further obligations.

(3) If a force majeure event delays construction or operation, we must inform PLN and make efforts to minimize the effects. If the delay exceeds 180 days, we can terminate the PPA with 60 days' notice.

(4) If the geothermal IUP expires or is revoked due to our non-compliance, PLN can terminate immediately upon written notice, terminate the PPA. After termination, except for provisions that are specified to survive termination, including confidentiality provisions, neither party has further obligations.

If the PPA is terminated before the effective date due to certain events, PLN must purchase the project at a determined price. These rights are our Company's only remedies against PLN for such terminations. If the agreement is terminated after the effective date but before the project's commercial operation due to certain events, PLN still must purchase the project at a determined price. Again, these rights are solely for our Company against PLN for such terminations. If the agreement ends after the project's commercial operation due to specific PLN events, PLN has to buy the project at the determined price, such purchase price will consider outstanding senior debt and equity contributions made by the sponsors. And if termination happens due to Company events, PLN has the option to purchase the project within 90 days at a set price. These rights represent PLN's exclusive remedies against our Company in such terminations. The provisions will remain in effect even after the agreement ends.

Indemnity

The PPA provides that our Company takes responsibility for any claims against PLN due to property loss, injury, or death caused by events before the agreement's termination related to the design or construction of the geothermal power plant and facilities. Our Company indemnifies PLN fully, except for claims caused by the PLN's actions or PLN's failure to mitigate such actions.

On the other hand, PLN is responsible for claims against our Company or our contractors due to property loss, injury, or death caused by events before the agreement's termination related to our Company's facilities. PLN fully indemnifies our Company and our contractors, except for claims caused by our Company or our contractors or failure to mitigate.

Waiver of immunity

Our Company agrees that this agreement and related agreements are commercial, not governmental acts. PLN waives any claim to immunity in disputes, including those related to sovereign acts, against: (a) court jurisdiction; (b) disclosure obligations; (c) relief like injunctions or specific performance; and (d) actions against sovereign property, regardless of its use.

Force majeure

The agreement defines force majeure as circumstances beyond a party's control that cannot be prevented despite reasonable efforts and affect their ability to fulfill obligations. It includes natural disasters, acts of war, strikes, governmental actions, and changes in legal requirements. Events such as explosions, earthquakes, acts of war, strikes, governmental actions, and changes in legal requirements are considered force majeure.

When an event of force majeure occurs:

1. Parties are excused from performance obligations, but they must consult to adjust milestone dates fairly.

2. If force majeure affects our grid or PLN's ability to deliver power, the geothermal power plant is deemed dispatched at its capacity, and PLN must continue payments.

3. Appendix 4 of the PPA is used to determine adjustments to the Base Power Price and Transmission Payment Charge.

4. If force majeure significantly delays the project or damages the plant, parties negotiate for up to six months for a solution. We are not obliged to complete the project or repair the plant during this time unless a funding agreement is reached. If no agreement is reached within six months, we may terminate the PPA.

The PPA also provides a provision that certain delays will not be excused by a force majeure event, such as, (a) late payment of money; (b) late delivery of equipment or materials due to negligence by our Company, contractors, or subcontractors, unless the delay is caused by a subcontractor's negligence that a reasonable businessperson would not have anticipated; (c) late performance due to our or our contractors' failure to engage qualified subcontractors or hire enough personnel; (d) delays caused by foreseeable unfavourable weather, unsuitable ground or sea conditions, or similar adverse conditions.

When a force majeure event occurs, either party must promptly inform the other in writing, detailing the event's start date, nature, and expected duration. Within seven days of the event's end, the party claiming force majeure must provide reasonable proof of the delay's nature and impact. Both parties must: (a) try to minimize the delay's effects by seeking alternative resources; and (b) resume normal agreement performance as soon as possible after the event ends, fulfilling their obligations to the extent feasible and agreed upon.

In case a force majeure event affects the buyer's electricity facilities after the initial commercial operation date, resulting in the need for repairs, the following provisions apply:

1. During the period when the force majeure event occurs, any kWh of electricity the seller was ready to deliver but the buyer couldn't accept due to the event will be counted as "PLN FM KWH."

2. After the repair period, any kWh of electricity our Company was ready to deliver but PLN could not accept solely due to the repairs will also be counted as "PLN FM KWH."

3. There are caps on the total number of days for counting "PLN FM KWH" for each contract year, up to the 10th anniversary of the initial commercial operation date, and for the entire term of the agreement.

4. Once the caps are reached for a contract month, year, or the overall term of the agreement, no further "PLN FM KWH" will be counted for that period.

5. The expiration date of the agreement will be extended by the number of days for which "PLN FM KWH" has been counted.

These provisions ensure a fair allocation of responsibility in case of force majeure events affecting the buyer's ability to accept electricity.

Indonesian Participation

Our Company and our contractors must:

1. Give preference to using Indonesian-made construction equipment, materials, and products, as well as Indonesian labor and services, to the extent allowed by financing agreements.

2. Utilize Indonesian insurance companies, brokers, and agents for primary insurance policies related to the project.

3. Engage Indonesian importers, agents, and freight forwarders.

4. Adhere to local content regulations, ensuring that the chosen equipment, materials, personnel, services, and contractors are competitively priced and of comparable quality, reliability, and schedule to alternatives.

Additionally, we must provide PLN with a self-assessment report and a verified local content self-assessment report by an accredited-independent surveyor, covering local content usage from the project's start until its commercial operation date. We bear the cost of appointing the independent surveyor. For each of our units that are between 10 MW and 60 MW, we are obliged to fulfil a local content of goods at 15.7%, local content of services at 74.1% and combined goods and services local content at 33.24%.

Tripartite Converting Agreement

PLN does not have an exemption from Bank Indonesia to pay our Company directly in US dollars under the PPA, and must as such make payments under the PPA in Indonesian Rupiah. As such, to mitigate currency exchange risk for our Company as a result of making payments in foreign currency while receiving revenue in IDR, we, together with PLN and PT Bank Rakyat Indonesia (Persero) Tbk as converting bank ("**Converting Bank**") have entered into the Tripartite Converting Agreement No. SMGP-AGR-1009-19-07 dated July 1, 2019 ("**TCA**") which sets out the procedure for conversion of Indonesian Rupiah in the amount equivalent to the foreign currency amount into US dollars at the conversion rate as agreed in the TCA (each such transaction, a "**Relevant Conversion Transaction**"). The TCA became effective on the date of the TCA and shall expire on the same date as the expiry or termination of the PPA, unless terminated earlier by the parties in pursuant to the terms thereunder.

Payment Obligations and Terms of Payment

Under the TCA, our Company is responsible for the spread cost and bank charges for telegraphic transfers from our Company's Indonesian Rupiah account to our US dollar account, as per the Converting Bank's fee schedule. The Converting Bank waives any costs associated with the negotiation, preparation, execution, and maintenance of our Company's Indonesian Rupiah account. Each party is responsible for their own taxes incurred under this agreement. The Converting Bank is liable for costs related to delays or failures in completing transactions under this agreement, indemnifying PLN for such costs, except when delays are caused by our Company.

Implementation of the TCA

Our Company and PLN have agreed to implement the Relevant Conversion Transaction under the TCA following these terms and conditions:

1. After the execution of the TCA and before the first transaction, our Company and PLN must submit certain documents to the Converting Bank. Our Company must provide a copy of the PPA, the deed of establishment, amendments to the articles of association, their Taxpayer Identification Number (NPWP), details of their US dollar account, and an original standing instruction authorizing the Converting Bank to draw Indonesian Rupiah from our Company's Indonesian Rupiah account. PLN must submit a copy of the letter from Bank Indonesia stipulating the payment obligation in Indonesian Rupiah.

2. Two business days before each transaction date, PLN must provide the Converting Bank (with a copy to our Company) with information regarding PLN's payment obligation to our Company according to the invoice, including the nominal value in US dollars and the proposed transaction date.

3. One business day before each transaction date, our Company must submit a signed statement letter over stamp duty to the Converting Bank, as required by BI Regulation No. 18/2016.

4. The Converting Bank will review the application and required documents and confirm to PLN and our Company if the transaction can be executed.

5. On each transaction date, the Converting Bank will confirm the conversion rate to PLN and our Company via recorded phone call, email, or other agreed media, and our Company must confirm their acceptance of the conversion rate.

6. By 1 p.m. on each transaction date, PLN must ensure that their Rupiah account has sufficient funds to cover the foreign currency amount in US dollars, calculated using the Jakarta Interbank Spot Dollar Rate (JISDOR). PLN will instruct the Converting Bank to debit this amount from their account and transfer it to our Company's Indonesian Rupiah account. Our Company must ensure our Rupiah account has enough funds to cover the spread cost and telegraphic transfer fees. The Converting Bank will then convert the necessary amount into US dollars using the agreed conversion rate and transfer it to our Company's US dollar account.

The Converting Bank has the right to review and reject any application for a Relevant Conversion Transaction if the necessary documents are not submitted on time. If required, the Converting Bank may request all underlying transaction documents.

Termination and Dispute Resolution

This TCA may be terminated immediately before its term expires if legal requirements make its implementation invalid or if all parties mutually agree in writing to terminate it. The parties agree to waive Article 1266 of the Civil Code of Indonesia, so no prior court approval, order, decision, or judgment is needed to terminate the TCA.

In the event of a dispute under the TCA, the parties must first attempt to resolve the issue through mutual discussions within 30 days. If unresolved, they will enter non-binding mediation for another 30 days. If mediation fails, either party can initiate arbitration under the ICC Rules. Each party appoints an arbitrator, who then jointly appoints a third arbitrator as chairman. The arbitration will take place in Singapore, in English, and the parties waive certain Indonesian legal requirements related to arbitration. The panel's award will be final and binding, with no appeals allowed. During arbitration, both parties must continue fulfilling their TCA obligations.

Governing Law and Language

This TCA is governed by the laws of the Republic of Indonesia, excluding its rules of civil procedure and evidence. The agreement is executed in both Bahasa Indonesia and English, and together they form a single document. If there is any conflict between the two versions, the English version will prevail unless Indonesian law requires the Bahasa Indonesia version to take precedence.

Onshore Construction Contract for Unit 4

Our Company, as Employer, and Joint Operation HDEC-ABL which consists of Powerchina Huadong Engineering Corporation Limited and PT Abadi Bersama Link (for the purposes of this section only, the "**Contractor**") have entered into the onshore construction contract ("**Onshore EPC**") No. SMGP-AGR-2042-23-02 dated February 23, 2023 for the construction of Pad A & Pad AA Substation Extension-Unit 4 in the Sorik Marapi geothermal power plant. The Onshore EPC, among other things, governs the services granted by the Contractor to install, construct, inspect, test, commission and remedy of defects of the works and our Company has accepted to engage the Contractor for such services.

Scope and Objective of the Agreement

Under the Onshore EPC, the Contractor is responsible for the execution and completion of installation, construction, inspection and testing, commissioning and remedying of defects for PAD A & PAD AA Substation extension-Unit 4, pursuant to technical specifications and standards as stipulated in the Onshore EPC, including but not limited to supply of material, installation, construction, test, commissioning, remedying of defects and also relevant temporary works. The Conditions of Contract comprise the "General Conditions", which form part of the "Conditions of Contract for Plant and Design-Build" First Edition 1999 published by the Federation Internationale des Ingenieurs Conseil ("**FIDIC**"), and "Particular Conditions" as set out thereunder, which include amendments and additions to such General Conditions. Whenever there is a conflict, the provisions herein shall prevail over those in the General Conditions.

Term of Agreement and Contract Price

The Onshore EPC became effective on the date when the Onshore EPC was duly signed by the legal representatives or authorized representatives of both parties and stamped by the parties until the completion of the work (including the defect notification period).

The Onshore EPC price is US$1,616,567. The contract price is the net payment exclusive of all the taxes and duties (except corporate income tax and withholding tax, which will be borne by the Contractor) levied in Indonesia, which will be borne by our Company.

Limitation of Liability

Neither party shall be liable to the other party for loss of use of any works, loss of profit, loss of any contract or for any indirect or consequential loss or damage which may be suffered by the other party in connection with the Onshore EPC, other than relating to payment on termination and indemnities.

The Onshore EPC provides that the total liability of the Contractor to our Company, under or in connection with the Onshore EPC other than in relation to electricity, water and gas, our Company's equipment and material, indemnities, and intellectual and industrial property rights, shall not exceed the accepted contract amount, at US$1,616,567; however this limit does not apply to limit liability in the case of fraud, deliberate default or reckless misconduct by the defaulting party.

Obligations of the Parties

General Obligations of the Contractor:

The Contractor shall design, execute and complete the works in accordance with the Onshore EPC, and shall remedy any defects in the works. When completed, the works shall be fit for the purposes for which the Works are intended as defined in the Onshore EPC.

The Contractor shall provide the plant and contractor's documents specified in the Onshore EPC, and all Contractor's personnel, goods, consumables and other things and services, whether of a temporary or permanent nature, required in and for this design, execution, completion and remedying of defects.

The works shall include any work which is necessary to satisfy our Company's requirements, Contractor's proposal and schedules, or is implied by the Onshore EPC, and all works which (although not mentioned in the Onshore EPC) are necessary for stability or for the completion, or safe and proper operation, of the works.

The Contractor shall be responsible for the adequacy, stability and safety of all Site operations, of all methods of construction and of all the Works. The Contractor shall, whenever required by the engineer of our Company, submit details of the arrangements and methods which the Contractor proposes to adopt for the execution of the works. No significant alteration to these arrangements and methods shall be made without this having previously been notified to the engineer.

General Obligations of our Company:

Our Company shall pay to the Contractor, in consideration of the design, execution and completion of the works and remedying of defects as related thereunder, the final contract price at the times and the manner as prescribed under the Onshore EPC.

We shall give the Contractor the right of access to, and possession of, all parts of the site within the time (or times) stated in the appendix to tender. The right and possession may not be exclusive to the Contractor. If, under the Contract, we are required to give (to the Contractor) possession of any foundation, structure, plant or means of access, we are obliged to do so in the time and manner stated in our requirements. However, we may withhold any such right or possession until the performance security has been received.

We shall (where we are in a position to do so) provide reasonable assistance to the Contractor at the request of the Contractor:

(1) by obtaining copies of the Laws of the Republic of Indonesia which are relevant to the Onshore EPC but are not readily available, and

(2) for the Contractor's applications for any permits, licences or approvals required by the laws of the country:

    (i) which the Contractor is required to obtain pursuant to the Onshore EPC;

    (ii) for the delivery of goods, including clearance through customs, and

    (iii) for the export of contractor's equipment when it is removed from the site.

Our Company shall be responsible for ensuring that their personnel and our other contractors on the site cooperate with the Contractor's efforts and take actions similar to those which the Contractor is required to take under the Onshore EPC Contract.

Assignment and Amendments

Neither party shall assign the whole or any part of the Onshore EPC or any benefit or interest in or under the Contract. However, either party:

(1) may assign the whole or any part with the prior agreement of the other party, at the sole discretion of such other party, and

(2) may, as security in favour of a bank or financial institution, assign its right to any money due, or to become due, under the Onshore EPC.

Variations may be initiated by our Company at any time prior to issuing the taking-over certificate for the works, either by an instruction or by a request for the Contractor to submit a proposal.

Default and Damages

In the event that the Contractor fails to comply with time for completion, the Contractor shall be subject to our Company's claims and pay delay damages to our Company for the default.

The delay damages shall be 0.1% of the contract amount of the uncompleted works for each day of delay, which shall be paid for every day and will only start to be applicable to the Contractor after a three-month grace period. Such grace period shall elapse between the relevant time for completion and the date stated in the taking-over certificate.

However, the total amount due shall not exceed a maximum amount of 10% of the contract price. Once the total accrued delay damages for which the Contractor is liable to pay is equal to such maximum amount, the delay damages shall not be continue imposed to the Contractor, however Company may terminate the Contract, pursuant to the termination clause under the Onshore EPC Contract.

Variation and Adjustment

Right to Vary

Variations may be initiated by our Company at any time prior to issuing the taking-over certificate for the works, either by an instruction or by a request for the Contractor to submit a proposal.

The Contractor shall execute and be bound by each variation, unless Contractor promptly gives notice to our Company stating that: (i) Contractor cannot readily obtain goods for variation, (ii) it will reduce the safety or suitability of the works, or (iii) it will have an adverse impact on the achievement of performance guarantee. In the event of the above, Company shall cancel, confirm, or vary the instruction.

Value Engineering

The Contractor may, at any time, submit to our Company, a written proposal which (in the Contractor's opinion) will, if adopted, (i) accelerate completion, (ii) reduce the cost to Company of executing, maintaining or operating the works, (iii) improve the efficiency or value to Company of the completed works, or (iv) otherwise be of benefit to Company.

If requested by Company's representative, the Contractor shall submit further or additional information and documents (including the design calculations and comments thereon) which may be required for a full appreciation of the Contractor's proposal and its implications. The proposal shall be prepared at the cost of the Contractor.

Variation Procedure

If Company requests a proposal, prior to instructing a variation, the Contractor shall respond in writing as soon as practicable, either by giving reasons why they cannot comply or by submitting:

a. Description of the proposed design and/or work to be performed and a programme for its execution;

b. The Contractor's proposal for any necessary modifications to the programme and time for completion; and

c. The Contractor's proposal for adjustment to the contract price.

Our Company shall, as soon as practicable after receiving such proposal, respond with approval, disapproval or comments. The Contractor shall not delay any work whilst awaiting a response.

Termination

We shall be entitled to terminate the Onshore EPC if the Contractor:

a. fails to comply with Sub-Clause 4.2 (Performance Security) or with a notice under Sub-Clause 15.1 (Notice to Correct) of the Onshore EPC Contract.

b. abandons the works or otherwise plainly demonstrates the intention not to continue performance of his obligations under the Onshore EPC.

c. without reasonable excuse fails to proceed with the works in accordance with the relevant provisions of the Onshore EPC; or to comply with notices issued under the relevant provisions of the Onshore EPC, within 28 days after receiving it.

d. subcontracts the whole of the works or assigns the Onshore EPC without the required agreement or consent.

e. becomes bankrupt or insolvent, goes into liquidation, has a receiving or administration order made against him, compounds with his creditors, or carries on business under a receiver, trustee or manager for the benefit of his creditors, or if any act is done or event occurs which (under applicable laws) has a similar effect to any of these acts or events, or

f. gives or offers to give (directly or indirectly) to any person any bribe, gift, gratuity, commission or other thing of value, as an inducement or reward:

    1) for doing or forbearing to do any action in relation to the Onshore EPC, or

    2) for showing or forbearing to show favour or disfavour to any person in relation to the Onshore EPC,

or if any of the Contractor's personnel, agents or subcontractors gives or offers to give (directly or indirectly) to any person any such inducement or reward as is described in the relevant provision in the Onshore EPC. However, lawful inducements and rewards to Contractor's personnel shall not entitle termination.

Termination by Contractor

The Contractor shall be entitled to terminate the Onshore EPC if:

a. the Contractor does not receive the reasonable evidence within 42 days after giving notice under the relevant provisions in the Onshore EPC in respect of a failure to comply with the relevant provisions relating to our Company's financial arrangements,

b. our Company's engineer fails, within 56 days after receiving a statement and supporting documents, to issue the relevant payment certificate,

c. the Contractor does not receive the amount due under an interim payment certificate within 42 days after the expiry of the specified time stated within which payment is to be made (except for deductions in accordance our claims),

d. we substantially fail to perform his obligations under the Onshore EPC,

e. we fail to comply with Sub-Clause 1.6 (Contract Agreement) or Sub-Clause 1.7 (Assignment),

f. a prolonged suspension affects the whole of the works as described in the relevant provisions in the Onshore EPC, or

g. we become bankrupt or insolvent, go into liquidation, have a receiving or administration order made against us, compound with our creditors, or carries on business under a receiver, trustee or manager for the benefit of our creditors, or if any act is done or event occurs which (under applicable laws) has a similar effect to any of these acts or events.

In any of these events or circumstances, the Contractor may, upon giving 14 days' notice to our Company, terminate the Contract. However, in the case of subparagraph (f) or (g) above, the Contractor may by notice terminate the Onshore EPC immediately.

Dispute Resolution, Governing Law and Language

The Onshore EPC is governed under the Laws of Singapore and prepared in both English and Bahasa Indonesia. We are in the process of amending the governing law of the Onshore EPC from Singapore law to Indonesian law in order to comply with the prevailing regulations.

For dispute resolution, if the dispute cannot be amicably resolved within 30 days, either Party may refer the dispute to the Singapore International Arbitration Centre ("**SIAC**") for arbitration. The arbitration shall be which will be decided by three arbitrators in accordance with the arbitration rules of the SIAC which is in effect at the time of application. The arbitration shall be conducted in Singapore and in English. The arbitration shall be the final and binding, and the enforcement court shall be the court having jurisdiction. Arbitration fees, lawyer fees and relevant costs shall be borne by the losing party.

The arbitrator(s) shall have full power to open up, review and revise any certificate, determination, Instruction, opinion or valuation of the engineer, and any decision of the dispute adjudication board, relevant to the dispute. Nothing shall disqualify the engineer from being called as a witness and giving evidence before the arbitrator(s) on any matter whatsoever relevant to the dispute.

Neither party shall be limited in the proceedings before the arbitrator(s) to the evidence or arguments previously put before the dispute adjudication board to obtain its decision, or to the reasons for dissatisfaction given in its notice of dissatisfaction. Any decision of the dispute adjudication board shall be admissible in evidence in the arbitration.

Arbitration may be commenced prior to or after completion of the works. The obligations of the parties, the engineer and the dispute adjudication board shall not be altered by reason of any arbitration being conducted during the progress of the works.

Offshore Construction Contract for Unit 4

We, as Employer, and Powerchina Huadong Engineering Corporation Limited (for the purpose of this section only, the "**Contractor**"), have entered into the offshore construction contract ("**Offshore Construction Contract**") No. SMGP-AGR-2042-23-02 dated February 23, 2023 for the design, procurement and supply for Pad A & Pad AA Substation Extension-Unit 4 in Sorik Marapi geothermal power plant. The Offshore Construction Contract among others governs the services granted by the Contractor to provide engineering services, supply of material and equipment pursuant to the technical specification and standard as stipulated in the Offshore Construction Contract and our Company has accepted to engage the Contractor for such services.

Scope and Objective of the Agreement

The Contractor shall be responsible for execution and completion of engineering, supply of material and equipment pursuant to technical specification and standard as stipulated thereunder. The Conditions of Contract comprise the "General Conditions", which form part of the "Conditions of Contract for Plant and Design-Build" First Edition 1999 published by FIDIC, and "Particular Conditions" as set out thereunder, which include amendments and additions to such General Conditions. Whenever there is a conflict, the provisions herein shall prevail over those in the General Conditions.

Term of Agreement and Contract Price

The Offshore Construction Contract became effective on the date when the Offshore Construction Contract was been duly signed by the legal representatives or authorized representatives of both parties and stamped by the parties and is effective until the completion of the work.

The Offshore Construction Contract price is the aggregate of: CNY15,766,946. The contract price is the net payment exclusive all the taxes and duties (except corporate income tax and withholding tax, which will be borne by the Contractor) levied in Indonesia, which will be borne by our Company.

Limitation of Liability

Neither party shall be liable to the other party for loss of use of any works, loss of profit, loss of any contract or for any indirect or consequential loss or damage which may be suffered by the other party in connection with the Offshore Construction Contract, other than relating to payment on termination and indemnities.

The total liability of the Contractor to our Company, under or in connection with the Offshore Construction Contract other than in relation to electricity, water and gas, our Company's equipment and material, indemnities, and intellectual and industrial property rights, shall not exceed the sum stated in the particular conditions or (if a sum is not so stated) the accepted contract amount; however this limit does not apply in the case of any fraud, deliberate default or reckless misconduct by the defaulting party.

Obligations of the Parties

General Obligations of the Contractor

The Contractor shall design, execute and complete the Works in accordance with the Offshore Construction Contract, and shall remedy any defects in the works. When completed, the works shall be fit for the purposes for which the works are intended as defined in the Offshore Construction Contract.

The Contractor shall provide the plant and contractor's documents specified in the Offshore Construction Contract, and all Contractor's Personnel, Goods, consumables and other things and services, whether of a temporary or permanent nature, required in and for this design, execution, completion and remedying of defects.

The works shall include any work which is necessary to satisfy the employer's requirements, contractor's proposal and schedules, or is implied by the Offshore Construction Contract, and all works which (although not mentioned thereunder) are necessary for stability or for the completion, or safe and proper operation, of the works.

The Contractor shall be responsible for the adequacy, stability and safety of all Site operations, of all methods of construction and of all the works. The Contractor shall, whenever required by the engineer of our Company, submit details of the arrangements and methods which the Contractor proposes to adopt for the execution of the Works. No significant alteration to these arrangements and methods shall be made without this having previously been notified to the engineer.

General Obligations of our Company

We are obliged to pay to the Contractor, in consideration of the design, execution and completion of the works and remedying of defects as related thereunder, the final contract price at the times and the manner as prescribed under the Offshore Construction Contract.

We are obliged to give the Contractor the right of access to, and possession of, all parts of the site within the time (or times) stated in the appendix to tender. The right and possession may not be exclusive to the Contractor. If, under the Contract, we are required to give (to the Contractor) possession of any foundation, structure, plant or means of access, we shall do so in the time and manner stated in our requirements. However, we may withhold any such right or possession until the performance security has been received.

We are obliged to (where we are in a position to do so) provide reasonable assistance to the Contractor at the request of the Contractor:

(1) by obtaining copies of the laws of the Republic of Indonesia which are relevant to the Offshore Construction Contract but are not readily available, and

(2) for the Contractor's applications for any permits, licences or approvals required by the laws of the country:

    (i) which the Contractor is required to obtain pursuant to the Offshore Construction Contract;

    (ii) for the delivery of goods, including clearance through customs, and

    (iii) for the export of Contractor's equipment when it is removed from the site.

We are responsible for ensuring that their personnel and our other contractors on the site cooperate with the Contractor's efforts and take actions similar to those which the Contractor is required to take under the Offshore Construction Contract.

Assignment and Amendments

Neither party shall assign the whole or any part of the Contract or any benefit or interest in or under the Offshore Construction Contract. However, either party:

(1) may assign the whole or any part with the prior agreement of the other party, at the sole discretion of such other party, and

(2) may, as security in favour of a bank or financial institution, assign its right to any moneys due, or to become due, under the Offshore Construction Contract.

Variations may be initiated by our Company at any time prior to issuing the taking-over certificate for the works, either by an instruction or by a request for the Contractor to submit a proposal.

Default and Damages

In the event that Contractor fails to comply with time for completion, the Contractor shall be subjected to our Company's claims and pay delay damages to Company for the default.

The delay damages shall be 0.1% of the contract amount of the uncompleted works for each day of delay, which shall be paid for every day and will only start to be applicable to the Contractor after three-month grace period. Such grace period shall elapse between the relevant time for completion and the date stated in the taking-over certificate.

However, the total amount due shall not exceed a maximum amount of 10% of the contract price. Once the total accrued delay damages for which the Contractor is liable to pay is equal to such maximum amount, the delay damages shall not be continue imposed to the Contractor, however

Company may terminate the Offshore Construction Contract, pursuant to the termination clause under the Offshore Construction Contract.

Variation and Adjustment

Right to Vary

Variations may be initiated by our Company at any time prior to issuing the taking-over certificate for the works, either by an instruction or by a request for the Contractor to submit a proposal.

The Contractor shall execute and be bound by each variation, unless the Contractor promptly gives notice to our Company stating that: (i) the Contractor cannot readily obtain goods for variation, (ii) it will reduce the safety or suitability of the works, or (iii) it will have an adverse impact on the achievement of performance guarantee. In the event of the above, our Company shall cancel, confirm, or vary the instruction.

Value Engineering

The Contractor may, at any time, submit to our Company, a written proposal which (in the Contractor's opinion) will, if adopted, (i) accelerate completion, (ii) reduce the cost to our Company of executing, maintaining or operating the works, (iii) improve the efficiency or value to Company of the completed works, or (iv) otherwise be of benefit to Company.

If requested by our Company's representative, the Contractor shall submit further or additional information and documents (including the design calculations and comments thereon) which may be required for a full appreciation of the Contractor's proposal and its implications. The proposal shall be prepared at the cost of the Contractor.

Variation Procedure

If our Company requests a proposal, prior to instructing a variation, the Contractor shall respond in writing as soon as practicable, either by giving reasons why they cannot comply or by submitting:

a. Description of the proposed design and/or work to be performed and a programme for its execution;

b. The Contractor's proposal for any necessary modifications to the programme and time for completion; and

c. The Contractor's proposal for adjustment to the contract price.

We shall, as soon as practicable after receiving such proposal, respond with approval, disapproval or comments. The Contractor shall not delay any work whilst awaiting a response.

Termination

We shall be entitled to terminate the Offshore Construction Contract if the Contractor:

a. fails to comply with certain requirements relating to performance security or with a notice to correct of the Offshore Construction Contract.

b. abandons the works or otherwise plainly demonstrates the intention not to continue performance of his obligations under the Offshore Construction Contract.

c. without reasonable excuse fails to proceed with the works in accordance with the Offshore Construction Contract; or to comply with notices issued under the relevant provisions of the Offshore Construction Contract, within 28 days after receiving it.

d. subcontracts the whole of the works or assigns the Offshore Construction Contract without the required agreement or consent.

e. becomes bankrupt or insolvent, goes into liquidation, has a receiving or administration order made against him, compounds with his creditors, or carries on business under a receiver, trustee or manager for the benefit of his creditors, or if any act is done or event occurs which (under applicable laws) has a similar effect to any of these acts or events, or

f. gives or offers to give (directly or indirectly) to any person any bribe, gift, gratuity, commission or other thing of value, as an inducement or reward:

    1) for doing or forbearing to do any action in relation to the Offshore Construction Contract, or

    2) for showing or forbearing to show favour or disfavour to any person in relation to the Offshore Construction Contract,

or if any of the Contractor's personnel, agents or subcontractors gives or offers to give (directly or indirectly) to any person any such inducement or reward as is described in the relevant provisions of the Offshore Construction Contract. However, lawful inducements and rewards to Contractor's personnel shall not entitle termination.

Termination by Contractor

The Contractor shall be entitled to terminate the Contract if:

a. the Contractor does not receive the reasonable evidence within 42 days after giving notice under the relevant provisions of the Offshore Construction Contract in respect of a failure to comply with the relevant provisions of the Offshore Construction Contract relating to our financial arrangements,

b. our Company's engineer fails, within 56 days after receiving a statement and supporting documents, to issue the relevant payment certificate,

c. the Contractor does not receive the amount due under an interim payment certificate within 42 days after the expiry of the time stated in the Offshore Construction Contract within which payment is to be made (except for deductions in accordance with provisions in the Offshore Construction Contract relating to our claims),

d. we substantially fail to perform his obligations under the Contract,

e. we fail to comply with Sub-Clause 1.6 (Contract Agreement) or Sub-Clause 1.7 (Assignment),

f. a prolonged suspension affects the whole of the works as described in the relevant provisions in the Offshore Construction Contract, or

g. we become bankrupt or insolvent, go into liquidation, have a receiving or administration order made against us, compound with our creditors, or carry on business under a receiver, trustee or manager for the benefit of our creditors, or if any act is done or event occurs which (under applicable laws) has a similar effect to any of these acts or events.

In any of these events or circumstances, the Contractor may, upon giving 14 days' notice to our Company, terminate the Offshore Construction Contract. However, in the case of subparagraph (f) or (g) above, the Contractor may by notice terminate the Offshore Construction Contract immediately.

Dispute Resolution, Governing Law and Language

The Offshore Construction Contract is governed under the laws of Singapore and prepared in both English and Bahasa Indonesia.

For the dispute resolution, if the dispute cannot be amicably resolved within 30 days, either party may refer the dispute to the SIAC for arbitration. The arbitration shall be which will be decided by three arbitrators in accordance with the arbitration rules of SIAC which is in effect at the time of application. The arbitration shall be conducted in Singapore and in English. The arbitration shall be the final and binding, and the enforcement court shall be the court having jurisdiction. Arbitration fees, lawyer fees and relevant costs shall be borne by the losing party.

The arbitrator(s) shall have full power to open up, review and revise any certificate, determination, instruction, opinion or valuation of the engineer, and any decision of the dispute adjudication board, relevant to the dispute. Nothing shall disqualify the engineer from being called as a witness and giving evidence before the arbitrator(s) on any matter whatsoever relevant to the dispute.

Neither party shall be limited in the proceedings before the arbitrator(s) to the evidence or arguments previously put before the dispute adjudication board to obtain its decision, or to the reasons for dissatisfaction given in its notice of dissatisfaction. Any decision of the dispute adjudication board shall be admissible in evidence in the arbitration.

Arbitration may be commenced prior to or after completion of the works. The obligations of the parties, the engineer and the dispute adjudication board shall not be altered by reason of any arbitration being conducted during the progress of the Works.

Independent Contracting Agreement for Unit 5

We, as Employer, and PT Banawa Cipta Jaya (for the purposes of this section only, the "**Contractor**"), have entered into the Independent Contracting Agreement for Unit V – Field Pad V & Pipeline Pad V to Pad T Package-1 No. SMGP-AGR-2018-24-02 (for the purposes of this section only, the "**Contract**") dated March 1, 2024 for the services of the Contractor to conduct Unit V – Field Pad V and Pipeline Pad V to Pad T Package-1 and our Company has accepted to engage the Contractor for such services. In this Contract, the Contractor is obliged to complete all of the required work in accordance with agreed terms (construction drawing, specifications, work schedule, and all other requirements stated in this Contract) within a specified period and certain fixed amounts that are written approved prior work begins, unless there is written request from our Company to make any changes that will impact the schedule and/or cost.

The Contract is effective from February 21, 2024 until March 21, 2024. As of the date of this offering memorandum, the rights and agreements of the parties have been fully performed.

Contract Price and Terms of Payment

The prices in the contract include the cost for all work necessary for the satisfactory completion of the project, even if not explicitly stated. These prices also cover general requirements such as mobilization and demobilization, temporary facilities, project management team costs, health, safety, and environment costs, social costs, engineering, design, as-built drawings, and the final completion dossier. Unit prices exclude VAT and will be applied to any additional work.

All prices are inclusive of fees and charges due to the Government of Indonesia and cover the costs of all required quality assurance/quality control sampling, testing, and topographical surveys. Contractor pricing must conform to the technical specifications and drawings provided, with pricing notes taking precedence in case of discrepancies. The Contractor is responsible for supplying all required materials unless otherwise stated, with specific materials like boulder, gravel, or Class C quarry materials requiring the appropriate "Izin Galian C" permit.

Payment for the main work is based on unit prices and includes a 30% down payment of the main work, monthly progress payments, and a 5% retention for 180 days. Provisional work, which is optional and requires Company approval before execution, is paid based on the actual installed unit price. Payment for each 100% completed work order/inspection test plan is made in full.

Rights and Obligations of the Parties

The Contractor is obligated to complete assignments efficiently and in accordance with best work standards, especially when time constraints are present. They must arrange working hours as specified in the Contract, ensuring completion of the work on time, and pay their personnel for approved overtime according to prevailing regulations. The Contractor will provide services consistent with industry standards and relevant codes of practice. While on Company premises or conducting business on behalf of our Company, the Contractor must comply with all Company policies and procedures.

The Contractor must provide all necessary personnel, tools, equipment, materials, and supplies needed for the complete performance of the work as listed in the Contract, maintaining and replacing equipment at their own cost. They represent that all equipment and materials will conform to industry standards, be fit for purpose, and meet the specifications outlined in the Contract. Our Company is under no obligation to provide work or guarantee a specific volume of work to the Contractor. The Contractor must perform services with due diligence and care, remedy any defective work promptly, and will not be compensated for remedial work that does not meet the Contract's standards.

We reserve the right to inspect the Contractor's work at any time to ensure compliance with the Contract. If the Company finds the work unsatisfactory, the Contractor must take necessary actions to meet the Company's requirements. The Contractor must coordinate their work to minimize the impact on the Company's business activities and schedule work with our Company's approval. Inspections or reviews by our Company do not relieve the Contractor of their responsibilities regarding safety and the protection of personnel and property.

The Contractor must use domestic products and fulfil the Domestic Component Level (TKDN) requirements as regulated. They are responsible for reporting TKDN realization and assisting in monitoring and verification by our Company or an independent survey agency. Any errors or omissions in the TKDN statement resulting in sanctions will be the Contractor's responsibility, and they must indemnify our Company against such consequences.

The Contractor is responsible for obtaining all necessary operational and personnel permits and licenses to perform the work. They must comply with all statutes, regulations, and government decrees in Indonesia. The Contractor must also meet key performance indicators as described in the Contract, with penalties for failing to achieve these performance standards. They must provide a work warranty for six months, ensuring all work, materials, and equipment are free from defects. The Contractor is also responsible for maintaining sufficient insurance coverage for their employees and equipment, and must comply with Indonesian occupational safety and health laws and regulations.

Delay and Consequential Damages

If the Contractor fails to complete the work as specified in the Contract, they are required to pay liquidated damages to our Company. These "Delay Liquidated Damages" are calculated at 0.25% per day of the main works total price, starting from the day after the scheduled completion date and ending on the date specified in the taking over certificate. This calculation applies concurrently for multiple sections if applicable. The parties agree that these damages are a genuine pre-estimate of the losses likely to be suffered due to delays and are not considered a penalty. The total liability for these damages is capped at 15% of the main works total price. Despite the payment or deduction of such damages, the Contractor remains obligated to complete the work and fulfil all other contractual obligations.

Neither party will hold the other liable for any consequential, incidental, indirect, or special damages, including loss of profits, opportunities, or anticipated revenue. Additionally, the Contractor provides a work warranty ensuring all work, materials, and equipment are free from defects for 180 days after full completion, as documented in the minutes of work handover. If any defects due to faulty materials or workmanship are found within this period, the Contractor must replace or repair the defective parts at no cost to our Company within one month. The Contractor is also responsible for addressing any building failures as per the quality standards stipulated in the contract and applicable Company procedures, in accordance with Law No. 2 of 2017 on Construction Services as amended by Government Regulation in Lieu of Law No. 2 of 2022 in conjunction with Law No. 6 of 2023 ("**Construction Services Law**"), for up to ten years following the minutes of work handover.

Force Majeure and Termination

If either party is unable to fulfil its obligations due to a force majeure event, the affected party must notify the other within three days, detailing the circumstances and the affected obligations. The notifying party is excused from performance for as long as the force majeure event or its consequences prevent it, provided they have taken all reasonable steps to mitigate the effects. Force majeure includes exceptional events beyond reasonable control, such as natural disasters, riots, strikes, wars, pandemics (including Covid-19), and government orders.

We can terminate or suspend the Contractor's engagement at any time with two weeks' notice, paying any sums due up to the termination or suspension date but not compensating for any loss or costs incurred due to the termination or suspension. We can also terminate the Agreement with five days' notice if operations are suspended due to force majeure for more than ten days, or if the Contractor fails to comply with material obligations and does not remedy the breach within seven days of notice. In such cases, we are only liable for work performed up to the termination date.

Conversely, the Contractor can terminate the Agreement if we fail to meet material obligations, including payment, and does not remedy the breach within 30 days of notice. The Contractor can also terminate if operations are suspended due to force majeure for more than 30 days. Both parties agree to waive Articles 1266 and 1267 of the Indonesian Civil Code regarding the termination provisions.

Dispute Resolution, Governing Law and Language

In the event of a dispute or difference arising between our Company and the Contractor related to this Contract, either party may give notice of the dispute to the other, indicating it is pursuant to this provision. The parties will then attempt to settle the dispute amicably within 30 days. If the dispute remains unresolved after this period, the parties agree to submit the dispute to the exclusive jurisdiction of the Indonesian National Board of Arbitration (BANI) in Jakarta, following BANI Rules.

This Agreement is governed and construed according to the laws of the Republic of Indonesia, excluding any conflict of rules. The Agreement is written in both Indonesian and English. In case of any inconsistency or differing interpretation between the two versions, the Indonesian version will prevail, and the English text will be automatically amended to match the Indonesian text.

Purchasing Agreement for Refrigerant and Lubricating Oil

We, as Purchaser, and Kaishan Compressor (Hong Kong) Co. Ltd. (for the purposes of this section only, the "**Seller**"), have entered into the purchasing agreement for refrigerant and lubricating oil (for the purposes of this section only, the "**Purchasing Agreement**") No. SMGP-AGR-1050-23-02 dated March 14, 2023 for the sell by the Seller of the refrigerant and lubricating oil as provided thereunder in connection with the geothermal power project and our Company as purchaser has agreed to purchase such goods.

Term of Agreement

The Purchasing Agreement became effective on the date when the Purchasing Agreement was been executed by both parties on the date as referred to in the agreement and is effective until the fulfilment of performance under the Purchasing Agreement including the warranty period.

Contract Price and Terms of Payment

The contract price for the refrigerants and lubricating oil is US$2,430,172.54. In connection with this Purchasing Agreement, we only need to pay such Contract Price without any additional costs.

The contract price is exclusive of VAT. All taxes and duties in Indonesia are for our account. The above price includes packing charges, freight (including transportation cost to our destination port as prior designated, without custom clearance and handling expenses at the site, the transportation mode of the equipment and the spare parts is CIF).

The Purchaser shall pay the contract price as follows:

(i) Payment of 100% from the contract price within 60 days upon refrigerant and lubricating oil received by our Company as well as invoices received and approved by the Purchaser; and

(ii) Every payment shall be made within 45 calendar days upon invoice accepted and agreed by our Company.

Right and Obligation of the Parties and Title Transfer and Risk of Loss

The Seller agrees to sell refrigerant and lubricating oil to our Company, and we have agreed to pay the contract price. Delivery will be CIF Incoterm 2010, 180 days after the agreement is effective. Both parties must maintain customary insurance, with the Seller covering shipping risks and our Company covering property risks during the warranty period.

The Seller must comply with our Company's safety requirements during on-site technical support and training. The Seller must declare the local content percentage of the goods and provide TKDN (local content) reports to our Company upon request. We or an appointed independent surveyor can verify the Seller's TKDN statement. If a decrease in TKDN due to the Seller's fault is found, the Seller will face sanctions, and we are not responsible for any errors in the Seller's TKDN statement. The Seller must indemnify our Company against any consequences from deviations in TKDN due to errors or omissions.

The Seller bears all risk of loss for the equipment and spare parts until they are delivered to the delivery point, after which we assume the risk. If the equipment is damaged during delivery, the Seller must provide information needed for our Company's insurance claims.

Warranty and Warranty Period

The Seller guarantees that the equipment will be designed for generating electric power from geothermal steam, will be free from defects, and will meet the technical specifications. Additionally, any technical support and training services provided will be performed competently. We agree to store, install, operate, and maintain the equipment according to the Seller's manuals and to avoid any repairs or modifications without the Seller's approval.

The warranty period is either eighteen months from the signing of the final equipment acceptance certificate or twelve months after the commissioning is deemed qualified by PLN, whichever comes first. During this period, the Seller is responsible for repairing or replacing any damaged equipment or spare parts and covering shipping costs to the delivery point.

The warranty does not cover normal wear and tear, or damage caused by environmental factors or improper operation. We must maintain proper records of operation and maintenance during the warranty period and provide these records to the Seller upon request.

Taxes

The contract price covers the seller's applicable corporate taxes, which are based on net income or profit and imposed by any country's government on the seller, its employees, or suppliers. We are responsible for custom clearance and handling expenses at the site, as well as all taxes and duties in Indonesia.

Dispute Resolution, Governing Law and Language of the Purchasing Agreement

Any controversy, dispute or difference between the Parties to this Purchasing Agreement, if not amicably settled by the parties within 20 days following notice of dispute, shall be referred to senior management of the parties for resolution. In the event the dispute has not been resolved within 30 days following referral to senior management, or such longer period as the parties may mutually agree, then either party may pursue their remedies at law.

The Purchasing Agreement is governed by and construed according to the laws of the Republic of Indonesia and is made in Indonesian and English. The Parties agree that if, in interpreting this Purchasing Agreement, there are differences between such language versions, the English version shall prevail.

Purchasing Agreement for Screw Expander Power Unit

We, as Purchaser, and Shanghai Kaishan Energy Equipment Co. Ltd. (for the purposes of this section only, the "**Seller**"), have entered into the purchasing agreement for Screw Expander Power Unit (KES4000) and Electrical Container (for the purposes of this section only, the "**Purchasing Agreement**") No. SMGP-AGR-1103-22-11 dated December 30, 2022 for the sale by the Seller of the screw expander unit and electrical container as provided thereunder in connection with the geothermal power project and our Company as the purchaser has agreed to purchase such goods.

Term of Agreement

The Purchasing Agreement became effective on the date when the Purchasing Agreement was executed by both parties on the date as referred to in the agreement and is effective until the fulfilment of performance under the Purchasing Agreement including the warranty period.

Contract Price and Terms of Payment

The contract price for the screw expander power unit and electrical container is US$14,104,800.00. In connection with this Purchasing Agreement, we only need to pay such contract price without any additional costs.

The contract price is exclusive of VAT. All taxes and duties in Indonesia are for our account. The above price includes packing charges, freight (including transportation cost to our destination port as prior designated, without custom clearance and handling expenses at the site, the transportation mode of the equipment and the spare parts is CIF).

We have agreed to pay the contract price as follows:

(i) Payment of 100% from the contract price within 60 days upon the goods being received by our Company as well as invoices received and approved by our Company;

(ii) Every payment shall be made within 45 calendar days upon invoice accepted and agreed by our Company; and

(iii) The Contractor may, at its option, apply a late payment fee on any payments that are more than 30 calendar days past due at a rate 0.5% of the total outstanding amount payable, calculated and payable monthly, or the highest amount allowed by law, if less.

Right and Obligation of the Parties and Title Transfer and Risk of Loss

The Seller agrees to sell screw expander and electrical container to our Company, who will pay the contract price. Delivery will be CIF Incoterm 2010, 180 days after the agreement is effective. Both parties must maintain customary insurance, with the Seller covering shipping risks and our Company covering property risks during the warranty period.

The Seller must comply with our Company's safety requirements during on-site technical support and training. The Seller must declare the local content percentage of the goods and provide TKDN (local content) reports to our Company upon request. We or an appointed independent surveyor can verify the Seller's TKDN statement. If a decrease in TKDN due to the Seller's fault is found, the Seller will face sanctions, and our Company is not responsible for any errors in the Seller's TKDN statement. The Seller must indemnify our Company against any consequences from deviations in TKDN due to errors or omissions.

The Seller bears all risk of loss for the equipment and spare parts until they are delivered to the delivery point, after which our Company assumes the risk. If the equipment is damaged during delivery, the Seller must provide information needed for our Company's insurance claims.

Warranty and Warranty Period

The Seller warrants that the generating unit will be properly designed for generating electric power from geothermal steam and free from material, workmanship, and title defects. The equipment will meet technical specifications, and technical support and training services will be competently provided if requested. We must store, install, operate, and maintain the equipment according to the Seller's manuals and avoid repairs or modifications without the Seller's instructions or approval.

The warranty period is eighteen months from the signing of the final equipment acceptance certificate or twelve months after commissioning is approved by PLN, whichever comes first. During this period, the Seller is responsible for repairing or replacing damaged equipment and spare parts and covering shipping costs to the delivery point.

The Seller does not cover normal wear and tear, or damage caused by the environment or operation. The Purchaser must maintain proper operation and maintenance records during the warranty period and provide copies to the Seller upon request.

Taxes

The contract price covers the Seller's applicable corporate taxes, which are based on net income or profit and imposed by any country's government on the seller, its employees, or suppliers. The Purchaser is responsible for custom clearance and handling expenses at the site, as well as all taxes and duties in Indonesia.

Dispute Resolution, Governing Law and Language of the Purchasing Agreement

Any controversy, dispute or difference between the parties to this Purchasing Agreement, if not amicably settled by the parties within 20 days following notice of dispute, shall be referred to senior management of the parties for resolution. In the event the dispute has not been resolved within 30 days following referral to senior management, or such longer period as the parties may mutually agree, then either party may then pursue their remedies at law.

If a dispute cannot be resolved amicably, the parties agree to arbitration through the BANI in Jakarta, following BANI's regulations. The arbitral awards will be final and binding. Both parties waive any legal right to appeal the arbitrators' award, agreeing that, per Article 60 of Indonesian Arbitration Law (Law No. 30 of 1999), no party will appeal the award to any court, ensuring that the arbitrators' decision is the final authority.

The Purchasing Agreement is governed by and construed according to the laws of the Republic of Indonesia and is made in Indonesian and English. The parties agree that if, in interpreting this Purchasing Agreement, there are differences between such language versions, the English version shall prevail.

Purchasing Agreement for Spare Parts

We, as Purchaser, and Zhejiang Kaishan Energy Equipment Co. Ltd. (for the purpose of this section only, the "**Seller**"), have entered into the purchasing agreement for Spare Parts (for the purpose of this section only, the "**Purchasing Agreement**") No. SMGP-AGR-1103-23-11 dated October 19, 2023 for the sale by Seller of the power station spare parts as provided thereunder in connection with the geothermal power project and our Company as the purchaser has agreed to purchase such goods.

Term of Agreement

The Purchasing Agreement became effective on the date when the Purchasing Agreement was executed by both parties on the date as referred to in the agreement and is effective until the fulfilment of performance under the Purchasing Agreement including the warranty period.

Contract Price and Terms of Payment

The contract price for the spare parts is CNY7,441,574. In connection with this Purchasing Agreement, we only need to pay such contract price without any additional costs.

The contract price is exclusive of VAT. All taxes and duties in Indonesia are for our Company's account. The above price includes packing charges, freight (including transportation cost to the purchaser's destination port as prior designated, without custom clearance and handling expenses at the site, the transportation mode of the equipment and the spare parts is CIF).

We have agreed to pay the contract price as follows:

(i) Payment of 100% from the contract price after we receive the equipment; and

(ii) Every payment shall be made within 30 calendar days upon invoice accepted and agreed by our Company.

Right and Obligation of the Parties and Title Transfer and Risk of Loss

The Seller agrees to sell the screw expander and electrical container to our Company, who will pay the contract price. Delivery will be CIF Incoterm 2010, 180 days after the agreement is effective. Both parties must maintain customary insurance, with the Seller covering shipping risks and our Company covering property risks during the warranty period.

The Seller must comply with our Company's safety requirements during on-site technical support and training. The Seller must declare the local content percentage of the goods and provide TKDN (local content) reports to our Company upon request. We or an appointed independent surveyor can verify the Seller's TKDN statement. If a decrease in TKDN due to the Seller's fault is found, the Seller will face sanctions, and our Company is not responsible for any errors in the Seller's TKDN statement. The Seller must indemnify our Company against any consequences from deviations in TKDN due to errors or omissions.

The Seller bears all risk of loss for the equipment and spare parts until they are delivered to the delivery point, after which our Company assumes the risk. If the equipment is damaged during delivery, the Seller must provide information needed for our Company's insurance claims.

Warranty and Warranty Period

The Seller warrants that the generating unit will be properly designed for generating electric power from geothermal steam and free from material, workmanship, and title defects. The equipment will meet technical specifications, and technical support and training services will be competently provided if requested. We must store, install, operate, and maintain the equipment according to the Seller's manuals and avoid repairs or modifications without the Seller's instructions or approval.

The warranty period is eighteen months from the signing of the final equipment acceptance certificate or twelve months after commissioning is approved by PLN, whichever comes first. During this period, the Seller is responsible for repairing or replacing damaged equipment and spare parts and covering shipping costs to the delivery point.

The Seller does not cover normal wear and tear, or damage caused by the environment or operation. We must maintain proper operation and maintenance records during the warranty period and provide copies to the Seller upon request.

Taxes

The contract price covers the Seller's applicable corporate taxes, which are based on net income or profit and imposed by any country's government on the Seller, its employees, or suppliers. We are responsible for custom clearance and handling expenses at the site, as well as all taxes and duties in Indonesia.

Dispute Resolution, Governing Law and Language of the Purchasing Agreement

Any controversy, dispute or difference between the parties to this Purchasing Agreement, if not amicably settled by the parties within 20 days following notice of dispute, shall be referred to senior management of the parties for resolution. In the event the dispute has not been resolved within 30 days following referral to senior management, or such longer period as the parties may mutually agree, then either party may pursue their remedies at law.

The Purchasing Agreement is governed by and construed according to the laws of Republic of Indonesia and is made in Indonesian and English. The parties agree that if, in interpreting this Purchasing Agreement, there are differences between such language version, the English version shall prevail.

Independent Contracting Agreement for Drill Bits

We, as Employer, and with PT National Oilwell Varco (for the purposes of this section only, the "**Contractor**"), have entered into the independent contracting agreement for drill bits ("**Drill Bits Agreement**") No. SMGP-AGR-2047-23-03 dated May 5, 2023 for the provision of drill bits and services as stipulated in the Drill Bits Agreement. The Drill Bits Agreement among others govern the provision of all personnel, equipment and supplies in support of the provision of drill bits and services as required ("**Work**"). The primary role of the Contractor is to conduct drill bits for two (2) drilling units at the project site. The Contractor shall execute the Work in accordance with our Company's guidelines, instructions and best practices of the geothermal drilling industry.

The Drill Bits Agreement has been amended several times by way of variation lastly with 1st variation No. SMGP-AGR-2024-24-03-VAR1 dated March 18, 2024. The Drill Bits Agreement is effective from March 1, 2023 until August 31, 2024.

Contract Price and Terms of Payment

The initial Contract Price shall be on a unit rate basis with a maximum estimated contract value of IDR30,788,963,752.58 or US$2,019,034, inclusive of VAT.

Through the 8th Variation, the Contract Price that is valid from March 1, 2024 to August 31, 2024 is US$2,089,520, inclusive of VAT.

The Contractor's compensation will be calculated and paid according to the Drill Bits Agreement. The Contractor will invoice the applicable rate and any additional entitled compensation monthly. A mobilization fee is payable upon invoice presentation after we deem mobilization complete. Payments are made within 30 days of the material's arrival at our Company site, with authorization limited to the undisputed amount. Any disputes over payments must be resolved within 30 days. Payments do not prevent our Company from filing claims or recovering amounts related to such claims within six months of the agreement's termination. All prices/rates quoted by the Contractor include all government duties and taxes, except for VAT. Invoices must be submitted within three months of job completion, or three months from dispute resolution if there is a disputed invoice. No additional compensation beyond what is set out in the Drill Bits Agreement is payable unless mutually agreed upon by both parties.

Rights and Obligations of the Parties

The Contractor's primary role is to conduct drill bits for two drilling units at the contract area, as specified in the Drill Bits Agreement. They must follow our Company's guidelines and best practices in geothermal drilling. We assist the Contractor in achieving this role, and the Contractor will report to a representative named in the Drill Bits Agreement. The Contractor guarantees that its employees have the necessary qualifications and experience.

If there are time constraints, the Contractor agrees to complete assignments efficiently and according to best work standards. They will arrange working hours as per the Drill Bits Agreement to meet deadlines and calculate and pay personnel, including approved overtime. The Contractor will adhere to best work standards and comply with our Company's policies while on our Company's premises. They must provide all necessary personnel, tools, equipment, and materials, maintaining them at their own cost.

The Contractor assures that all equipment and materials used will meet industry standards and be fit for purpose. We are not obligated to provide work or guarantee a specific volume of work to the Contractor. The Contractor must perform the services diligently and with care, and any failure to do so is a material breach. Defective work must be promptly remedied at the Contractor's expense, and persistent defects will also constitute a material breach.

We have the right to inspect the work to ensure it meets their satisfaction. If the Contractor fails to meet their obligations, they must take corrective actions as required by our Company. The Contractor must coordinate work to minimize disruption to our Company's activities and schedule it with our Company's approval. Any Company inspection does not relieve the Contractor of their responsibilities regarding safety and protection.

In compliance with Indonesian regulations, the Contractor must use domestic products for electricity infrastructure development and fulfil the Domestic Component Level (TKDN) requirements. The Contractor must report TKDN percentages and allow company monitoring and verification. Errors or omissions in TKDN reporting will result in sanctions, and the Contractor will indemnify our Company against any consequences arising from such errors.

The Contractor must personally supervise all obligations under this Drill Bits Agreement, involving parties listed in the agreement. The Contractor cannot assign or subcontract without written consent from our Company, with unauthorized subcontracting leading to the termination of the agreement. We may request replacement of unsatisfactory personnel, and failure to replace them promptly allows our Company to appoint replacements at the Contractor's expense. The Contractor is also responsible for obtaining operational and personnel permits and licenses necessary for the work, while our Company handles project-related permits. The Contractor must maintain workers' compensation and liability insurance for employees, ensuring coverage for all working at the contract area. They must also maintain sufficient insurance for equipment damage, with policies naming our Company as a co-insured.

Insurance requirements are minimums and do not limit liability, with policies from reputable firms naming our Company as co-insured and containing provisions for waiver of subrogation.

We will handle project permits for operating within the contract area and settle any outstanding invoices incurred by the Contractor. We will also handle the reporting, filing, and payment of all taxes imposed by the Government of Indonesia or any relevant authority, including fines and penalties. We will issue key performance indicator reports per invoice to the Contractor, which must be included with every invoice. Additionally, we will reimburse the Contractor for actual, direct, and non-recoverable expenses incurred due to suspension, including expenses necessary for re-commencing service performance.

Variation and Consequential Damages and Work Warranty

In the event of any change to the Drill Bits Agreement, the parties shall agree and sign a written amendment or variation. Such amendment or variation shall prevail upon the Drill Bits Agreement.

Neither party can hold the other liable for consequential, incidental, indirect, or special damages, including loss of profits. It also details the work warranty provided by the Contractor, where they guarantee that all work, materials, and equipment will be free from defects due to faulty materials or workmanship for three months after completion. The Contractor will replace any defective parts at no cost to our Company, and if the work does not meet quality standards, the Contractor is responsible for repairs at their own expense. According to Construction Services Law, the Contractor is accountable for building failures for up to 10 years after the handover.

Force Majeure and Termination

If a party is unable to fulfil its obligations due to a force majeure event, they must inform the other party within three days, providing details of the event and its impact. The party giving notice will be excused from non-performance as long as they have made reasonable efforts to mitigate the effects. If the affected party fails to notify within three days, they will not be excused from non-performance. Force majeure is defined as an extraordinary event beyond the parties' control that could not have been anticipated before the agreement, including natural disasters, wars, pandemics like Coronavirus, and governmental actions.

We hold the right to terminate or suspend the Contractor's engagement by providing a two weeks prior notice. In the event of termination or suspension, we are only obligated to pay the Contractor for the sums accrued prior to the date of termination. Furthermore, we are not liable to compensate the Contractor for any loss of profit, damages, or costs resulting from the termination or suspension.

Additionally, we can terminate the Agreement immediately if specific events occur, such as prolonged suspension due to force majeure or the Contractor's failure to meet material obligations after receiving a notice. In such cases, we are only required to pay the Contractor for the work performed up to the termination date.

On the other hand, the Contractor can terminate the Drill Bits Agreement without additional charges if we fail to fulfil material obligations, including payment obligations, or if there is a prolonged suspension due to force majeure. The Contractor must provide a notice to remedy the breach, giving our Company a thirty-day period to address the issue.

In terms of legal aspects, the parties agree to waive Articles 1266 and 1267 of the Indonesian Civil Code related to the termination of the Agreement based on the provisions outlined within.

Dispute Resolution, Governing Law and Language

In the event of a dispute between our Company and the Contractor regarding the agreement, both parties must attempt to settle the dispute amicably within thirty days of giving notice to each other. If the dispute remains unresolved after this period, the parties agree to submit to the exclusive jurisdiction of arbitration at the BANI in Jakarta according to BANI Rules. The Drill Bits Agreement is governed by the laws of the Republic of Indonesia, and in case of any discrepancies between the Indonesian and English versions, the Indonesian text prevails.

Master Services Agreement with Geologica Geothermal Group, Inc.

We have entered into Master Services Agreement RFS No. 19 dated October 3, 2023 as amended by Master Services Agreement RFS No. 19-Amend 1 dated March 11, 2024 between Company and Geologica Geothermal Group, Inc. ("**Geologica**") ("**Master Services Agreement**"). The Master Services Agreement is intended to update the conceptual model and the numerical model of the Sorik Marapi Geothermal Reservoir.

Contract Price and Terms of Payment

Geologica will be compensated on a lump sum basis at a total of US$60,700.

Syndicated Loan Agreement

We have entered into a syndicated loan facility agreement with Export Import Bank of China, Zheijang Branch ("**Leading Bank**" or "**Agency Bank**"), Bank of China Limited, Quzhou Branch ("**Participating Bank A**"), and Bank of China Limited, Jakarta Branch ("**Participating Bank B**" or "**Offshore Agency Bank**") (Leading Bank, Participating Bank A and Participating Bank B are collectively referred to as "**Lenders**") based on Syndicated Loan Agreement (Applicable for Offshore Borrower) No. (2017) Jin Chu Zhong Yin (Zhexinhe) No. 3-015 dated July 3, 2017 (the "**Syndicated Loan Agreement**", and the facility, the "**Syndicated Loan Facility**", which is presented as Loans Payable to Third Parties in the Financial Statements) as amended by a supplemental agreement on change of contract party No. (2018) Jin Chu Zhong Yin (Zhexinbu) No. 3-003 dated March 21, 2018 and a Supplementary Agreement with Regard to Replacement of the Interest Rate Benchmark (For USD LIBOR Loans) No. (2023) Jin Chu Zhong Yin (Zhexinbu) No. 3-004 dated June 28, 2023.

Type of Financing and Loan Amount

The Lenders provide a CNY and USD term loan at a total of CNY960,000,000 ("**CNY Loan Facility**") and US$100,000,000 ("**USD Loan Facility**") with the following commitments by the Lenders: (1) Leading Bank at a total of CNY670,000,000 and US$70,000,000; (2) Participating Bank A at a total of CNY232,000,000 and US$24,000,000; and (3) Participating Bank B at a total of CNY58,000,000 and US$6,000,000 (collectively "**Loan**").

Scope and Objective of the Loan

The Lenders provide a loan facility to our Company for the implementation of Indonesia SMGP 240 MW Geothermal Power Generation Project Phase I ("**Project**"). The Loan under this Syndicated Loan Agreement should be used exclusively for the implementation of the project which has been approved by government authorities, including fixed assets investment. Without the prior written consent of the Lenders, our Company shall not change the purpose of the loan under this Syndicated Loan Agreement. We shall use the CNY loan facility for purchasing of the equipment manufactured in China in priority.

Terms of Interest

The interest rate for the CNY loan facility shall be provided by the Leading Bank under this contract shall be determined whether the People's Bank of China approves the Leading Bank's pledged supplemental lending ("**PSL**") funds application or extension application or not.

The Leading Bank will apply for the PSL funds with the People's Bank of China for loans using PSL funds under this Syndicated Loan Agreement. If the application is approved, the Leading Bank shall determine the interest rate within the upper limit of PSL interest rate as stipulated by the People's Bank of China on the month when the Leading Bank applies for PSL fund, according to PSL fund interest rate applied to the Leading Bank by the People's Bank of China in the applying month plus 125 Basic Point ("**BP**").

The above interest rate shall be the floating rate and determined once every year. The floating date shall commence from the first disbursement date of the Leading Bank. The floating date of sub pens loan shall commence from each disbursement date of the sub pens loan. The interest rate shall always float on the same day in each floating period accordingly. The floating interest rate shall not be changed within each floating period once determined.

After the expiration of the floating period, the Leading Bank shall apply to the People's Bank of China for the extension of the relevant PSL funds of the Loan. If the application is approved, the interest rate for the next floating period of the relevant loan facility shall be determined according to PSL fund interest rate applied to the Leading Bank by the People's Bank of China in the extension applying month plus 125 BP.

If the extension of the relevant PSL funds of the Loan fails to be approved by the People's Bank of China, the Leading Bank shall continue to provide the Loan to our Company by using its own funds within the Loan Period according to the contract. If the application for PSL fund fails to be approved, the Leading Bank shall continue to provide the Loan to our Company by using its own funds within the Loan Period according to the contract. Under such cases, the Loan facility granted by the Leading Bank shall be applied to the interest rate of 2.65% based the fixed interest rate of the loan for the set and the high-tech products.

Term of Agreement

This Syndicated Loan Agreement is valid for 118 months from July 3, 2017 until the last repayment date (April 18, 2027). The period during which our Company may have the right to apply for a drawdown of the Loan hereunder shall be (1) from the date when the Lenders confirms with our Company in writing that all the conditions precedent, conditions for loan utilization and conditions for second and subsequent disbursements set forth under this Syndicated Loan Agreement have been satisfied or waived by the Lenders in writing within 24 (twenty four) months or (2) after the effective date of this Syndicated Loan Agreement (inclusive) until April 30, 2019 ("**Drawdown Period**"), whichever ends earlier. The undisbursed portion of the Loan will be automatically cancelled upon the expiration of the Drawdown Period.

Funding Support and Subordination Arrangement

There are no funding support and subordination arrangement with regards to this Syndicated Loan Agreement.

Negative Covenants

We must obtain the Lenders' prior written consent for several significant actions. These include any decrease in registered capital, changes in material equity and assets, or adjustments in operations, such as entering a joint venture, undergoing liquidation, suspending operations, division, merger, acquisition, restructuring, or significant investment or disposal of shares, equities, or assets. Additionally, we must seek approval before making any amendments to our articles of association or arranging any guarantee, mortgage, pledge, or other encumbrances on the Project. This also applies to any substantial increase in debt financing or disposal of the Project's assets. Moreover, we need Lenders' consent for arranging guarantees, mortgages, pledges, or other encumbrances that might affect loan repayment, or for actions such as mergers, spin-offs, equity transfers, significant investments, and restructuring to become a shareholding company. If any of these actions are necessitated by changes in applicable law or national policy, we must obtain prior written approval from the Lenders and make satisfactory arrangements as required.

We are also required to notify the Lenders promptly of any significant matters affecting our Company. Additionally, if there are changes in our Company's business registration, our Company must notify the Lenders within ten business days of the changes and provide all relevant documentation. These conditions ensure that the Lenders maintain oversight and control over significant changes that could impact our Company's ability to fulfil our obligations under the loan agreement.

Financial Covenants and Project Covenants

We are required to maintain an asset-liability ratio of not more than 80%. We do not have any project covenants under this Syndicated Loan Agreement.

Change of Circumstances

If, as a result of (i) any change in any applicable law or regulation (including any change arising from the introduction of any new law or regulation), or in its interpretation or administration and/or (ii) compliance by the Lenders with any request from or requirement of any central bank or fiscal, monetary or other authority, which change or compliance occurs after the effective date of this Syndicated Loan Agreement, it is or will become unlawful or violate the regulatory rules for the Lenders to give effect to any of its obligations as contemplated by this Syndicated Loan Agreement (including but not limited to arranging, disbursing or maintaining any Loan), then the Lenders shall promptly notify our Company upon becoming aware of such event and explain the reason and the basis for such illegality. Upon receipt of the notification by our Company, the undrawn amount of the Loan facility shall forthwith be automatically cancelled. We shall forthwith prepay all outstanding Loans together with all unpaid accrued interest thereon and any other sum then due and payable to the Lenders under this Syndicated Loan Agreement within 30 business days of receipt of the notification. The cancellation or prepayment under this clause shall not incur any penalty or fees from the Lenders or our Company.

If, as a result of (i) any change in any applicable law or regulation (including any change arising from the introduction of any new law or regulation), or in its interpretation or administration and/or (ii) compliance by the Lenders with any request from or requirement of any central bank or fiscal, monetary or other authority, which change or compliance occurs after the effective date of this Syndicated Loan Agreement, the Lenders could not disburse any Loan as scheduled in this Syndicated Loan Agreement or must adjust the repayment schedule hereof, then we agree that the Lenders may, at their sole discretion, determine the disbursement of any Loan and the amount to be disbursed, or directly adjust the repayment schedule in accordance with relevant rules. The Lender shall promptly notify our Company upon becoming aware of such event in writing with relevant information, which will facilitate our Company to acquire financing from other sources as soon as possible or prepare for repayment in accordance with the adjusted repayment schedule. We undertake that we will not object to the cancellation of the disbursement of all or part of any Loan or the adjustment of the repayment schedule made by the Lenders in accordance with this Syndicated Loan Agreement, including but not limited to requesting the Lenders for any compensation or indemnity or initiating any action against the Lenders for default in any legal proceedings.

If, as a result of (i) any change in any applicable law or regulation (including any change arising from the introduction of any new law or regulation), or in its interpretation or administration and/or (ii) compliance by the Lenders with any request from or requirement of any central bank or fiscal, monetary or other authority, which change or compliance occurs after the effective date of this Syndicated Loan Agreement, (a) the cost to the Lenders of entering into or performing its obligations (including but not limited to arranging, disbursing or maintaining any Loan) under this Syndicated Loan Agreement is or will be increased and/or any additional cost is or will incur, or (b) any sum due and payable to the Lenders under this Syndicated Loan Agreement is or will be reduced, then the Lenders shall as soon as possible after it becomes aware of any such change

or the requirement of any such compliance, notify our Company of such change or such requirement with details reasonably sufficient to establish the basis on which any such increased cost was calculated. We shall from time to time on demand by the Lenders pay the Lenders such increased cost within 10 (ten) business days of receipt of the notification. We and the Lenders shall (i) further discuss whether any alternative arrangement may be made to avoid such increased cost, including but not limited to increasing the interest rate, adjusting the withdrawal schedule and adjusting the repayment schedule, and (ii) execute any supplemental agreement hereto on this matter. So long as the circumstances giving rise to such increased cost continue, we may, after giving the Lenders not less than 30 (thirty) business days prior written notice, prepay the whole (but not only part) of the Loan in accordance with the provisions of repayment of this Syndicated Loan Agreement, and upon the giving of such notice, the part of the facility which is not drawn shall be cancelled.

Securities

The Loan under this Syndicated Loan Agreement is secured by (1) a joint liability guarantee with full responsibility provided by Zhejiang Kaishan Compressor Co., Ltd. (now known as Kaishan Group Co., Ltd.), and a Guarantee Syndicated Loan Agreement for the Syndicated Loan dated July 3, 2017 is separately executed with its contract number of 2017 Jin Chu Zhong Yin (zhexinbao) No. 3-005 and (2) share pledges by Kaishan Holding Group Co., Ltd. through a series of share pledge contracts, including: (i) a syndicated loan stock pledge agreement dated July 3, 2017 with its contract number of 2017 Jin Chu Zhong Yin (zhexinzhi) No. 3-007, and (ii) a syndicated loan stock pledge agreement dated January 9, 2019 with its contract number of 2019 Jin Chu Zhong Yin (zhexinzhi) No. 3-001, as amended by a supplemental agreement dated January 9, 2019 with its contract number of 2019 Jin Chu Zhong Yin (zhexinbu) No. 3-001.

Event of Default

An event of default under this contract occurs when we fail to meet specific obligations or conditions. These include not paying the principal, interest, or other sums when due; misusing the loan; not following the specified payment methods; providing incorrect or misleading representations; breaching undertakings or warranties; failing to obtain necessary licenses or approvals for the project; and not contributing capital punctually. Additionally, significant delays in project construction, unremedied force majeure or material incidents within 30 days, cost overruns without sufficient funding, illegal construction or operation, failure to complete construction on time, and defaulting on payments to other financial institutions also constitute defaults.

Other defaults include evading liabilities, the Chinese sponsor holding less than 51% equity, insufficient insurance proceeds after a casualty event, termination of insurance due to unpaid premiums, and a deteriorating financial status. Collateral depreciation or loss, unsatisfactory repayment arrangements during mergers or changes, inability to pay debts, bankruptcy, and insolvency are also considered defaults. We must promptly inform lenders of significant amendments to project documents, business activities, accounting principles, or changes in financial status. Defaulting under security or commercial contracts, events affecting lender rights, and revocation or non-renewal of necessary licenses or approvals also qualify as defaults.

Environmental or social risk mismanagement leading to government punishment or public criticism, profit distribution without addressing contractual payables, and breaching any other contract provisions also constitute defaults. When our Company or any Lender is aware of any event of default or reasonably believes that any fact or circumstances may compose an event of default, they must notify the Agency Bank promptly. Upon receiving such notice, the Agency Bank will notify each Lender. If the default is not reported by our Company, the Agency Bank will notify our Company to allow for confirmation, explanation, or remedial action.

Upon the occurrence of an event of default, the Agency Bank, acting on the decision of the majority or all the Lenders, has several options to address the situation. They can request our Company to remedy the default within a specified time limit. If we fail to comply, the Agency Bank may cancel any unutilized portion of the Loan facility. Additionally, the Agency Bank has the authority to declare all outstanding loans immediately due, requiring our Company to repay the principal, interest, and other payable sums without delay. They may also demand that our Company provide additional guarantees or replace existing collateral.

To recover the amounts due, the Agency Bank can directly deduct the required sums from any of our Company's accounts, whether maintained with the Lenders, the Agency Bank, or any other banks, both domestic and overseas. The Agency Bank can exercise or realize any rights under any security related to the Loan and retains the right to exercise any other rights conferred upon the Lenders by applicable laws, regulations, and the Syndicated Loan Agreement. These measures ensure that the Lenders are protected, and that our Company is held accountable for fulfilling their obligations under the loan agreement. If the Agency Bank fails to act according to the Lenders' decision, the relevant Lenders may take action independently to protect their rights and interests. The Lenders are prohibited from exercising their rights in a manner that conflicts with the Syndicated Loan Agreement and from individually accepting any form of debt settlement or security interest from our Company outside the agreed terms.

Dispute Resolution, Governing Law, and Language

In the event of a dispute between our Company and the Lenders regarding the Syndicated Loan Agreement, the parties undertake to use their best reasonable efforts to resolve it through consultation in good faith and mutual understanding. However, if an agreement is not reached upon negotiation, the parties agree to submit to the China International Economic and Trade Arbitration Commission, under its arbitration rules then in force. This Syndicated Loan Agreement is governed by the laws of People's Republic of China.

This Syndicated Loan Agreement is executed in Chinese, English, and Bahasa Indonesia. If there is any inconsistency or difference in interpretation between these versions, the Chinese language version shall prevail. The Bahasa Indonesia version is dated on the date of its execution and shall be deemed effective from the date of execution of the Chinese language version. All three language versions – the Chinese, English, and Indonesian – are equally authentic.

DESCRIPTION OF MATERIAL INDEBTEDNESS

As of December 31, 2021, 2022 and 2023, and March 31, 2024 we had total indebtedness (total outstanding loans payable to third parties and related parties) of US$393.2 million, US$434.0 million, US$463.2 million, and US$463.2 million, respectively. We intend to use a portion of the proceeds from the Notes to repay in part the Related Party Loans (as defined below), among other uses. See "*Use of Proceeds*".

The following is a summary of the material terms of certain financing arrangements to which we are a party. The following summaries are not complete and are subject to the full text of the documents described below.

The table below sets forth the outstanding gross amount (excluding unamortized borrowing costs) of our financing facilities as of the dates provided.

	As of December 31,			As of March 31,
	2021	2022	2023	2024
		(in millions)		
SENIOR DEBT				
Senior Debt Facilities				
Syndicated Loan Facility[(1)]	US$179.0	US$139.0	US$106.8	US$106.1
Total Senior Debt Facilities	US$179.0	US$139.0	US$106.8	US$106.1
SUBORDINATED DEBT				
Related Party Loans				
KHK USD20 Million Loan	US$6.7	US$7.2	US$3.0	US$3.0
KHK CNY62.4 Million Loan	CNY62.9	CNY62.9	CNY65.3	CNY66.0
Total Debt to KHK in US$	*US$6.7*	*US$7.2*	*US$3.0*	*US$3.0*
Total Debt to KHK in CNY	*CNY62.9*	*CNY62.9*	*CNY65.3*	*CNY66.0*
KRED USD6.5 Million Loan	US$6.8	US$6.8	US$7.1	US$5.1
Total Debt to KRED in US$	*US$6.8*	*US$6.8*	*US$7.1*	*US$5.1*
KSO USD0.4 Million and CNY79.5 Million Loan	US$0.4 CNY83.2	US$0.1 CNY86.3	US$0.1 CNY89.2	US$0.1 CNY89.9
KSO CNY71.5 Million and USD16.8 Million Loan	US$17.2 CNY73.2	US$16.9 CNY76.0	US$18.0 CNY78.6	US$18.2 CNY79.3
KSO CNY80 Million	–	CNY78.3	CNY81.2	CNY81.9
KSO CNY65.2 Million and USD10 Million Loan	– –	US$8.6 CNY59.1	US$10.4 CNY67.8	US$10.6 CNY68.4
KSO USD16 Million Loan	US$16.2	US$16.7	US$17.5	US$17.6
KSO USD20 Million Loan 2021	US$10.8	US$20.5	US$21.5	US$21.7

	As of December 31,			As of March 31,
	2021	2022	2023	2024
		(in millions)		
KSO USD20 Million Loan 2022	–	US$18.9	US$21.3	US$21.5
KSO USD20 Million Loan 2023	–	US$5.0	US$19.5	US$19.7
KSO CNY70 Million and USD10 Million Loan	– –	– –	– CNY70.2	– CNY70.8
KSO USD17 Million and CNY160 Million Loan	– –	– –	– CNY62.9	– CNY63.5
KSO USD17.6 Million Loan	–	–	US$17.7	US$17.9
Total Debt to KSO in US$	*US$44.6*	*US$86.7*	*US$126.0*	*US$127.3*
Total Debt to KSO in CNY	*CNY156.4*	*CNY299.7*	*CNY449.9*	*CNY453.8*
ZKC USD25 Million Loan	US$27.5	US$28.4	US$29.5	US$29.8
ZKC USD15 Million Loan 2019	US$16.5	US$17.1	US$17.7	US$17.9
ZKC USD15 Million Loan January 2020	US$15.3	US$15.8	US$16.4	US$16.6
ZKC USD20 Million Loan April 2020	US$21.3	US$22.0	US$23.0	US$23.2
ZKC USD10 Million Loan	US$9.6	US$9.9	US$10.3	US$10.5
ZKC USD20 Million Loan September 2020	US$20.1	US$20.8	US$21.6	US$21.9
ZKC USD20 Million Loan October 2020	US$10.4	US$10.7	US$11.2	US$11.3
Total Debt to ZKC in US$	*US$120.7*	*US$124.7*	*US$129.7*	*US$131.2*
ZKEE USD5 Million Loan 2021	US$1.2	US$1.2	US$1.3	US$1.3
ZKEE USD5 Million Loan 2022	–	US$1.0	US$1.1	US$1.1
ZKEE USD20 Million Loan	–	US$15.3	US$16.0	US$16.2
Total Debt to ZKEE in US$	*US$1.2*	*US$17.5*	*US$18.4*	*US$18.6*
Total Subordinated Debt (USD equivalent)	**US$214.3**	**US$295.0**	**US$356.4**	**US$357.1**
Total Debt (USD equivalent)	**US$393.3**	**US$434.0**	**US$463.2**	**US$463.2**

Note:

(1) Presented as Loans Payable to Third Parties in the Financial Statements.

Syndicated Loan Facility

As of December 31, 2023 and as of March 31, 2024, we had US$45.6 million and CNY437.3 million of senior debt outstanding to the Leading Bank and Participating Banks (as defined below) under the Syndicated Loan Facility (as defined below). The Syndicated Loan Facility was undertaken pursuant to a syndicated loan agreement dated July 3, 2017 (the "**Syndicated Loan Agreement**", and the facility, the "**Syndicated Loan Facility**", which is presented as Loans Payable to Third Parties in the Financial Statements) by and among us, Export Import Bank of China, Zhejiang Branch (as the "**Leading Bank**"), Bank of China Limited, Quzhou Branch (as "**Participating Bank A**", and together with Participating Bank B (as defined below), the "**Participating Banks**"), and Bank of China Limited, Jakarta Branch (as "**Participating Bank B**" and "**Offshore Agency Bank**").

The Syndicated Loan Facility established the terms applicable to the Leading Bank and Participating Banks such as funding, payments and prepayments, conditions precedent, representations and warranties, affirmative and negative covenants, and events of default.

The interest rate under the Syndicated Loan Facility is calculated as follows:

Loan Facility	Base Rate	Margin
CNY Facility by Leading Bank Using Pledged Supplemental Lending ("**PSL**") Funds	Loan Prime Rate (LPR)	The relevant interest rate in the applicable month plus 125 basis points.
CNY Facility by Leading Bank Not Using PSL Funds	Pre-determined interest rate	Plus 2.65% per annum
CNY Facility by Participating Banks	Loan Prime Rate (LPR)	Downwards 5% per annum
USD Facility by Leading Bank and Participating Banks (Prior to June 30, 2023)	London Interbank Offered Rate (LIBOR)	The sum of 6 months of LIBOR plus 270 basis points, determined on a 6 month basis.
USD Facility by Leading Bank and Participating Banks (On and after June 30, 2023)	Secured Overnight Financing Rate (SOFR)	The sum of the prevailing SOFR on each interest accrual date in the interest period (i.e. each calendar date during the tenor of the Loans), plus 270 basis points.

Our obligations under the Syndicated Loan Facility are not secured by any of our assets. Such obligations are, however, secured/guaranteed by (1) a joint liability guarantee with full responsibility provided by Zhejiang Kaishan Compressor Co., Ltd. (now known as Kaishan Group Co., Ltd.), pursuant to a guarantee contract for the syndicated loan (contract number 2017 Jin Chu Zhong Yin (zhexinbao) No. 3-005) and (2) share pledges by Kaishan Holding Group Co., Ltd. through a series of share pledge contracts, including: (i) a syndicated loan stock pledge agreement dated July 3, 2017 with its contract number of 2017 Jin Chu Zhong Yin (zhexinzhi) No. 3-007 whereby Kaishan Holding Group Co., Ltd., as Pledgor, pledged its 160 million shares in Kaishan Group Co., Ltd. in favor of the lenders to secure the payment of debts owned by us under Syndicated Loan Agreement, and (ii) a syndicated loan stock pledge agreement dated January 9, 2019 with its contract number of 2019 Jin Chu Zhong Yin (zhexinzhi) No. 3-001, as amended by a supplemental agreement dated January 9, 2019 with its contract number of 2019 Jin Chu Zhong Yin (zhexinbu) No. 3-001 whereby Kaishan Holding Group Co., Ltd., as Pledgor, additionally pledged its 65 million shares in Kaishan Group Co., Ltd. in favor of the lenders to secure the payment of debts owned by us under Syndicated Loan Agreement. The Syndicated Loan Agreement contain restrictions, which, among other items, require us to comply with various administrative requirements.

Interest is due on a quarterly basis, on each 21st day of March, June, September, and December. Scheduled principal payment dates are on a semi-annual basis. Repayment of the loan principal is due over a period of eight years commencing from 2019. We incurred interest (excluding the amortization of effective interest and deferred financing cost) on the Syndicated Loan Facility of US$7.6 million, US$6.9 million, US$7.5 million, US$1.9 million and US$1.7 million in the years ended December 31, 2021, 2022 and 2023 and for the three-month periods ended March 31, 2023 and 2024, respectively.

Related Party Loans

As of December 31, 2023, we had US$284.2 million and CNY515.3 million of subordinated loans (the "**Related Party Loans**") outstanding to Kaishan Compressor (Hongkong) Co. Limited ("**KHK**"), Kaishan Renewable Energy Development Pte. Ltd. ("**KRED**"), KS Orka Renewables Pte. Ltd. ("**KS Orka**" or "**KSO**"), Zhejiang Kaishan Compressor Co. Ltd. (now known as Kaishan Group Co., Ltd.) ("**ZKC**") and Zhejiang Kaishan Energy Equipment ("**ZKEE**"). As of March 31, 2024, we had US$285.1 million and CNY519.7 million of Related Party Loans outstanding to KHK, KRED, KSO, ZKC and ZKEE. The Related Party Loans were undertaken pursuant to loan facility agreements entered into between July 1, 2019 and November 8, 2023 by and among us and each of KHK, KRED, KSO, ZKC, and ZKEE, respectively.

The Related Party Loans bear interest on the outstanding principal amount at various rates as follows:

Loan Facility	Base Rate	Interest Rate
KHK USD20 Million Loan	Pre-determined interest rate	4.5% per annum
KHK CNY62.4 Million Loan	Loan Prime Rate (LPR)	3.85% per annum
KRED USD6.5 Million Loan	Pre-determined interest rate	4.5% per annum
KSO USD0.4 Million and CNY79.5 Million Loan	Loan Prime Rate (LPR) (CNY Loan)	3.85% per annum, and 3.65% per annum starting from January 1, 2023
	Pre-determined interest rate (USD Loan)	4.5% per annum
KSO CNY71.5 Million and USD16.8 Million Loan	Loan Prime Rate (LPR) (CNY Loan)	3.85% per annum, and 3.65% per annum starting from January 1, 2023
	Pre-determined interest rate (USD Loan)	4.5% per annum
KSO CNY80 Million	Loan Prime Rate (LPR)	3.85% per annum, and 3.65% per annum starting from January 1, 2023
KSO CNY65.2 Million and USD10 Million Loan	Loan Prime Rate (LPR) (CNY Loan)	3.85% per annum, and 3.65% per annum starting from January 1, 2023
	Pre-determined interest rate (USD Loan)	4.5% per annum
KSO USD16 Million Loan	Pre-determined interest rate	4.5% per annum
KSO USD20 Million Loan 2021	Pre-determined interest rate	4.5% per annum
KSO USD20 Million Loan 2022	Pre-determined interest rate	4.5% per annum
KSO USD20 Million Loan 2023	Pre-determined interest rate	4.5% per annum

Loan Facility	Base Rate	Interest Rate
KSO CNY70 Million and USD10 Million Loan	Loan Prime Rate (LPR) (CNY Loan)	3.85% per annum, and 3.65% per annum starting from January 1, 2023
	Pre-determined interest rate (USD Loan)	4.5% per annum
KSO USD17 Million and CNY150 Million Loan	Loan Prime Rate (LPR) (CNY Loan)	3.85% per annum, and 3.65% per annum starting from January 1, 2023
	Pre-determined interest rate (USD Loan)	4.5% per annum
KSO USD17.6 Million Loan	Pre-determined interest rate	4.5% per annum
ZKC USD25 Million Loan	Pre-determined interest rate	4.5% per annum
ZKC USD15 Million Loan 2012	Pre-determined interest rate	4.5% per annum
ZKC USD15 Million Loan January 2020	Pre-determined interest rate	4.5% per annum
ZKC USD20 Million Loan April 2020	Pre-determined interest rate	4.5% per annum
ZKC USD10 Million Loan	Pre-determined interest rate	4.5% per annum
ZKC USD20 Million Loan September 2020	Pre-determined interest rate	4.5% per annum
ZKC USD20 Million Loan October 2020	Pre-determined interest rate	4.5% per annum
ZKEE USD5 Million Loan 2021	Pre-determined interest rate	4.5% per annum
ZKEE USD5 Million Loan 2022	Pre-determined interest rate	4.5% per annum
ZKEE USD20 Million Loan	Pre-determined interest rate	4.5% per annum

The outstanding principal amount of the loans may be repaid at any time at our option. We incurred interest (excluding the amortization of effective interest and deferred financing cost) on the Related Party Loans of US$6.5 million, US$7.9 million, US$12.8 million, US$3.0 million and US$3.5 million in the years ended December 31, 2021, 2022 and 2023, and the three-month periods ended March 31, 2023 and 2024, respectively.

In accordance with Indonesian law, we have both a Board of Commissioners and a Board of Directors. The two boards are separate and no individual may serve as a member on both boards.

The rights and obligations of each member of our Board of Commissioners and Board of Directors are regulated by our articles of association (the "**Articles of Association**"), and by our shareholders in a general meeting. Under the Articles of Association, our Board of Directors shall consist of at least one director. In the event of the appointment of more than one director, one of whom shall be appointed as the President Director. The President Director shall be authorized to represent the Board of Directors and to represent our Company. In the event the President Director is absent or unavailable for any reason whatsoever, another director appointed in writing by the President Director shall have the right and authority to act for and on behalf of the Board of Directors and to represent our Company.

Our commissioners and directors are elected for three-year terms, without prejudice to the rights of the general meeting of shareholders to dismiss a commissioner or director during his or her term of office or to reappoint a commissioner or director whose term of appointment has expired. Our officers serve at the discretion of our Board of Directors.

Our shareholders and Board of Commissioners act as the overall supervisory and monitoring bodies. Certain decisions must be referred by our Board of Directors to our Board of Commissioners or shareholders for their review and approval. Our Board of Directors acts as the primary day-to-day approval and decision-making body. Our governance framework provides for checks and balances while allowing our management flexibility for prompt decision-making in the ordinary course of business. Post-implementation audits of significant expenditures are conducted and reviewed by our Board of Directors.

Board of Commissioners

The following table sets forth certain information concerning the members of our Board of Commissioners.

Name	Position	Year Joined
Commissioners		
Zhao Xiaowei	President Commissioner	2019
Yang Jianjun	Commissioner	2016
Ir. Bibin Busono	Commissioner	2024

Brief background summaries of the respective members of the Board of Commissioners are as follows:

Zhao Xiaowei – President Commissioner

Zhao Xiaowei appointed as our President Commissioner in 2019. Mr. Zhao has 34 years of experience in the manufacturing industry. Mr. Zhao has worked in different subsidiaries of the Kaishan Group, including Kaishan Holding Group Co., Ltd. and Kaishan Heavy Industries, and has experience in the internal control department, where he began his career with Kaishan Holding Group Co., Ltd. and its group of companies (the "**Kaishan Group**"). As of the date of this offering memorandum, Mr. Zhao is also a Commissioner of Kaishan Group Co., Ltd. and General Administration lead of Kaishan Holding Group Co., Ltd.. Mr. Zhao holds a bachelor's degree of Economic Management.

Yang Jianjun – Commissioner

Yang Jianjun was appointed as a Commissioner in 2016. Mr. Yang has 31 years of experience in the manufacturing industry and has sat in different executive roles of the Kaishan Group, including as a director of the Kaishan Group Co., Ltd. from 2020 to 2023. Mr. Yang has also served as Corporate Secretary of Kaishan Group Co., Ltd. since 2009. Mr. Yang holds a Bachelor degree of Industrial Business Management Engineering, and has also received a Certificate of Listed Company's Secretary of the Board of Directors in China.

Ir. Bibin Busono – Commissioner

Bibin Busono was appointed as Commissioner in 2024, representing PT Supraco Indonesia. Mr. Busono started his career in Unilever, where he worked from 1989-1996. He was then appointed as Director of the Surabaya Stock Exchange in 1996, where he established the first open market trading platform for government bond markets. Mr. Busono later became the CFO of Danareksa and after that served as Principal Risk Advisor at Ernst & Young advising clients in various sectors. He was then appointed as CFO of LONSUM, a multi-crop plantation company until 2007, before he was recruited to be CFO of PT Indonesia Infrastructure Finance in 2011. Mr. Busono was also appointed as a Commissioner of PT Pengembang Pelabuhan Indonesia in which role he served until 2015. He was also CFO for PT Kamadjaja Logistics until 2019. Mr. Busono holds a bachelor's degree in Electrical Engineering from the University of Indonesia, which he received in 1988, and received the Business Law Program Magister qualification from Trisakti University in 2013.

The business address of each commissioner is the address of our registered office.

Board of Directors

The following table sets forth certain information concerning our Board of Directors.

Name	Position	Year Joined
Directors		
Yan Tang	President Director	2018
Cao Kejian	Director	2018
Runar Thor Jonsson	Director	2022
Zhou Ming	Director	2022
Muhammad Hamid	Director	2024

We have no executive officers other than our Directors and senior management. Brief background summaries of the respective members of the Board of Directors are as follows:

Yan Tang – President Director

Yan Tang has 39 years of experience in mechanical engineering, compressor engineering and thermodynamic systems engineering in the geothermal industry and has developed 43 patents. Dr. Tang joined the Kaishan Group in 2009 as General Manager of Zhejiang Kaishan Compressor Co. Ltd. Dr. Tang was previously VP Engineering of Quincy Compressor USA, Sr. Staff Engineer of Carrier USA, Chief Engineer of IMW Industries Canada, and Research Fellow of Strathclyde University UK. During his tenure with the Kaishan Group, Dr. Tang has led the Kaishan Group's commercial and technical development and market expansion of its heat-to-power conversion systems, developed numerous systems and components for the Kaishan Group such as air screw compressors, steam gas oil-free screw expanders and systems, lubricated ORC screw expanders and systems, screw blowers and vacuum pumps, screw refrigerant pumps for ORC applications,

hybrid cycles for geothermal modular power plants as well as the Kaishan Group's two-stage air compressors. Dr. Tang has also led the operation of the Kaishan Group's geothermal modular power plants. As of the date of this offering memorandum, Dr. Tang is the President Director of PT Sorik Marapi Geothermal Power. Dr. Tang holds a bachelor's degree in compressor and refrigeration engineering, a master's degree refrigeration and cryogenic engineering, and a PhD in Mechanical Engineering. Dr. Tang is also a P. Eng Mechanical Engineer.

Cao Kejian – Director

Cao Kejian has 32 years of experience in the manufacturing industry. Prior to his involvement with the Kaishan Group, Mr. Cao was an entrepreneur, founding a company that produced pressure vessel facilities which later became Kaishan Pressure Vessel Limited. Mr. Cao acquired the majority stake of Kaishan Holding Group Co., Ltd. in 1998 and has since then served as Kaishan Holding Group Co., Ltd.'s President Director. Mr. Cao has also been a director of Kaishan Group Co., Ltd. since its establishment in 2002. Mr. Cao has a bachelor's degree in chemical machinery.

Runar Thor Jonsson – Director

Runar Thor Jonsson has 14 years of experience in contractual law and commercial contracts in the legal industry. Prior to joining PT Sorik Marapi Geothermal Power in 2016, he worked in Iceland Drilling Company as Director of Legal Affairs and Business Relations (Asia Pacific). At present, Mr. Jonsson is based in Hungary and works for Turawell Kft. His responsibilities at PT Sorik Marapi Geothermal Power include contract negotiations and legal affairs. Mr. Jonsson holds a bachelor's degree in law and master's degree in law and economics.

Zhou Ming – Director

Zhou Ming has 19 years of experience in the accounting and finance industry. He is a registered Certified Public Accountant of China, International Internal Auditor, Certified Tax Accountant of China and Certified Asset Appraiser of China. From 2005 to 2012, he was Project Manager of Pan-China Certified Public Accounts LLP, during which he worked as the representative of Tianjian Accounting Firm for Kaishan Group Co., Ltd.'s initial public offering in 2011. Mr. Zhou joined the Kaishan Group in 2012 as Kaishan Holding Group Co., Ltd.'s chief financial officer and held that position until 2015. Since May 2015, Mr. Zhou has been the chief financial officer of the Kaishan Group Co. Ltd. Mr. Zhou holds a bachelor's degree in accounting.

Muhammad Hamid – Director

Muhammad Hamid has over 20 years of experience in the oil and gas industry. Prior to joining PT Sorik Marapi Geothermal Power, he worked in Radiant Group as General Manager of Finance and Accounting. He also served as the Chief Finance Officer and Finance Director of PT Radiant Utama Interinsco Tbk (RUIS) from 2006 to 2023. During his tenure there, he successfully coordinated the issuance of bonds, medium-term notes, and an offshore platform acquisition for RUIS. Before joining Radiant Group, he was employed in the financial industry at Bukopin and several Indonesian conglomerate companies, where he was responsible for corporate financing, credit risk, tax, and accounting. Currently, he serves as a Commissioner of RUIS. He was appointed as Director of PT Sorik Marapi Geothermal Power in 2024. Mr. Hamid has a bachelor's degree in accountancy from the University of Indonesia.

Senior Management

The following table sets forth certain information concerning our senior management.

Name	Position	Year Joined
Senior Management		
Zosimo "Zammy" F. Sarmiento	Vice President, Technical	2018, 2023[(1)]
Erick A. Lestario	Vice President, Legal and Compliance	2022
Rina Yudiastami	Vice President, Corporate Human Resources and Services	2016
Cheng Zhiqin	Vice President, Commercial and Engineering, Procurement and Construction	2019
Ashadi	Senior Drilling Manager	2017
Doni Masditok	Corporate Occupational Health and Safety Manager	2018
Ali Sahid	General Manager, Sorik Marapi Geothermal Power Power Plant	2021
Syamsul Muis	Senior Manager, Construction	2016
Norman Nurhadi	Drilling Operation Manager	2022

Note:

(1) Mr. Sarmiento joined our Company in 2018, before resigning in 2019 and rejoining the Company in 2023.

We have no executive officers other than our Directors and senior management. Brief background summaries of the respective members of our senior management are as follows:

Zosimo "Zammy" F. Sarmiento – Vice President, Technical

Zosimo "Zammy" F. Sarmiento has over 46 years of experience in the geothermal industry, in areas including geothermal resource management, risk mitigation, resource assessment, reserves estimation and geothermal drilling. Prior to joining PT Sorik Marapi Geothermal Power, he worked in PNOC-Energy Development Corporation from 1978 to 2005 in the Philippines, responsible for assessing and managing about 1,000 MW of geothermal potential and generating assets. He acted as the CEO of Filtech Energy Drilling Corp., an international geothermal consulting firm based in the Philippines, between 2005 and 2022. He has also served as a consultant to PT Pertamina Geothermal Energy Tbk under the under the World Bank and NZ Government Technical Cooperation Programme, La Geo, Biliran Geothermal Inc., Renewable Energy Organization of Iran (SUNA) and Emerging Power Inc. He has also served as a consultant to Marubeni Corporation in relation to its Rantau Dadap project and Power Tek Berhad of Malaysia in its attempted acquisition of the Wayang Windu Geothermal Project. All these international projects and companies are located in the Philippines, Indonesia, USA, Nicaragua, Ethiopia, Iceland, Uganda, El Salvador, Japan, Kenya and Iran. At present, he is the Vice President, Technical of PT Sorik Marapi Geothermal Power. He is primarily responsible for subsurface, reservoir and well testing. He is also Chief Technical Officer at KS Orka Renewables Pte. Ltd. ("**KS Orka**"), handling global KS Orka projects in Indonesia, Kenya, Turkey, Hungary and the United States, and Chief Executive Officer at Sarmiento + Associates, Inc., a local and international consultancy firm based in the Philippines on geothermal energy. During his two-year tenure at PT Sorik Marapi Geothermal Power, aside from managing the technical department key performance indicators ("**KPIs**") in Indonesia, he has developed a technical team to support KS Orka's global projects. Mr. Sarmiento holds a bachelor's degree in Mining Engineering and has a M. Cert in Borehole Geophysics/Reservoir Engineering and M. Cert. in Project Management.

Erick A. Lestario – Vice President, Legal and Compliance

Erick A. Lestario has 25 years of experience in the legal industry, including five years in the geothermal industry. Prior to joining PT Sorik Marapi Geothermal Power, he worked in the ENGIE Indonesia group of companies as Legal Counsel, and subsequently Head of Legal, from 2018 to 2021. He also has experience in working as Legal Counsel as well as the Head of Department Litigation and General Practice for the Total group of companies between 2012 and 2017. At present, he is the Vice President, Legal and Compliance of PT Sorik Marapi Geothermal Power. He is primarily responsible for developing, analyzing and providing recommendations and assistance to KS Orka on legal matters in Indonesia, for ensuring that all project and operation activities are documented appropriately and conducted in compliance with applicable with internal and external law, regulations and covenants. He is also Director of PT Kaishan Orka Indonesia and PT Kaishan Geothermal Group Indonesia. During his two-year tenure at PT Sorik Marapi Geothermal Power, Mr. Lestario's has provided advice on both operational and transactional matters. Mr. Lestario holds a bachelor's degree in law and an LL.M. in International Business Law and is a member of PERADI (Indonesia Advocates Association).

Rina Yudiastami – Vice President, Corporate Human Resources and Services

Rina Yudiastami has 21 years of experience in the human resources ("**HR**") industry, including eight years in the geothermal industry. Prior to joining PT Sorik Marapi Geothermal Power, she worked in Verity HR as a Senior Consultant from 2015 to 2016. She also has experience in working as a HR business partner and logistics professional in Holcim Indonesia, from 2006 to 2014, and was a professional recruiter in Expert Consultant, from 2003 to 2006. At present, she is the Vice President, Corporate Human Resources and Services of PT Sorik Marapi Geothermal Power. She is primarily responsible for developing, planning, managing and directing all aspects of HR activities, expatriation, manpower services, general affairs and information technology. During her eight-year tenure at PT Sorik Marapi Geothermal Power, she has contributed to developing HR policy, PT Sorik Marapi Geothermal Power's corporate regulation and HR fundamental procedures and managing 'hire to retire' from exploration phase to exploitation. Rina Yudiastami holds a bachelor's degree in business administration and management and holds a professional certificate as NLP's practitioner and Human Resources Management.

Cheng Zhiqin – Vice President, Commercial and Engineering, Procurement and Construction

Cheng Zhiqin has five years of experience in the geothermal industry. Prior to joining PT Sorik Marapi Geothermal Power, he worked in Shanghai Green Giant Energy Co. Ltd as civil and structural analysis ("**CSA**") Engineer/Project Manager. Between 2011 and 2014, he held the position of CSA Engineer at Bechtel China Co., Ltd and was responsible for civil and structural analysis. Between 2010 and 2011, he held the position of CSA Engineer at Five Stein Shanghai Co., Ltd and was similarly responsible for civil and structural analysis. At present, Mr. Cheng is the Vice President, Commercial and engineering, procurement and construction ("**EPC**"), He is primarily responsible for commercial development and strategy that includes supply chain management activities and EPC activities during the installation of power plant equipment of the Kaishan Group's technologies. During his five-year tenure at PT Sorik Marapi Geothermal Power, Mr. Cheng has contributed to the operations of all the geothermal units in the power plant, including the upcoming Unit 5. Mr. Cheng holds a master's degree in structure engineering.

Ashadi – Senior Drilling Manager

Ashadi has 20 years of experience in the geothermal drilling industry. Prior to joining PT Sorik Marapi Geothermal Power, he worked in Chevron Geothermal Indonesia as a Geothermal Drilling Engineer from 2012 to 2017. He also has experience in working as a Project Manager for a private EPC company between 2009 and 2011. In 2005 to 2009 Mr. Ashadi worked as Directional Driller and Measure While Drilling/Logging While Drilling (MWD/LWD) Engineer at Schlumberger Middle East and Asia, stationed at Saudi Arabia. At present, Mr. Ashadi is the Senior Drilling Manager of PT Sorik Marapi Geothermal Power, with primarily responsibility for drilling engineering by managing drilling programs and designs and ensuring compliance with our Company's technical standards, applicable government regulations and international drilling standards. His role includes setting up the budget and monitoring and evaluating quality assurance and quality control of drilling reporting and data management. During his seven-year tenure at PT Sorik Marapi Geothermal Power, Mr. Ashadi has contributed to the drilling campaign for more than 40 wells. Mr. Ashadi holds a bachelor's degree in Electrical Engineering and a master's degree in Energy and Power Management. He is also Co-Founder and Vice-Chairman of the Jakarta Drilling Society, a non-profit organization with the main mission of providing drilling education for free.

Doni Masditok – Corporate Occupational Health and Safety Manager (Vice KTPB)

Doni Masditok has 21 years of experience in the occupational health and safety ("**OHS**") and health, safety and environment field across a range of high-risk business activities in multinational companies, including nine years in the geothermal industry. Prior to joining PT Sorik Marapi Geothermal Power, Mr. Masditok worked in PT Pertamina Geothermal Energy as a health, safety and environment ("**HSE**") Lead for three years from 2015 to 2018. At present, he is the Corporate Occupational Health and Safety Manager of as well as Vice Head of Geothermal Technical *(Vice-KTPB – Kepala Teknik Panas Bumi)* of PT Sorik Marapi Geothermal Power. He is primarily responsible for promoting a positive OHS culture, defining and developing OHS goals and objectives and planning according to our Company's objective and applicable regulations. Previously he was Chief of Geothermal Technical *(KTPB – Kepala Teknik Panas Bumi)* at PT Sokoria Geothermal Indonesia, a company owned by KS Orka. During his six-year tenure at PT Sorik Marapi Geothermal Power, Mr. Masditok has contributed to establishing a HSE management system and its fundamental policies. Mr. Masditok holds a bachelor's and master's degree in Occupational Safety and Health and has received professional certifications as a Top Operational Supervisor (*pengawas operasional utama*) from EBTKE and has also received the International General Certificate in Occupational Safety and Health from NEBOSH (The National Examination Board in Occupational Safety and Health of the United Kingdom).

Ali Sahid – General Manager, Sorik Marapi Power Plant (KTPB)

Ali Sahid has more than 29 years of experience in the geothermal industry, having worked in four geothermal fields in Indonesia, during which he developed broad competency from technical to non-technical skills, including expertise in well testing, operations, maintenance and support services in the areas of community development and community relations ("**CDCR**"), security and stakeholder and government relations. Prior to joining PT Sorik Marapi Geothermal Power, Mr. Ali worked in Star Energy Geothermal Ltd for Salak project as Team Leader – Support Services. Between 2008 and 2012, Mr. Ali was Group Leader – Production Operation at Chevron Geothermal Salak, Ltd for their Salak project and led the activities for resource production facilities for steamfield and production generation. Mr. Ali held the position of Field Reservoir Engineer from 1995 to 2003 and Well Testing Supervisor from 2003 to 2008 at Unocal Geothermal Indonesia/Chevron Geothermal Salak, Ltd for Wayang Windhu and Gunung Salak and was responsible for leading steamfield and well testing activities. At present, Mr. Ali is the Chief of Geothermal Technical at PT Sorik Marapi Geothermal Power and General Manager at our Company's power plant. He is primarily responsible for leading all site activities from exploration to exploitation, including implementation of safety and environment standards. During Mr. Ali's

three-year tenure at PT Sorik Marapi Geothermal Power, he has been involved in leading our Company's efforts in CDCR, security, corporate environment, stakeholder engagement, permits, and operation and maintenance. Mr. Ali holds a bachelor's degree in Energy Conservation.

Syamsul Muis – Senior Manager, Construction

Syamsul Muis has 22 years of experience in the construction field. Prior to joining PT Sorik Marapi Geothermal Power, he worked in PT Rekayasa Industry as a Project Control Engineer from 2014 to 2015. He also has experience in working as a Project Controller for companies including PT Multi Structure, PT Udania and PT Sarana Marga Bakti Utama. At present, Mr. Muis is the Senior Manager, Construction of PT Sorik Marapi Geothermal Power. He is primarily responsible for planning, directing and managing all civil construction projects including the required field engineering, and ensuring that such projects are completed within the allocated period of time, budget and quality with high consideration to HSE. During his nine-year tenure at PT Sorik Marapi Geothermal Power, Mr. Muis has contributed to construction efforts for the structure and facilities for all geothermal units in the power plant, as well as the transmission line and its supporting units. Mr. Muis holds a bachelor's degree in civil engineering.

Norman Nurhadi – Drilling Operation Manager

Norman Nurhadi has 42 years of experience in the drilling industry, including eight years in the geothermal industry. Prior to joining PT Sorik Marapi Geothermal Power, Mr. Nurhadi worked in PT Supreme Energy for Rantau Dedap and Muara Laboh as Senior Drilling Supervisor from 2017 to 2020. He also has experience working as a Senior Drilling Supervisor for Santos Ltd from 2015 to 2016. At present, he is the Drilling Operation Manager at PT Sorik Marapi Geothermal Power. He is primarily responsible for executing drilling operations programs and rig operation activities. During his three-year tenure at PT Sorik Marapi Geothermal Power, Mr. Nurhadi has contributed to leading all drilling operations at field with operation and safety excellence. Mr. Nurhadi holds a diploma degree in electrical engineering.

Compensation of Directors

The aggregate key management personnel compensation that we paid in the year ended December 31, 2022 was US$199,166. There were no compensation expenses to the Directors, commissioners and key management personnel payable by our Company in the years ended December 31, 2021 and 2023 and the three-month period ended March 31, 2023 and 2024.

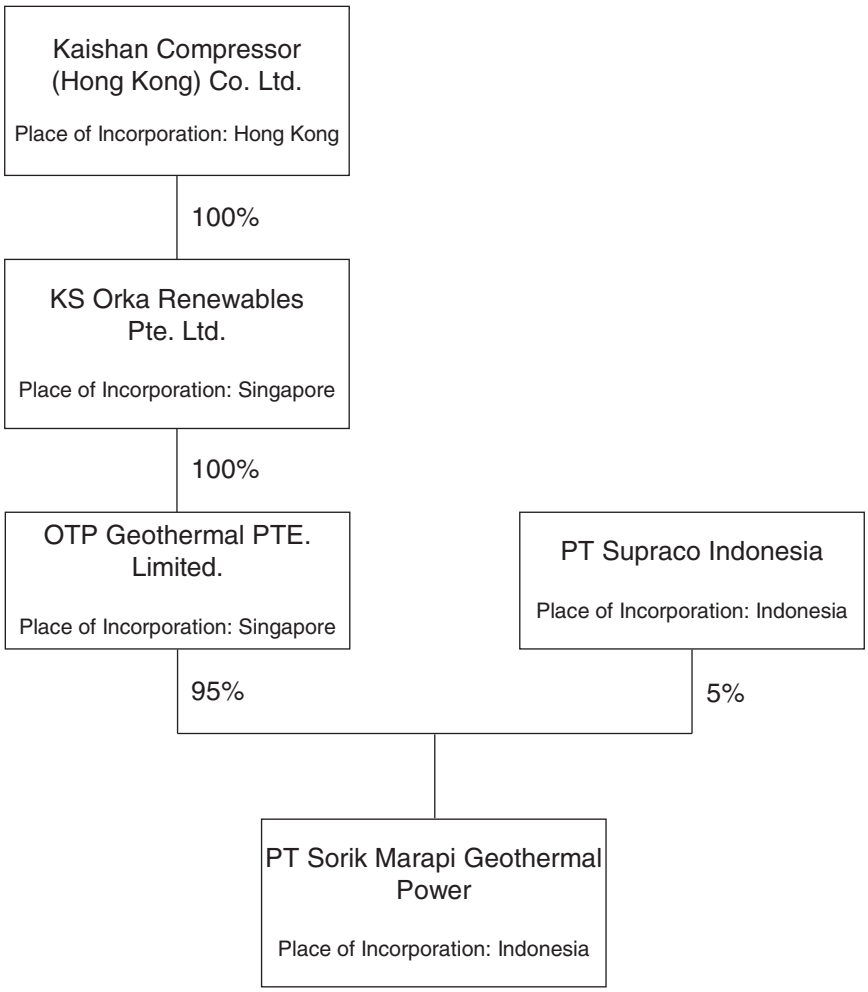
MAJOR SHAREHOLDERS

Major Shareholders

Our major shareholders are OTP Geothermal PTE. Limited., a limited liability company established under the laws of Singapore, which owns 95% of the issued share capital of our Company; and PT Supraco Indonesia, a limited liability company established under the laws of Indonesia, which owns 5% of the issued share capital of our Company.

KS Orka Renewables Pte. Ltd., a limited liability company established under the laws of Singapore, in turn owns 100% of the issued share capital of OTP Geothermal Pte. Ltd. KS Orka Renewables Pte. Ltd. is in turn 100% owned by Kaishan Compressor (Hong Kong) Co. Ltd., a limited liability company established under the laws of Hong Kong.

The following chart sets out our current ownership and corporate structure.



Kaishan Holding Group Co., Ltd.

Kaishan Holding Group Co., Ltd. provided a share pledge to secure the Syndicated Loan Agreement (Applicable for Offshore Borrower) No. (2017) Jin Chu Zhong Yin (Zhexinhe) No. 3-015 dated July 3, 2017 as amended by Supplementary Agreement with Regard to Replacement of the Interest Rate Benchmark (For USD LIBOR Loans) No. (2023) Jin Chu Zhong Yin (Zhexinbu) No. 3-004 dated June 28, 2023 between our Company, as borrower, and Export Import Bank of China, Zheijang Branch, Bank of China Limited, Quzhou Branch, and Bank of China Limited, Jakarta Branch, each as lender ("**Syndicated Loan Agreement**"). See "*Material Contracts – Syndicated Loan Agreement*".

Kaishan Group Co., Ltd. (previously known as Zhejiang Kaishan Compressor Co. Ltd.)

Joint Liability Guarantee

Kaishan Group Co., Ltd. (previously known as Zhejiang Kaishan Compressor Co. Ltd.) has entered into a Guarantee Contract to provide joint liability guarantee with full responsibility to secure our Company's loan under the Syndicated Loan Agreement. See "*Material Contracts – Syndicated Loan Agreement*".

Loan Agreements

We (for the purposes of this section only, the "**Borrower**") have entered into 7 loan agreements with Zhejiang Kaishan Compressor Co. Ltd. (now known as Kaishan Group Co., Ltd.) (for the purposes of this section, the "**Lender**") as follows:

1. Loan Agreement dated July 1, 2019 as amended by First Variation to Loan Agreement dated February 4, 2021, 2nd Variation to Loan Agreement dated July 6, 2022, Variation to Loan Agreements dated January 11, 2023, 4th Variation dated November 10, 2023, and 5th Variation to Loan Agreement dated May 6, 2024, whereby the Lender makes available to the Borrower a USD revolving loan facility in the amount of US$25.0 million, from July 1, 2019 until July 4, 2026, with an interest rate of 4.5% per annum ("**ZKC USD25 Million Loan**");

2. Loan Agreement dated November 1, 2019 as amended by 1st Variation dated February 4, 2021, 2nd Variation to Loan Agreement dated November 9, 2022, Variation to Loan Agreements dated January 11, 2023, and 4th Variation to Loan Agreement dated November 10, 2023, whereby the Lender makes available to the Borrower a USD revolving loan facility in the amount of US$15.0 million, from November 1, 2019 until October 31, 2024, with an interest rate of 4.5% per annum ("**ZKC USD15 Million Loan 2019**");

3. Loan Agreement dated January 20, 2020 as amended by 1st Variation dated January 20, 2022, Variation to Loan Agreements dated January 11, 2023, 3rd Variation dated November 9, 2023, and 4th Variation dated January 9, 2024, whereby the Lender makes available to the Borrower a USD revolving loan facility in the amount of US$15.0 million, from January 20, 2020 until January 20, 2026, with an interest rate of 4.5% per annum ("**ZKC USD15 Million Loan January 2020**");

4. Loan Agreement dated April 13, 2020 as amended by 1st Variation dated April 13, 2022, Variation to Loan Agreements dated January 11, 2023, 3rd Variation dated November 9, 2023, 4th Variation dated March 14, 2024, whereby the Lender makes available to the Borrower a USD revolving loan facility in the amount of US$20.0 million, from April 13, 2020 until April 13, 2026, with an interest rate of 4.5% per annum for the USD loan ("**ZKC USD20 Million Loan April 2020**");

5. Loan Agreement dated June 23, 2020 as amended by 1st Variation dated July 6, 2022, Variation to Loan Agreements dated January 11, 2023, 3rd Variation dated November 9, 2023 and 4th Variation dated May 6, 2024, whereby the Lender makes available to the Borrower a USD revolving loan facility in the amount of US$10.0 million, from June 23, 2020 until June 23, 2026, with an interest rate of 4.5% per annum for the USD loan ("**ZKC USD10 Million Loan**");

6. Loan Agreement dated September 13, 2020 as amended by 1st Variation dated July 6, 2022, Variation to Loan Agreements dated January 11, 2023, and 3rd Variation dated November 9, 2023, whereby the Lender makes available to the Borrower a USD revolving loan facility in the amount of US$20.0 million, from September 13, 2020 until September 13, 2024, with an interest rate of 4.5% per annum for the USD loan ("**ZKC USD20 Million Loan September 2020**"); and

7. Loan Agreement dated October 10, 2020 as amended by 1st Variation dated November 9, 2022, Variation to Loan Agreements dated January 11, 2023, and 3rd Variation dated November 9, 2023, whereby the Lender makes available to the Borrower a USD revolving loan facility in the amount of US$20.0 million, from October 10, 2020 until October 9, 2024, with an interest rate of 4.5% per annum for the USD loan ("**ZKC USD20 Million Loan October 2020**").

As of March 31, 2024, we had an aggregate of US$112.2 million of principal amount outstanding under the Loan Agreements with Zhejiang Kaishan Compressor Co., Ltd. (now known as Kaishan Group Co. Ltd.) as listed above.

The loan agreements above between the Borrower and the Lender are subject to the same terms and conditions.

Terms of Interest

We shall pay the accrued interest on the loan at the end of the termination date. If we fail to pay any amount payable by us under each loan agreement on the scheduled due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment at a rate which is 4% (four percent) higher than the rate which would have been payable at the scheduled due date. Any interest accruing under the default interest shall be immediately payable by our Company on demand by the Lender. Unpaid default interest arising on an overdue amount will be compounded with the overdue amount at the end of each calendar quarter but will remain immediately due and payable.

Terms of repayment and Repayment Schedule

We may at any time repay the outstanding to the Lender under the relevant loan agreement subject to providing 5 (five) business days' prior written notice to the Lender. We are obliged to repay in full any outstanding amount to the lender no later than the termination date of each loan.

Events of Default

The following events or circumstances constitute an event of default:

1. Non-payment. The Borrower does not pay on the termination date of each loan the full outstanding amount pursuant to the finance document, at the venue as agreed, unless the failure to pay is caused by administrative or technical error and payment is made within 5 (five) business days following the termination date of each loan.

2. Material Adverse Change. An event or circumstance has occurred which the Lender reasonably believes has or is reasonably likely to have a material adverse effect or an event or circumstance has occurred which is deemed as a material change for the Lender.

On and at any time after the occurrence of an event of default which cannot be rectified, the Lender may notify the Borrower to: (1) immediately cancel the facility; (2) cancel and/or declare all or part of the loans, together with accrued interest, and all other amounts accrued or outstanding under the finance documents, shall become immediately due and payable; and/or (3) exercise any or all of its rights, under the finance documents.

All payments to be made by our Company under the finance documents shall be calculated and paid without any set-off or counterclaim (free and clear of any deduction) and our Company shall not be entitled to exercise any right of retention, unless the lender is unable or admits inability to pay its debts as they fall due or any counterclaim has been acknowledged or awarded by any final court judgement. The lender may set-off any matured obligation due from our Company under the finance documents against any matured or not yet due obligation owed by the lender to our Company, regardless of the venue of payment or currency of either obligation. If the obligations are in different currencies, the lender may convert either obligation at the agreed market exchange rate.

Any payment which is due to be made on a day that is not a business day shall be made on the next business day. During any extension of the due date for payment for any principal or unpaid sum under the loan agreements, interest is payable on the principal or unpaid sum at the rate payable on the original due date.

Any interest, commission or fee accruing under the finance document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days.

Dispute Resolution, Governing Law, and Language

In the event of a dispute between our Company and the Lender regarding the agreement, the parties agree to submit to the courts of Singapore. However, the Lender is not prevented from bringing claims in any other courts in any jurisdiction or to apply for injunctive relief or any other preliminary relief, including taking concurrent proceedings in any number of jurisdictions. The agreement is governed by the laws of Singapore, and in case of any discrepancies between the Indonesian and English versions, the English text prevails.

PT Sokoria Geothermal Indonesia ("SGI")

As of March 31, 2024, we had intercompany advances to SGI which represents the charge back of expenses relating to travel and accommodation activities and other general administration with the outstanding receivables amounting to US$2.4 million.

Zhejiang Kaishan Energy Equipment Co. Ltd. ("ZKEE")

Loan Agreement

We (for the purposes of this section only, the "**Borrower**") have entered into 3 loan agreements with Zhejiang Kaishan Energy Equipment (for the purposes of this section only, the "**Lender**") as follows:

1. Loan Agreement dated December 13, 2021 as amended by Variation to Loan Agreements dated January 11, 2023, 2nd Variation dated November 10, 2023, and 3rd Variation dated December 22, 2023, whereby the Lender makes available to the Borrower a USD revolving loan facility in the amount of US$5.0 million, from December 13, 2021 until December 13, 2025, with an interest rate of 4.5% per annum ("**ZKEE USD5 Million Loan 2021**");

2. Loan Agreement dated January 7, 2022 as amended by Variation to Loan Agreements dated January 11, 2023, 2nd Variation dated November 10, 2023, and 3rd Variation dated January 5, 2024, whereby the Lender makes available to the Borrower a USD revolving loan facility in the amount of US$5.0 million, from January 7, 2022 until January 7, 2026, with an interest rate of 4.5% per annum ("**ZKEE USD5 Million Loan 2022**"); and

3. Loan Agreement dated January 28, 2022 as amended by Variation to Loan Agreements dated January 11, 2023, 2nd Variation dated November 10, 2023, and 3rd Variation dated January 5, 2024, whereby the Lender makes available to the Borrower a USD revolving loan facility in the amount of US$20.0 million, from January 28, 2022 until January 28, 2026, with an interest rate of 4.5% per annum ("**ZKEE USD20 Million Loan**").

As of March 31, 2024, we had US$1.2 million of principal amount outstanding under the ZKEE USD5 Million Loan 2021, US$1.0 million of principal amount outstanding under the ZKEE USD5 Million Loan 2022 and US$14.9 million of principal amount outstanding under the ZKEE USD20 Million Loan.

The loan agreements above between the Borrower and the Lender are subject to the same terms and conditions.

Terms of Interest

We shall pay the accrued interest on the loan on the termination date. If we fail to pay any amount payable by us under each loan agreement on the scheduled due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment at a rate which is 4% (four percent) higher than the rate which would have been payable at the scheduled due date. Any interest accruing under the default interest shall be immediately payable by our Company on demand by the Lender. Unpaid default interest arising on an overdue amount will be compounded with the overdue amount at the end of each calendar quarter but will remain immediately due and payable.

Terms of repayment and Repayment Schedule

We may at any time repay the outstanding to the Lender under the relevant loan agreement subject to providing 5 (five) business days' prior written notice to the Lender. We are obliged to repay in full any outstanding amount to the lender no later than the termination date of each loan.

Events of Default

The following events or circumstances constitute an event of default:

1. Non-payment. The Borrower does not pay on the termination date of each loan the full outstanding amount pursuant to the finance document, at the venue as agreed, unless the failure to pay is caused by administrative or technical error and payment is made within 5 (five) business days following the termination date of each loan.

2. Material Adverse Change. An event or circumstance has occurred which the Lender reasonably believes has or is reasonably likely to have a material adverse effect or an event or circumstance has occurred which is deemed as a material change for the Lender.

On and at any time after the occurrence of an event of default which cannot be rectified, the Lender may notify the Borrower to: (1) immediately cancel the facility; (2) cancel and/or declare all or part of the loans, together with accrued interest, and all other amounts accrued or outstanding under the finance documents, shall become immediately due and payable; and/or (3) exercise any or all of its rights, under the finance documents.

All payments to be made by our Company under the finance documents shall be calculated and paid without any set-off or counterclaim (free and clear of any deduction) and our Company shall not be entitled to exercise any right of retention, unless the lender is unable or admits inability to pay its debts as they fall due or any counterclaim has been acknowledged or awarded by any final court judgement. The lender may set-off any matured obligation due from our Company under the finance documents against any matured or not yet due obligation owed by the lender to our Company, regardless of the venue of payment or currency of either obligation. If the obligations are in different currencies, the lender may convert either obligation at the agreed market exchange rate.

Any payment which is due to be made on a day that is not a business day shall be made on the next business day. During any extension of the due date for payment for any principal or unpaid sum under the loan agreements, interest is payable on the principal or unpaid sum at the rate payable on the original due date.

Any interest, commission or fee accruing under the finance document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days.

Dispute Resolution, Governing Law, and Language

In the event of a dispute between our Company and the Lender regarding the agreement, the parties agree to submit to the courts of Singapore. However, the Lender is not prevented from bringing claims in any other courts in any jurisdiction or to apply for injunctive relief or any other preliminary relief, including taking concurrent proceedings in any number of jurisdictions. The agreement is governed by the laws of Singapore, and in case of any discrepancies between the Indonesian and English versions, the English text prevails.

Purchasing Agreement for Spare Parts

We have entered into a purchasing agreement for spare parts ("**Purchasing Agreement**") with ZKEE whereby ZKEE as the Seller will sell the power station spare parts as provided in the Purchasing Agreement in connection with the geothermal power project and our Company as purchaser has agreed to purchase such spare parts. See "*Material Contracts – Purchasing Agreement for Spare Parts*".

Shanghai Kaishan Energy Equipment Co., Ltd.

We, as the purchaser, have entered into a purchasing agreement for Screw Expander Power Unit (KES4000) and Electrical Container with Shanghai Kaishan Energy Equipment Co. Ltd., as the seller, for the sale and purchase of the screw expander unit and electrical container in connection with the geothermal power project. See "*Material Contracts – Purchasing Agreement for Screw Expander Power Unit*".

Kaishan Compressor (Hong Kong) Co., Ltd.

Loan Agreements

We (for the purposes of this section only, the "**Borrower**") have entered into two loan agreements with Kaishan Compressor (Hong Kong) Co. Limited (for the purposes of this section only, the "**Lender**") as follows:

1. Loan Agreement dated March 10, 2021 as amended by 1st Variation dated March 10, 2022, 2nd Variation dated November 9, 2023, and 3rd Variation dated March 14, 2024, whereby the Lender makes available to the Borrower a USD revolving loan facility in the amount of US$20.0 million, from March 10, 2021 until March 10, 2026, with an interest rate of 4.5% per annum ("**KHK USD20 Million Loan**"); and

2. Loan Agreement dated October 1, 2021, whereby the Lender makes available to the Borrower a CNY revolving loan facility in the amount of CNY62.4 million, from October 1, 2021 until November 1, 2024, with an interest rate of loan prime rate ("**LPR**") ("**KHK CNY62.4 Million Loan**").

As of March 31, 2024, we had US$2.6 million of principal amount outstanding under the KHK USD20 Million Loan and CNY62.4 million of principal amount outstanding under the KHK CNY62.4 Million Loan.

The loan agreements above between the Borrower and the Lender are subject to the same terms and conditions, as follows:

Terms of Interest

We shall pay the accrued interest on the loan on the termination date. If we fail to pay any amount payable by us under each loan agreement on the scheduled due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment at a rate which is 4% (four percent) higher than the rate which would have been payable at the scheduled due date. Any interest accruing under the default interest shall be immediately payable by our Company on demand by the Lender. Unpaid default interest arising on an overdue amount will be compounded with the overdue amount at the end of each calendar quarter but will remain immediately due and payable.

Terms of repayment and Repayment Schedule

We may at any time repay the outstanding to the Lender under the relevant loan agreement subject to providing 5 (five) business days' prior written notice to the Lender. We are obliged to repay in full any outstanding amount to the lender no later than the termination date of each loan.

Events of Default

The following events or circumstances constitute an event of default:

1. Non-payment. The Borrower does not pay on the termination date of each loan the full outstanding amount pursuant to the finance document, at the venue as agreed, unless the failure to pay is caused by administrative or technical error and payment is made within 5 (five) business days following the termination date of each loan.

2. Material Adverse Change. An event or circumstance has occurred which the Lender reasonably believes has or is reasonably likely to have a material adverse effect or an event or circumstance has occurred which is deemed as a material change for the Lender.

On and at any time after the occurrence of an event of default which cannot be rectified, the Lender may notify the Borrower to: (1) immediately cancel the facility; (2) cancel and/or declare all or part of the loans, together with accrued interest, and all other amounts accrued or outstanding under the finance documents, shall become immediately due and payable; and/or (3) exercise any or all of its rights, under the finance documents.

All payments to be made by our Company under the finance documents shall be calculated and paid without any set-off or counterclaim (free and clear of any deduction) and our Company shall not be entitled to exercise any right of retention, unless the lender is unable or admits inability to pay its debts as they fall due or any counterclaim has been acknowledged or awarded by any final court judgement. The lender may set-off any matured obligation due from our Company under the finance documents against any matured or not yet due obligation owed by the lender to our Company, regardless of the venue of payment or currency of either obligation. If the obligations are in different currencies, the lender may convert either obligation at the agreed market exchange rate.

Any payment which is due to be made on a day that is not a business day shall be made on the next business day. During any extension of the due date for payment for any principal or unpaid sum under the loan agreements, interest is payable on the principal or unpaid sum at the rate payable on the original due date.

Any interest, commission or fee accruing under the finance document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days.

Dispute Resolution, Governing Law, and Language

In the event of a dispute between our Company and the Lender regarding the agreement, the parties agree to submit to the courts of Singapore. However, the Lender is not prevented from bringing claims in any other courts in any jurisdiction or to apply for injunctive relief or any other preliminary relief, including taking concurrent proceedings in any number of jurisdictions. The agreement is governed by the laws of Singapore, and in case of any discrepancies between the Indonesian and English versions, the English text prevails.

Purchasing Agreement for Refrigerant and Lubricating Oil

We, as the purchaser, have entered into a purchasing agreement with Kaishan Compressor (Hong Kong) Co. Ltd., as the seller, for refrigerant and lubricating oil in connection with the geothermal power project. See "*Description of Material Contracts – Purchasing Agreement for Refrigerant and Lubricating Oil*".

Zhejiang Kaishan Geothermal Power Plant Operation & Maintenance Service Co. Ltd.

We have entered into service agreements with Zhejian Kaishan Geothermal Power Plant Operation & Maintenance Service Co. Ltd. for operation, maintenance, and technical assistance for various parts related to our power plant. The service agreements also encompass training for our staff on site as well as purchasing of spare parts.

KS Orka Renewables Pte. Ltd.

Loan Agreement

We (for the purposes of this section only, the "**Borrower**") have entered into 11 loan agreements with KS Orka Renewables Pte. Ltd. (for the purposes of this section only, the "**Lender**") as follows:

1. Loan Agreement dated October 12, 2020 as amended by 1st Variation to Loan Agreement dated November 9, 2022, Variation to Loan Agreements dated January 11, 2023, and 3rd Variation to Loan Agreement dated November 9, 2023, whereby the Lender makes available to the Borrower a USD and CNY revolving loan facility in the amount of US$0.4 million and CNY79.5 million, from October 12, 2020 until October 12, 2024, with an interest rate of LPR for the CNY loan and 4.5% per annum for the USD loan ("**KSO USD 0.4 Million and CNY 79.5 Million Loan**");

2. Loan Agreement dated April 1, 2021 as amended by 1st Variation dated July 18, 2023, Variation to Loan Agreements dated January 11, 2023, and 3rd Variation dated November 9, 2023, whereby the Lender makes available to the Borrower a CNY and USD revolving loan facility in the amount of CNY71.5 million and US$16.8 million, from April 1, 2021 until March 31, 2025, with an interest rate of LPR for the CNY loan and 4.5% per annum for the USD loan ("**KSO CNY71.5 Million and USD16.8 Million Loan**");

3. Loan Agreement dated March 16, 2022 as amended by 1st Variation dated July 18, 2023, whereby the Lender makes available to the Borrower a CNY revolving loan facility in the amount of CNY80.0 million, from March 16, 2022 until March 31, 2025, with an interest rate of LPR ("**KSO CNY80 Million Loan**");

4. Loan Agreement No. SMGP-AGR-1095-11-11 dated October 13, 2022 as amended by Variation to Loan Agreements dated January 11, 2023 and 2nd Variation dated November 9, 2023, whereby the Lender makes available to the Borrower a CNY and USD revolving loan facility in the amount of CNY65.2 million and US$10.0 million, from October 13, 2022 until October 12, 2024, with an interest rate of LPR for the CNY loan and 4.5% per annum for the USD loan ("**KSO CNY65.2 Million and USD10 Million Loan**");

5. Loan Agreement dated July 30, 2021 as amended by Variation to Loan Agreements dated January 11, 2023, 2nd Variation dated August 15, 2023, and 3rd Variation dated November 9, 2023, whereby the Lender makes available to the Borrower a USD revolving loan facility in the amount of US$16.0 million, from July 30, 2021 until July 30, 2025, with an interest rate of 4.5% per annum ("**KSO USD16 Million Loan**");

6. Loan Agreement dated October 1, 2021 as amended by Variation to Loan Agreements dated January 11, 2023, 2nd Variation dated November 9, 2023, whereby the Lender makes available to the Borrower a USD revolving loan facility in the amount of US$20.0 million, from October 1, 2021 until November 1, 2024, with an interest rate of 4.5% per annum ("**KSO USD20 Million Loan 2021**");

7. Loan Agreement dated April 14, 2022 as amended by Variation to Loan Agreements dated January 11, 2023, 2nd Variation dated November 9, 2023 and 3rd Variation dated March 7, 2023, whereby the Lender makes available to the Borrower a USD revolving loan facility in the amount of US$20.0 million, from April 14, 2022 until April 14, 2026, with an interest rate 4.5% per annum ("**KSO USD20 Million Loan 2022**");

8. Loan Agreement dated January 4, 2023 as amended by Variation to Loan Agreements dated November 9, 2023, whereby the Lender makes available to the Borrower a USD revolving loan facility in the amount of US$20.0 million, which is effective starting November 22, 2022 until November 22, 2024, with an interest rate of 4.5% per annum ("**KSO USD20 Million Loan 2023**");

9. Loan Agreement dated July 18, 2023, whereby the Lender makes available to the Borrower a CNY and USD revolving loan facility in the amount of CNY70.0 million and US$10.0 million, from July 18, 2023 until June 13, 2025, with an interest rate of LPR for the CNY loan and 4.5% per annum for the USD loan ("**KSO CNY70 Million and USD10 Million Loan**");

10. Loan Agreement dated November 9, 2023, whereby the Lender makes available to the Borrower a USD and CNY revolving loan facility in the amount of US$17.0 million and CNY150.0 million, from November 9, 2023 until November 8, 2025, with an interest rate of LPR for the CNY loan and 4.5% per annum for the USD loan ("**KSO USD17 Million and CNY150 Million Loan**"); and

11. Loan Agreement dated November 8, 2023, whereby the Lender makes available to the Borrower a USD revolving loan facility in the amount of USD17.6 million, from November 8, 2023 until November 7, 2024, with an interest rate of 4.5% per annum ("**KSO USD17.6 Million Loan**").

As of March 31, 2024, we had an aggregate of US$118.9 million and CNY422.9 million of principal amount outstanding under the Loan Agreements with KS Orka Renewables Pte. Ltd. as listed above.

The loan agreements above between the Borrower and the Lender are subject to the same terms and conditions.

Terms of Interest

We shall pay the accrued interest on the loan on the termination date. If we fail to pay any amount payable by us under each loan agreement on the scheduled due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment at a rate which is 4% (four percent) higher than the rate which would have been payable at the scheduled due date. Any interest accruing under the default interest shall be immediately payable by our Company on demand by the Lender. Unpaid default interest arising on an overdue amount will be compounded with the overdue amount at the end of each calendar quarter but will remain immediately due and payable.

Terms of repayment and Repayment Schedule

We may at any time repay the outstanding to the Lender under the relevant loan agreement subject to providing 5 (five) business days' prior written notice to the Lender. We are obliged to repay in full any outstanding amount to the lender no later than the termination date of each loan.

Events of Default

The following events or circumstances constitute an event of default:

1. Non-payment. The Borrower does not pay on the termination date of each loan the full outstanding amount pursuant to the finance document, at the venue as agreed, unless the failure to pay is caused by administrative or technical error and payment is made within 5 (five) business days following the termination date of each loan.

2. Material Adverse Change. An event or circumstance has occurred which the Lender reasonably believes has or is reasonably likely to have a material adverse effect or an event or circumstance has occurred which is deemed as a material change for the Lender.

On and at any time after the occurrence of an event of default which cannot be rectified, the Lender may notify the Borrower to: (1) immediately cancel the facility; (2) cancel and/or declare all or part of the loans, together with accrued interest, and all other amounts accrued or outstanding under the finance documents, shall become immediately due and payable; and/or (3) exercise any or all of its rights, under the finance documents.

All payments to be made by our Company under the finance documents shall be calculated and paid without any set-off or counterclaim (free and clear of any deduction) and our Company shall not be entitled to exercise any right of retention, unless the lender is unable or admits inability to pay its debts as they fall due or any counterclaim has been acknowledged or awarded by any final court judgement. The lender may set-off any matured obligation due from our Company under the finance documents against any matured or not yet due obligation owed by the lender to our Company, regardless of the venue of payment or currency of either obligation. If the obligations are in different currencies, the lender may convert either obligation at the agreed market exchange rate.

Any payment which is due to be made on a day that is not a business day shall be made on the next business day. During any extension of the due date for payment for any principal or unpaid sum under the loan agreements, interest is payable on the principal or unpaid sum at the rate payable on the original due date.

Any interest, commission or fee accruing under the finance document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days.

Dispute Resolution, Governing Law, and Language

In the event of a dispute between our Company and the Lender regarding the agreement, the parties agree to submit to the courts of Singapore. However, the Lender is not prevented from bringing claims in any other courts in any jurisdiction or to apply for injunctive relief or any other preliminary relief, including taking concurrent proceedings in any number of jurisdictions. The agreement is governed by the laws of Singapore, and in case of any discrepancies between the Indonesian and English versions, the English text prevails.

Kaishan Renewable Energy Development Pte. Ltd.

Loan Agreement

We (for the purposes of this section only, the "**Borrower**") have entered into 2 loan agreements with Kaishan Renewable Energy Development Pte. Ltd. (for the purposes of this section only, the "**Lender**") as follows:

1. Loan Agreement dated August 25, 2020 as amended by 1st Variation dated February 4, 2021, 2nd Variation dated November 9, 2022 and 3rd Variation dated November 9, 2023, whereby the Lender makes available to the Borrower a USD revolving loan facility in the amount of US$6.5 million, from August 25, 2020 until August 25, 2024, with an interest rate of 4.5% per annum ("**KRED USD6.5 Million Loan**").

As of March 31, 2024, we had US$4.5 million of principal amount outstanding under the KRED USD6.5 Million Loan.

The loan agreements above between the Borrower and the Lender are subject to the same terms and conditions.

Terms of Interest

We shall pay the accrued interest on the loan on the termination date. If we fail to pay any amount payable by us under each loan agreement on the scheduled due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment at a rate which is 4% (four percent) higher than the rate which would have been payable at the scheduled due date. Any interest accruing under the default interest shall be immediately payable by our Company on demand by the Lender. Unpaid default interest arising on an overdue amount will be compounded with the overdue amount at the end of each calendar quarter but will remain immediately due and payable.

Terms of repayment and Repayment Schedule

We may at any time repay the outstanding to the Lender under the relevant loan agreement subject to providing 5 (five) business days' prior written notice to the Lender. We are obliged to repay in full any outstanding amount to the lender no later than the termination date of each loan.

Events of Default

The following events or circumstances constitute an event of default:

1. Non-payment. The Borrower does not pay on the termination date of each loan the full outstanding amount pursuant to the finance document, at the venue as agreed, unless the failure to pay is caused by administrative or technical error and payment is made within 5 (five) business days following the termination date of each loan.

2. Material Adverse Change. An event or circumstance has occurred which the Lender reasonably believes has or is reasonably likely to have a material adverse effect or an event or circumstance has occurred which is deemed as a material change for the Lender.

On and at any time after the occurrence of an event of default which cannot be rectified, the Lender may notify the Borrower to: (1) immediately cancel the facility; (2) cancel and/or declare all or part of the loans, together with accrued interest, and all other amounts accrued or outstanding under the finance documents, shall become immediately due and payable; and/or (3) exercise any or all of its rights, under the finance documents.

All payments to be made by our Company under the finance documents shall be calculated and paid without any set-off or counterclaim (free and clear of any deduction) and our Company shall not be entitled to exercise any right of retention, unless the lender is unable or admits inability to pay its debts as they fall due or any counterclaim has been acknowledged or awarded by any final court judgement. The lender may set-off any matured obligation due from our Company under the finance documents against any matured or not yet due obligation owed by the lender to our Company, regardless of the venue of payment or currency of either obligation. If the obligations are in different currencies, the lender may convert either obligation at the agreed market exchange rate.

Any payment which is due to be made on a day that is not a business day shall be made on the next business day. During any extension of the due date for payment for any principal or unpaid sum under the loan agreements, interest is payable on the principal or unpaid sum at the rate payable on the original due date.

Any interest, commission or fee accruing under the finance document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days.

Dispute Resolution, Governing Law, and Language

In the event of a dispute between our Company and the Lender regarding the agreement, the parties agree to submit to the courts of Singapore. However, the Lender is not prevented from bringing claims in any other courts in any jurisdiction or to apply for injunctive relief or any other preliminary relief, including taking concurrent proceedings in any number of jurisdictions. The agreement is governed by the laws of Singapore, and in case of any discrepancies between the Indonesian and English versions, the English text prevails.

DESCRIPTION OF THE NOTES

For purposes of this "*Description of the Notes*," the term "Company" refers only to PT Sorik Marapi Geothermal Power, a company incorporated with limited liability under the laws of the Republic of Indonesia ("**Indonesia**"), and any successor issuer with respect to the Notes.

The Notes are to be issued under an indenture (the "**Indenture**"), to be dated as of the Original Issue Date, among the Company, The Bank of New York Mellon, as trustee (the "**Trustee**," which expression shall include its successor(s) and all persons for the time being the trustee or trustees under the Indenture), The Bank of New York Mellon, Singapore Branch as offshore collateral agent (the "**Offshore Collateral Agent**," including any successor offshore collateral agent), PT Bank CIMB Niaga Tbk as onshore collateral agent (the "**Onshore Collateral Agent**," including any successor onshore collateral agent and, together with the Offshore Collateral Agent, the "**Collateral Agents**"), in a transaction that is not subject to the registration requirements of the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). The Indenture and the Notes will be subject to the Intercreditor Agreement (as defined below). Holders of Notes will not be entitled to any registration rights. See "*Transfer Restrictions*."

The following is a summary of certain provisions of the Indenture, the Notes, the Intercreditor Agreement, the Subordination Agreement and the Security Documents. This summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Indenture, the Notes, the Intercreditor Agreement, the Subordination Agreement and the Security Documents. It does not restate those agreements in their entirety. Whenever particular sections or defined terms of the Indenture, the Intercreditor Agreement, the Subordination Agreement or the Security Documents not otherwise defined herein are referred to, such sections or defined terms are incorporated herein by reference. If there is any discrepancy and/or inconsistency between each of the Indenture, the Notes, the Intercreditor Agreement, the Subordination Agreement or the Security Documents and the description of the same in this offering memorandum, the former shall prevail. Copies of the Indenture, the Intercreditor Agreement, the Subordination Agreement and the Offshore Security Documents will be available by email to requesting Holders of the Notes or for inspection on or after the Original Issue Date during normal office hours (being between 9:00 a.m. to 3:00 p.m. from Monday to Friday (New York time) (other than public holidays)), upon prior written request and proof of holding and identity to the satisfaction of the Trustee at the corporate trust office of the Paying Agent located at 240 Greenwich Street, New York, NY 10286, United States of America. Copies of the Onshore Security Documents will be available by email to requesting Holders of the Notes and to the Trustee or for inspection on or after the Original Issue Date during normal office hours (being between 8:30 a.m. to 5:00 p.m. from Monday to Friday (Jakarta time) (other than public holidays)), upon (in the case of Holders) prior written request and proof of holding and identity to the satisfaction of the Onshore Collateral Agent at the office of the Onshore Collateral Agent located at Graha Niaga Building, 20th Floor, Jl. Jend. Sudirman Kav 58, Jakarta 12190.

The Holder of a Note registered in the Note register will be treated as the owner of it for all purposes. Only registered Holders will have rights under the Indenture.

Brief Description of the Notes

The Notes will:

- be general obligations of the Company;
- be senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes;
- rank at least *pari passu* in right of payment with all unsubordinated obligations of the Company (subject to any priority rights of such unsubordinated obligations pursuant to applicable law);
- be effectively subordinated to secured obligations of the Company, to the extent of the value of the assets serving as security therefor (other than the Collateral, to the extent applicable); and
- be secured by a first priority lien over the Collateral (subject to Permitted Liens and the Intercreditor Agreement) as described below under "– *Security*," on an equal and ratable basis with all Permitted Pari Passu Secured Obligations incurred by the Company.

The Company will initially issue US$350,000,000 in aggregate principal amount of 7.75% Senior Secured Notes due 2031 (the "**Notes**"). The Notes will mature on August 5, 2031 unless earlier repurchased and cancelled or redeemed pursuant to the terms thereof and the Indenture. The Indenture will allow additional Notes to be issued from time to time (the "**Additional Notes**"), subject to certain limitations described under "– *Further Issues*." Unless the context requires otherwise, references to the "Notes" for all purposes of the Indenture and this "*Description of the Notes*" include any Additional Notes that are actually issued.

Interest

The Notes will bear interest at 7.75% per annum from the Original Issue Date or from the most recent interest payment date to which interest has been paid or duly provided for, payable semi-annually in arrears on February 5 and August 5 of each year (each a "**Notes Interest Payment Date**") commencing February 5, 2025.

Interest on the Notes will be paid to Holders of record at the close of business on January 21 or July 21 immediately preceding a Notes Interest Payment Date (each a "**Notes Record Date**"), notwithstanding any transfer, exchange or cancellation thereof after a Notes Record Date and prior to the immediately following Notes Interest Payment Date. Interest on the Notes will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Amortization of Principal

Instalments of principal of the Notes (each a "**Notes Amortization Amount**") are payable on each February 5 and August 5 of each year (each a "**Notes Amortization Payment Date**," and together with the Notes Interest Payment Date, a "**Notes Payment Date**"), commencing February 5, 2025, *pro rata* pass through distribution of principal basis to the Holders thereof on the immediately preceding Notes Record Date in accordance with the following schedule; *provided* that such Notes Amortization Amount shall be adjusted proportionately to give effect to any issuances, redemptions, repurchases or cancellations of Notes after the Original Issue Date (other than any Notes Amortization Amounts and any MCS Amounts):

Notes Payment Date	Percentage of Original Principal Amount
February 5, 2025	0.00%
August 5, 2025	0.50%
February 5, 2026	0.50%
August 5, 2026	0.50%
February 5, 2027	0.50%
August 5, 2027	0.50%
February 5, 2028	0.50%
August 5, 2028	0.50%
February 5, 2029	0.50%
August 5, 2029	0.50%
February 5, 2030	0.50%
August 5, 2030	0.50%
February 5, 2031	0.50%
August 5, 2031	All remaining outstanding principal amounts

Neither the Trustee nor the Agents shall be responsible for monitoring, verifying or calculating the amount payable in connection with any Notes Amortization Amount and will not be responsible to the Company or the Holders for any loss arising from any failure by it to do so. In the event that any adjustment is required to be made to the Notes Amortization Amount, the Company shall notify the Trustee and the Agents of the same.

MCS Amortization Redemptions

The Notes are subject to partial mandatory cash sweep ("**MCS**") amortization redemptions (each such redemption, an "**MCS Amortization Redemption**") on each of the dates shown below (each such date, an "**MCS Amortization Redemption Date**") at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable MCS Amortization Redemption Date (subject to the right of Holders on the relevant Notes Record Date to receive interest due on such date).

The amount of Notes to be redeemed on a MCS Amortization Redemption Date (such amount, the "**MCS Amount**") shall be an amount equal to (x) the applicable MCS Amortization Percentage on the applicable MCS Amortization Redemption Date multiplied by (y) the principal amount of Notes issued on the Original Issue Date; *provided* that such MCS Amount shall be adjusted proportionately to give effect to any issuances, redemptions, repurchases or cancellations of Notes after the Original Issue Date (other than any Notes Amortization Amounts and any MCS Amounts).

MCS Amortization Redemption Date	MCS Amortization Percentage
February 5, 2025	1.27%
August 5, 2025	2.20%
February 5, 2026	2.20%
August 5, 2026	3.24%
February 5, 2027	3.24%
August 5, 2027	4.10%
February 5, 2028	4.10%
August 5, 2028	4.83%
February 5, 2029	4.83%
August 5, 2029	5.80%
February 5, 2030	5.80%
August 5, 2030	6.32%
February 5, 2031	6.32%

To the extent that an amount less than the applicable MCS Amount payable on MCS Amortization Redemption Date is paid, any such unpaid amounts will be carried forward to the next MCS Amortization Redemption Date and be added to the applicable MCS Amount to be paid on the succeeding MCS Amortization Redemption Date. Any such amounts shall be carried forward into each subsequent period until paid or until the Notes are redeemed in full. Any failure to pay any MCS Amounts on any MCS Amortization Redemption Date will not constitute a Default or an Event of Default under the Indenture.

Each MCS Amortization Redemption will be done on a *pro rata* pass through distribution of principal basis consistent with "– *Selection and Notice*" below. In the event of an MCS Amortization Redemption, the Company will deliver a notice of the MCS Amortization Redemption to the Holders (copying the Trustee and the Paying Agent) no later than 15 Business Days prior to the payment of such MCS Amortization Redemption, together with an Officers' Certificate stating the MCS Amount and the relevant calculations, including the amount paid as a percentage of principal and any MCS Amounts carried forward from a previous MCS Amortization Redemption Date.

Neither the Trustee nor the Agents shall be responsible for monitoring, verifying or calculating the amount payable in connection with any MCS Amortization Redemption or any adjustment thereof and will not be responsible to the Company and the Holders for any loss arising from any failure by it to do so. In the event that any adjustment is required to be made to the MCS Amounts, the Company shall notify the Trustee and the Agents of the same.

Payment of Notes

In any case in which the date of the payment of principal of, premium, if any, or interest on the Notes (including any payment to be made on any date fixed for redemption or purchase of any Note) is not a Business Day in the relevant place of payment, then payment of principal, premium, if any, or interest need not be made in such place on such date but may be made on the next succeeding Business Day in such place. Any payment made on such next succeeding Business Day will have the same force and effect as if made on the date on which such payment was stated to be due, and no interest on the Notes will accrue for the period after any such stated due date of the payment of principal of, premium, if any, or interest on the Notes to such next succeeding Business Day. Interest on overdue principal and interest and Additional Amounts, if any, will accrue at the same rate as the then applicable interest rate on the Notes.

The Notes will be issued only in fully registered form, without coupons, in minimum denominations of US$200,000 of original principal amount and integral multiples of US$1,000 in excess thereof. See "– *Book-Entry; Delivery and Form*." No service charge will be made for any registration of transfer or exchange of Notes, but the Company and the Transfer Agent may require payment of a sum sufficient to cover any tax or other similar governmental charge payable in connection therewith.

All payments on the Notes will be made by wire transfer in U.S. dollars in immediately available funds by the Company at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York (which initially will be the corporate trust office of The Bank of New York Mellon (the "**Paying Agent**")), currently located at 240 Greenwich Street, New York, NY 10286, United States of America), and the Notes may be presented for registration of transfer or exchange at such office or agency; *provided* that if the Notes are in certificated form and the Company acts as its own paying agent, payment of interest may be made by check mailed to the address of the Holders as such address appears in the Note register or by wire transfer. Interest payable on the Notes held through DTC will be available to DTC participants (as defined herein) in accordance with DTC's procedures.

Security

The obligations of the Company under the Notes will be secured by a first priority security interest (except as noted below and subject to Permitted Liens and the Intercreditor Agreement) in favor of the Secured Parties (as defined below) pursuant to the security documents (the "**Security Documents**") for the benefit of the Holders of the Notes and the creditors of Permitted Pari Passu Secured Obligations which are permitted to be incurred under the Indenture over the following (collectively, the "**Collateral**"):

(i) an assignment of all present and future Subordinated Shareholder Loans of the Company;

(ii) a charge over each of the Offshore Accounts;

(iii) a share pledge to be executed by OTP Geothermal PTE. Limited. ("**OTP Geothermal**") over its entire present and future shares in the Company;

(iv) pledge over each of the Onshore Accounts;

(v) fiduciary security over present and future movable assets of the Company;

(vi) security rights or *hak tanggungan* over 110 plots of land owned by the Company; and

(vii) fiduciary security over present and future insurance claim proceeds received by the Company,

except to the extent such asset constitutes "**Excluded Assets**" (as defined below). The Collateral described in clauses (i) and (ii) are collectively referred to herein as the "**Offshore Collateral**" and the Security Documents creating the Offshore Collateral are collectively referred to herein as the "**Offshore Security Documents**." The Collateral described in clauses (iii) to (vii) are collectively referred to herein as the "**Onshore Collateral**" and the Security Documents creating the Onshore Collateral are collectively referred to herein as the "**Onshore Security Documents**."

The security interests over the Offshore Collateral will be granted on the Original Issue Date. The security interest over the Onshore Collateral shall be created within 120 days after the Original Issue Date.

For further details related to the Collateral, see "*Description of the Security Documents and the Collateral*."

The Collateral may only be shared with future creditors as described in the section "– *Certain Covenants – Permitted Pari Passu Secured Obligations*."

The value of the Collateral securing the Notes may not be sufficient to satisfy the Company's obligations under the Notes and/or any Permitted Pari Passu Secured Obligations, and the Collateral securing the Notes and/or any Permitted Pari Passu Secured Obligations may be reduced or diluted under certain circumstances, including the disposition of assets comprising the Collateral, subject to the terms of the Indenture. See "– *Release of Collateral*" and "*Risk Factors – Risks Relating to the Collateral – The proceeds realized from a sale of the Collateral may not be sufficient for the holders of the Notes to recover all amounts due on the Notes*."

No appraisals of the Collateral have been prepared in connection with this offering of the Notes. There can be no assurance that the proceeds of any sale of the Collateral, in whole or in part, pursuant to the Indenture and the Security Documents following an Event of Default, would be sufficient to satisfy amounts due on the Notes. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral would be sold in a timely manner or at all.

So long as no Event of Default under the Indenture or event of default pursuant to any credit documents pursuant to which the Company has incurred Permitted Pari Passu Secured Obligations (as defined below) has occurred and is continuing, and subject to the terms of the Security Documents and the Indenture, OTP Geothermal will be entitled to exercise any and all voting rights and to receive, retain and use any and all cash dividends, stock dividends, liquidating dividends, non-cash dividends, shares or stock resulting from stock splits or reclassifications, rights issues, warrants, options and other distributions (whether similar or dissimilar to the foregoing) in respect of Capital Stock constituting Collateral.

No release of Collateral shall be effective against the Trustee, the Collateral Agents or the Holders until the Company has delivered to the Trustee and the Collateral Agents an Officers' Certificate and an Opinion of Counsel stating that all requirements relating to such release have been complied with and that such release has been authorized by, permitted by and made in accordance with the provisions of the Indenture, the Security Documents and the Intercreditor Agreement.

Subordination Agreement

On the Original Issue Date, the Subordinated Creditors shall enter into a subordination agreement (the "**Subordination Agreement**") pursuant to which the Subordinated Shareholder Loans of the Company will be subordinated to Notes and any Permitted Pari Passu Secured Obligations. The Subordination Agreement will provide, among other things, that until the Senior Discharge Date (as defined in the Subordination Agreement): (1) no Subordinated Creditor shall demand or

receive any payment or repayment of any principal, interest or other amount in respect of the Subordinated Shareholder Loans (except as permitted under the Indenture), (2) no Subordinated Creditor shall create any security in respect of any Subordinated Shareholder Loan and (3) no Subordinated Creditor shall claim or rank as a creditor in the insolvency, winding-up, bankruptcy or liquidation of the Company.

Intercreditor Agreement

On or prior to the first Incurrence of any Permitted Pari Passu Indebtedness, the Trustee on behalf of the Holders, will enter into an intercreditor agreement (the "**Intercreditor Agreement**") that governs the relationship among the Holders, as well as holders of Permitted Pari Passu Secured Obligations (or their representative(s)).

By accepting the Notes, the Holders are deemed to have approved the forms of the Intercreditor Agreement and the Security Documents and authorized, instructed and directed the Trustee and the Collateral Agents to enter into the Intercreditor Agreement and the Security Documents. By accepting the Notes, the Holders are deemed to have approved the appointment of The Bank of New York Mellon, Singapore Branch as the Offshore Collateral Agent and PT Bank CIMB Niaga Tbk as the Onshore Collateral Agent with respect to the Collateral and any Additional Collateral from time to time securing the obligations of the Company under the Indenture and any Permitted Pari Passu Secured Obligations, to exercise remedies in respect thereof upon the occurrence of an Event of Default under the Notes and the Indenture that has caused the holders of the Notes to declare the Notes to be due and payable prior to its Stated Maturity, or upon an event of default under any Permitted Pari Passu Secured Obligations that has caused the holder thereof to declare any such Permitted Pari Passu Secured Obligations to be due and payable prior to the Stated Maturity thereof, and to act as otherwise specified in the Intercreditor Agreement.

The Intercreditor Agreement will provide, among other things (i) that the Trustee, the Holders and any future holders or their representatives of any Permitted Pari Passu Secured Obligations (together, the "**Secured Parties**") shall share equal priority and pro rata entitlement in and to the Collateral and any Additional Collateral, except for certain fees, costs and expenses of the Collateral Agents, the Trustee and any financing agent acting on behalf of the holders of Permitted Pari Passu Secured Obligations which shall be paid in advance of any payments to Holders and holders of Permitted Pari Passu Secured Obligations, (ii) the conditions under which the Secured Parties will consent to the release or granting of any Lien on the Collateral and any Additional Collateral, (iii) the conditions under which the Secured Parties will be entitled to enforce their rights with respect to such Collateral and any Additional Collateral under the obligations secured thereby (collectively, the "**Intercreditor Rights**"). The Indenture, Intercreditor Agreement and Security Documents will provide that if there is any discrepancy or inconsistency between (1) the Intercreditor Agreement and (2) the Indenture or the Security Documents with respect to terms governing the Intercreditor Rights, the Intercreditor Agreement shall prevail.

In connection with the Incurrence of any subsequent Permitted Pari Passu Secured Obligations, the holders of such Permitted Pari Passu Secured Obligations (or their representative(s)) will (a) accede to the Intercreditor Agreement and become parties to it or (b) enter into another intercreditor agreement on substantially similar terms.

Enforcement of Security

Collateral

The first priority Lien over the Offshore Collateral securing the Notes will be granted to the Offshore Collateral Agent, with respect to the Security Documents governed by Singapore law, and the first priority Lien over the Onshore Collateral securing the Notes will be granted to the Onshore Collateral Agent, with respect to the Security Documents governed by Indonesian law.

The Offshore Collateral Agent and the Onshore Collateral Agent are collectively referred to herein as the "**Collateral Agents**." The Collateral Agents will hold such Liens and security interests in the Collateral granted pursuant to the Security Documents with sole authority to exercise remedies under the Security Documents in accordance with the terms of the Indenture, the Intercreditor Agreement and the applicable Security Document. Each of the Collateral Agents has agreed to act on behalf of the holders of the Notes and the Trustee and holders of Permitted Pari Passu Secured Obligations to follow the instructions provided to it under the Indenture, the Intercreditor Agreement and the Security Documents and to carry out certain other duties.

The Indenture, the Intercreditor Agreement and/or the Security Documents principally provide that (i) at any time while the Notes are outstanding, the Collateral Agents have the exclusive right to enforce and perform the terms of the Security Documents relating to the Collateral and (ii) upon written notice of the occurrence of an Event of Default under the Indenture or any other credit document pursuant to which the Company incurs Permitted Pari Passu Secured Obligations, the Collateral Agents have the exclusive right to exercise and enforce all privileges, rights and remedies thereunder as directed by the written instructions of the applicable Secured Party (subject to receipt of satisfactory indemnity, security and/or prefunding), including to take or retake control or possession of the Collateral and to hold, prepare for sale, process, lease, dispose of or liquidate such Collateral, subject in each case, to the terms and conditions of the Indenture, the Intercreditor Agreement and the applicable Security Document.

The Indenture and the Intercreditor Agreement will provide that all payments received and all amounts collected by the Collateral Agents following enforcement of the Collateral under the Security Documents will be applied as follows:

- *first*, in payment of any taxes, filing fees and registration fees and any other expenses owed to any governmental entity and properly incurred in connection with any enforcement of the Collateral;

- *second*, in payment on a *pro rata* and *pari passu* basis of fees and properly incurred costs and expenses (including indemnity payments, fees and expenses of legal counsel) incurred by or on behalf of the Collateral Agents, the Trustee, the Agents and any creditor representative acting on behalf of the holders of Permitted Pari Passu Secured Obligations (and any receiver, adviser, legal counsel or agent appointed by any of them), in connection with the collection or distribution of such payments and amounts held or realized, in connection with the administration and acceptance of and the performance of their respective duties under the Intercreditor Agreement, the Security Documents, the Indenture governing the Notes and the documents governing any Permitted Pari Passu Secured Obligations, in connection with enforcing remedies under the Intercreditor Agreement, the Security Documents, the Indenture and the documents governing any Permitted Pari Passu Secured Obligations and preserving the Collateral and all amounts for which the Trustee, the Agents, the Collateral Agents and any creditor representative acting on behalf of the holders of Permitted Pari Passu Secured Obligations (and any receiver, adviser, legal counsel or agent appointed by any of them) and their respective advisers, legal counsel and agents are entitled to indemnification in each case, under the Intercreditor Agreement, the Security Documents, the Indenture governing the Notes and the documents governing any Permitted Pari Passu Secured Obligations;

- *third*, in payment on a *pro rata* and *pari passu* basis to:

    (i) the Trustee for application in or towards the discharge of the accrued but unpaid interest in relation to the Notes; and

(ii) the representative(s) of the holders of Permitted Pari Passu Secured Obligations, in or towards the discharge of the accrued but unpaid interest in relation to any Permitted Pari Passu Secured Obligations;

- *fourth*, in payment on a *pro rata* and *pari passu* basis to:

  (i) the Trustee for application in or towards the discharge of the outstanding principal under the Notes; and

  (ii) the representative(s) of the holders of Permitted Pari Passu Secured Obligations, in or towards the discharge of the outstanding principal (and in the case of any Hedging Obligations entered into by the Company for the purpose of hedging any currency or interest rate exposures of the Company in relation to the Notes or any Permitted Pari Passu Indebtedness, the hedging liabilities owed by the Company to the hedge counterparties thereunder) under any Permitted Pari Passu Secured Obligations;

- *fifth*, in payment on a *pro rata* and *pari passu* basis of any other amounts outstanding to the Secured Parties provided for under the Notes, Indenture and any document evidencing or creating any Permitted Pari Passu Secured Obligations;

- *sixth*, in payment of the surplus (if any) to the Company or any other person entitled thereto.

The Collateral Agents may decline to foreclose on the Collateral or exercise remedies available if they are not instructed in writing and they do not receive indemnification, prefunding and/or security to their satisfaction. In addition, the ability of the Collateral Agents to foreclose on the Collateral may be subject to lack of perfection, the consent of third parties, prior Liens and practical problems associated with the realization of the Collateral Agents' Liens on the Collateral. None of the Collateral Agents, the Agents, the Trustee nor any of their respective officers, directors, employees, attorneys or agents will be responsible or liable for the existence, genuineness, value, title, adequacy or protection of any Collateral securing the Notes, for the legality, enforceability, effectiveness, validity or sufficiency of the Security Documents, for the creation, perfection, priority, sufficiency or protection of any of the Liens, or for any defect or deficiency as to any such matters, or for any failure to demand, collect, foreclose or realize upon or otherwise enforce any of the Liens or Security Documents or any delay in doing so.

The Indenture and the Intercreditor Agreement will provide that the Company and the grantors of Collateral will jointly and severally indemnify the Collateral Agents for all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind (including fees and properly incurred costs and expenses of legal counsel) imposed against the Collateral Agents arising out of the Indenture, documents governing the Permitted Pari Passu Secured Obligations, the Security Documents and the Intercreditor Agreement except to the extent that any of the foregoing are finally judicially determined to have resulted from the gross negligence or willful misconduct of the relevant Collateral Agent.

This section "– *Enforcement of Security*" shall be subject to any amendments to the Security Documents or the Indenture to permit the creation of Liens on the Collateral to secure Permitted Pari Passu Secured Obligations in accordance with "– *Certain Covenants – Permitted Pari Passu Secured Obligations*" above.

Release of Collateral

Subject to the provisions of the Intercreditor Agreement with respect to the Collateral, the security created in respect of the Collateral granted under the Security Documents may be released in certain circumstances, including:

- upon repayment in full of the Notes;
- upon a defeasance or satisfaction and discharge as described under "– *Defeasance – Defeasance and Discharge*" or "– *Satisfaction and Discharge*;"
- in connection with any sale, transfer, conveyance or other disposition of assets constituting Collateral which are subject to such Liens to a Person that is not (either before or after giving effect to such transaction) the Company, if the sale, transfer, conveyance or other disposition does not violate the provisions of the Indenture described under "– *Certain Covenants – Limitation on Asset Sales*" or "*Consolidation, Merger and Sale of Assets*;"
- in connection with an enforcement sale pursuant to the Intercreditor Agreement; and
- as otherwise not prohibited by the Indenture or the Security Documents or the Intercreditor Agreement; or as described under "– *Amendments and Waivers*."

Accounts

The Company shall establish or redesignate in Singapore the following accounts (the "**Offshore Accounts**") denominated in U.S. dollars with an offshore account bank or banks to be specified in the Intercreditor Agreement (including any replacement, the "**Offshore Account Bank**"):

- the Debt Service Reserve Account;
- the Major Maintenance Reserve Account;
- the Restricted Surplus Account;
- the Restricted Debt Service Account; and
- the Surplus Account.

The Company may only apply the amounts on deposit in the Debt Service Reserve Account to fund its payment obligations in respect of the Notes (and not any other Indebtedness or obligations). The Company shall apply the amounts on deposit in the Major Maintenance Reserve Account only to fund Major Maintenance Costs, Major Drilling Costs and, to the extent that any proceeds of Additional Notes issued by the Company have been deposited into the Major Maintenance Reserve Account, the costs of exploration, development and construction of one or more additional Geothermal Units (other than the Existing Geothermal Units) (each, an "**Additional Geothermal Unit**").

As of the Original Issue Date, the Company has established the following accounts in Indonesia (the "**Onshore Accounts**") with certain onshore account banks (the "**Onshore Account Banks**"):

- the Revenue Account;
- the Operating Accounts; and
- the Onshore Corporate and Tax Account.

(i) On the Original Issue Date, the Offshore Accounts will be pledged in favor of the Offshore Collateral Agent; and (ii) within 120 days after the Original Issue Date, the Onshore Accounts will be pledged in favor of the Onshore Collateral Agent, under the respective Security Documents for the benefit of the Holders of the Notes and the other Secured Parties, as described in "– *Security*" below.

On or after the Original Issue Date, the Company may establish or redesignate and maintain certain other local accounts in Indonesia (the "**Other Onshore Accounts**"), which may be denominated in either U.S. dollars or Indonesian rupiah, *provided* that (i) the balance in such accounts shall at all times not exceed US$10.0 million (or the Dollar Equivalent thereof) on an aggregate basis; and (ii) such accounts are maintained with a bank that is a Permitted Account Bank. The Other Onshore Accounts will not be pledged for the benefit of the Holders of the Notes.

In addition, on or after the Original Issue Date, the Company may establish or redesignate and maintain certain other accounts (the "**Additional Geothermal Unit Accounts**") which may be denominated in either U.S. dollars or Indonesian rupiah; *provided* that such Additional Geothermal Unit Accounts are set up in connection with (i) the Incurrence of any Indebtedness (other than in the form of Additional Notes) to finance the exploration, development and construction costs of Additional Geothermal Units in accordance with the terms set forth in the Indenture; and (ii) the operation of such Additional Geothermal Units into which cash revenues of such Additional Geothermal Units are paid. Such Additional Geothermal Unit Accounts will not be pledged for the benefit of the Holders of the Notes.

The Company will procure that: (i) all revenues and any monies or proceeds received or arising from the Project by the Company from time to time (other than Available Proceeds (as defined under "– *Mandatory Redemption of Notes Without Premium*")); (ii) any revenues and other proceeds arising from any Geothermal Unit; and (iii) the net proceeds of any Additional Notes, shall, in each case, be paid into the Onshore Accounts.

Any amounts held in each of the Onshore Accounts shall be applied by the Company in the following order of priority:

(1) *first*, to any Onshore Account or Other Onshore Account towards payment of any operating costs, expenses and taxes which are due and unpaid or estimated by the Company to become due and payable in the succeeding month (including in respect of any Hedging Obligations other than Hedging Obligations entered into in connection with the Notes or any Permitted Pari Passu Indebtedness);

(2) *second*, towards payment of any fees, costs, expenses and other charges due or estimated to be due to be paid in the succeeding month in respect of the Notes (including, for the avoidance of doubt, any fees, costs, expenses and other charges of the Trustee and the Collateral Agents);

(3) *third*, to the Major Maintenance Reserve Account, such amounts as are necessary to ensure that the balance on deposit in the Major Maintenance Reserve Account is at least equal to the Minimum MMRA Balance; amounts in the Major Maintenance Reserve Account shall only be applied towards:

(i) payment of any Major Maintenance Costs;

(ii) payment of any Major Drilling Costs; or

(iii) funding the exploration, development and construction costs of Additional Geothermal Units to the extent the proceeds of any Additional Notes issued from time to time have been designated by the Company for such purpose;

(4) *fourth*, to the Debt Service Reserve Account, such amounts as are necessary to ensure that the balance on deposit in the Debt Service Reserve Account is at least equal to the Minimum DSRA Balance;

(5) *fifth,* any amounts required from time to time by the Company to fund any MCS Amounts under "– *MCS Amortization Redemptions*" or optional redemption of Notes that it may have initiated in accordance with "– *Optional Redemption*";

(6) *sixth*, any remaining amounts to the Restricted Surplus Account;

(7) *seventh*, to the Restricted Debt Service Account, such amounts as are necessary to comply with the conditions set forth in the following paragraph;

(8) *eighth*, to the Surplus Account, such amounts as are necessary to comply with the conditions set forth in the following paragraph, for the making of Equity Distributions in accordance with the covenant described under "*Certain Covenants – Limitation on Equity Distributions*" or making any Open Market Purchase.

For purposes of paragraphs (6), (7) and (8) above, if the Debt Service Coverage Ratio in relation to the Calculation Period ending on the immediately preceding Calculation Date is:

(a) greater than 1.6 to 1.0, the Company shall be permitted to transfer 100.0% of the funds available from the Restricted Surplus Account into the Surplus Account;

(b) equal to or less than 1.6 to 1.0 but greater than 1.5 to 1.0, the Company shall transfer no more than 60.0% of the funds available from the Restricted Surplus Account into the Surplus Account, and any excess amount that would otherwise have been available for such transfer shall instead be transferred from the Restricted Surplus Account into the Restricted Debt Service Account and shall remain in such account (unless otherwise required by the Company to make a payment of any MCS Amount or used by the Company to make Permitted Investments in accordance with the covenant "*Limitation on Investments*") until such time as the Debt Service Coverage Ratio is greater than 1.6 to 1.0 for two consecutive Calculation Periods;

(c) equal to or less than 1.5 to 1.0 but greater than 1.4 to 1.0, the Company shall transfer no more than 50.0% of the funds available from the Restricted Surplus Account into the Surplus Account, and any excess amount that would otherwise have been available for such transfer shall instead be transferred from the Restricted Surplus Account into the Restricted Debt Service Account and shall remain in such account (unless otherwise required by the Company to make a payment of any MCS Amount or used by the Company to make Permitted Investments in accordance with the covenant "*Limitation on Investments*") until such time as the Debt Service Coverage Ratio is greater than 1.5 to 1.0 for two consecutive Calculation Periods;

(d) equal to or less than 1.4 to 1.0 but greater than 1.3 to 1.0, the Company shall transfer no more than 40.0% of the funds otherwise available from the Restricted Surplus Account into the Surplus Account, and any excess amount that would otherwise have been available for such transfer shall instead be transferred from the Restricted Surplus Account into the Restricted Debt Service Account and shall remain in such account (unless otherwise required by the Company to make a payment of any MCS Amount or used by the Company to make Permitted Investments in accordance with the covenant "*Limitation on Investments*") until such time as the Debt Service Coverage Ratio is greater than 1.4 to 1.0 for two consecutive Calculation Periods; and

(e) equal to or less than 1.3 to 1.0, the Company shall not be permitted to transfer any amount the Surplus Account, and any excess amount that would otherwise have been available for such transfer shall instead be transferred from the Restricted Surplus Account into the Restricted Debt Service Account and shall remain in such account (unless otherwise required by the Company to make a payment of any MCS Amount or used by the Company to make Permitted Investments in accordance with the covenant "*Limitation on Investments*") until such time as the Debt Service Coverage Ratio is greater than 1.3 to 1.0 for two consecutive Calculation Periods.

The Company shall, until the repayment in full of the Notes, maintain: (i) at all times the Minimum DSRA Balance in the Debt Service Reserve Account, (ii) as of each Calculation Date, the Minimum MMRA Balance in the Major Maintenance Reserve Account and (iii) at all times a minimum cash balance of US$10.0 million in the Onshore Accounts on an aggregate basis.

Amounts in the Surplus Account may from time to time be applied to make Equity Distributions once the Distribution Conditions are satisfied, or may otherwise be applied in accordance with the Intercreditor Agreement.

Neither the Trustee, the Offshore Account Bank, the Onshore Account Bank nor the Collateral Agents will be responsible for monitoring whether the Company maintains the minimum balance required to be maintained in the Offshore Accounts and the Onshore Accounts or the maximum balance not to be exceeded in the Other Onshore Accounts or whether the amounts on deposit in such accounts are used or applied by the Company in accordance with the terms and provisions of the Indenture, the Security Documents and the Intercreditor Agreement. Neither the Trustee, the Offshore Account Bank, the Onshore Account Bank nor the Collateral Agents will be responsible for determining, verifying or calculating the ratios to be maintained by the Company.

Further Issues

Subject to the covenants described below, the Company may, from time to time, without notice to or the consent of the Holders, create and issue Additional Notes having the same terms and conditions as the Notes (including the benefit of the Collateral) in all respects (or in all respects except for the issue date, issue price, the first payment date of interest on them, the first payment date of the Notes Amortization Amount on them, the first date on which interest will accrue and the Notes Amortization Amounts will be owing, and, to the extent necessary, certain temporary securities law transfer restrictions) so that such Additional Notes may be consolidated and form a single class with the previously outstanding Notes and vote together as one class on all matters with respect to the Notes; *provided* that such Additional Notes will not be issued under the same CUSIP, ISIN or Common Code as the Notes unless such Additional Notes are fungible with the Notes for U.S. federal income tax purposes.

In addition, the issuance of any Additional Notes by the Company will be subject to the following conditions:

(1) all obligations with respect to the Additional Notes shall be secured and guaranteed under the Indenture and any other Security Documents to the same extent and on the same basis as the Notes outstanding on the date the Additional Notes are issued;

(2) if the Company or OTP Geothermal proposes to secure such Additional Notes with Liens over any assets of the Company or OTP Geothermal (including with respect to any Additional Geothermal Unit financed with the proceeds of Additional Notes) in addition to the Collateral ("**Additional Collateral**"), then the Company or OTP Geothermal (as the case may be) must procure that such Additional Collateral is contemporaneously pledged to secure the Notes on an equal and ratable basis; and

(3) the Company has delivered to the Trustee an Officers' Certificate, in form and substance satisfactory to the Trustee, confirming that the issuance of the Additional Notes complies with the Indenture.

Escrow of Proceeds

On the Original Issue Date, the Company will enter into an escrow agreement (the "**Escrow Agreement**") with the Trustee and The Bank of New York Mellon, Singapore Branch, as escrow agent (the "**Escrow Agent**"), under which the Company will deposit an amount in cash equal to the gross proceeds of the offering of the Notes into an escrow account (the "**Escrow Account**") held by the Company in Singapore with the Escrow Agent (such funds deposited, the "**Escrowed Funds**"). The Escrow Account shall be pledged in favor of the Offshore Collateral Agent.

The Escrow Agreement will provide that the Company can instruct the release of the Escrowed Funds from the Escrow Account either to: (i) repay the Existing Senior Debt Facilities in full, including associated costs and expenses as described below under "– *Release for the Loan Repayment*," or (ii) fund the redemption (the "**Special Mandatory Redemption**") by the Company at a redemption price (the "**Special Mandatory Redemption Price**") equal to 100% of the issue price of the Notes, together with accrued and unpaid interest (including any Additional Amounts), if any, up to, but not including, the date fixed for redemption (the "**Special Mandatory Redemption Date**"), upon the occurrence of the Special Mandatory Redemption Event as described below under "– *Release for the Special Mandatory Redemption*."

No provision of the Escrow Agreement may be amended, waived or modified without the written consent of the Holders of a majority in principal amount of the Notes outstanding. No provision of the Indenture may be amended, waived or modified to reduce the Special Mandatory Redemption Price without the written consent of each affected Holder.

Release for the Loan Repayment

The Escrow Agent shall be entitled to release the Escrowed Funds, at the direction of the Company and upon the delivery by the Company of an Officers' Certificate addressed to the Escrow Agent and the Trustee certifying that the lenders of the Existing Senior Debt Facilities have consented to the Transaction. (as defined below). The Company shall use such Escrowed Funds to repay the Existing Senior Debt Facilities in full. Any excess amount after repayment of the Existing Senior Debt Facilities in full shall be released by the Escrow Agent to the Company to be applied in accordance with the section "*Use of Proceeds*" in this offering memorandum. Each of the Escrow Agent and the Trustee may rely conclusively on such Officers' Certificate and will not be liable for any action it takes or omits to take in reliance on such Officers' Certificate.

Release for the Special Mandatory Redemption

A "**Special Mandatory Redemption Event**" will occur if the Company fails to obtain consent from the lenders under the Existing Senior Debt Facilities to issue the Notes and repay the Existing Senior Debt Facilities in full (the "**Transaction**") within 60 days from the Original Issue Date.

Upon the occurrence of the Special Mandatory Redemption Event, the Company shall redeem the Notes, in whole and not in part, by promptly (but in no event later than three (3) Business Days following the Special Mandatory Redemption Event) giving a notice (the "**Special Mandatory Redemption Notice**") to the Holders, the Paying Agent and the Trustee (with a copy to the Escrow Agent) stating the Special Mandatory Redemption Date and the Special Mandatory Redemption Price. The Special Mandatory Redemption Notice shall be provided no earlier than 10 days and no later than 60 days from the Special Mandatory Redemption Date.

If payment is made on the Special Mandatory Redemption Date, the redeemed Notes will be canceled.

The Escrow Agent shall be entitled to release the Escrowed Funds upon the delivery by the Company of an Officers' Certificate addressed to the Escrow Agent and the Trustee certifying that the Special Mandatory Redemption Event has occurred and instructing the Escrow Agent to transfer to the Paying Agent for payment to the Holders, on the Business Day prior to the Special Mandatory Redemption Date, an amount equal to the Special Mandatory Redemption Price plus accrued and unpaid interest (including any Additional Amounts), if any, to, but excluding, the Special Mandatory Redemption Date.

Each of the Escrow Agent and the Trustee shall be entitled to rely conclusively (without liability) on such Officers' Certificate and will not be liable for any action it takes or omits to take in reliance on such Officers' Certificate. Neither the Trustee nor the Escrow agent shall be obliged or required to monitor or to take any steps to ascertain whether a Special Mandatory Redemption Event has occurred. Upon the occurrence of a Special Mandatory Redemption Event, all of the Escrowed Funds will be used to fund the Special Mandatory Redemption.

By accepting the Notes, the Holders are deemed to have approved the form of the Escrow Agreement and authorized, instructed and directed the Trustee and the Escrow Agent to enter into the Escrow Agreement and to act as specified herein and in the Escrow Agreement. By accepting the Notes, the Holders are deemed to have approved the appointment of The Bank of New York Mellon, Singapore Branch as the Escrow Agent.

Optional Redemption

At any time and from time to time on or after August 5, 2027, the Company may redeem the Notes, in whole or in part, at a redemption price equal to the percentage of the principal amount of the Notes to be redeemed set forth below *plus* accrued and unpaid interest to the redemption date if redeemed during the twelve-month period beginning on August 5 of the years indicated below.

Year	Percentage
2027	105.813%
2028	103.875%
2029	101.938%
2030 and thereafter	100.00000%

At any time and from time to time before August 5, 2027, the Company may at its option redeem the Notes, in whole or in part, at a redemption price equal to the greater of:

(1) 100% of the principal amount of the Notes to be redeemed as at the redemption date; and

(2) the sum of (a) 100% of the principal amount of the Notes to be redeemed as would otherwise have been outstanding as at August 5, 2027 (assuming the due payment of all Notes Amortization Amounts in accordance with the amortization profile set out in "*Description of the Notes – Amortization of Principal*" and no other subsequent redemptions) and (b) the present value of each remaining scheduled payment of principal and interest on the Notes to be redeemed (exclusive of interest accrued and unpaid to (but not including) the redemption date) up to August 5, 2027 (assuming the due payment of all Notes Amortization Amounts in accordance with the amortization profile set out in "*Description of the Notes – Amortization of Principal*" and no other subsequent redemptions) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points (the "**Make-Whole Amount**"),

plus in each case, accrued and unpaid interest on the principal amount of the Notes to be redeemed up to, but not including, the date of redemption (subject to the right of the holder of record on the relevant Notes Record Date to receive interest due on the relevant interest payment date). Neither the Trustee nor the Agents shall be under any duty to monitor, determine, calculate or verify the redemption amount (including, but not limited to, the Make-Whole Amount) payable hereunder and none of the Trustee or the Agents will be responsible to the Holders for any loss or liability arising from any failure by any of them to do so.

Selection and Notice

The Company will give not less than 10 days' nor more than 60 days' written notice of any redemption before the redemption date to each Holder, the Trustee and the Paying Agent. If less than all of the Notes are to be redeemed at any time, the Notes for redemption will be selected as follows:

(1) if the Notes are listed on any securities exchange and/or held through any clearing system, in compliance with the requirements of the principal securities exchange on which the Notes are listed and/or in compliance with the requirements of the clearing system (on a *pro rata* pass through distribution of principal basis); or

(2) if the Notes are not listed on any securities exchange or held through any clearing system, on a *pro rata* basis, by lot basis and in accordance with applicable clearing system procedures.

A Note of US$200,000 in principal amount or less will not be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to such Note will state the portion of the principal amount to be redeemed. In the case of certificated Notes, a new Note in original principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note. On and after the redemption date, interest will cease to accrue on Notes or portions of them called for redemption.

Mandatory Redemption of Notes Without Premium

If (i) the Project or any Geothermal Unit is subject to an Expropriation Event or a Loss Event for which the Available Proceeds are in excess of US$60.0 million has occurred and either the conditions set forth in the immediately succeeding paragraph are not satisfied or the PPA is terminated, and (ii) the Company receives any proceeds from indemnification, casualty or property damage insurance, condemnation or otherwise as a result of any of the events described

in (i) (the "**Available Proceeds**"), then the Company will use such Available Proceeds to redeem the maximum principal amount of the Notes and other Permitted Pari Passu Secured Obligations that may be redeemed out of the Available Proceeds in accordance with the procedures set forth under "– *Selection and Notice*." The redemption price for the Notes will be equal to 100% of the outstanding principal amount of the Notes being redeemed, plus accrued and unpaid interest (if any) to (but not including) the redemption date, plus Additional Amounts, if any (but without payment of any Make-Whole Amount), which will be payable in cash. If the aggregate principal amount of the Notes and other Permitted Pari Passu Secured Obligations that may be redeemed exceeds the amount of Available Proceeds, the Notes and such other Permitted Pari Passu Secured Obligations will be redeemed on a *pro rata* basis.

If the Project or any Geothermal Unit is subject to a Loss Event for which the Available Proceeds are in excess of US$60.0 million, the following conditions must be satisfied in order for the Company to apply the Available Proceeds to repair or restore the Project or the relevant Geothermal Unit (as the case may be) or to reimburse the Company for the cost of such repairs or restoration (in each case, instead of applying the Available Proceeds to the redemption of the Notes and other Permitted Pari Passu Secured Obligations):

(1) such Loss Event does not constitute the destruction of all or substantially all, or an actual or constructive total loss, of the Project or such Geothermal Unit;

(2) no Default has occurred and is continuing and, after giving effect to any proposed repair and restoration, such damage or destruction or proposed repair and restoration could not reasonably be expected to result in a Default;

(3) the Company certifies in good faith that repair or restoration of the Project or such Geothermal Unit (as the case may be) is technically and economically feasible within a twenty-four (24) month period (or such other longer period as is reasonable under the circumstances *provided* that the Company is using commercially reasonable efforts to effect such repairs) and that a sufficient amount of funds is or will be available to the Company to make such repairs and restorations; and

(4) after repair and restoration, the Company will be able to repay the Notes and other amounts due to the Holders as and when due and any Permitted Pari Passu Secured Obligations.

If such conditions are not satisfied, the Available Proceeds shall be used to redeem the maximum principal amount of Notes and other Permitted Pari Passu Secured Obligations that may be redeemed out of the Available Proceeds as described above.

If a Loss Event occurs for which the Available Proceeds are less than US$60.0 million, such Available Proceeds shall be applied to the payment of the cost of the repair or restoration of such damage or destruction or, if the cost of the repair or restoration of such damage or destruction has previously been paid by the Company, to the Company as reimbursement for the cost of such repair or restoration paid by the Company.

If the Company is required to effect a mandatory redemption of the Notes in accordance with the foregoing provisions, the Company shall upon notice to the Trustee, the Paying Agent and the Holders set a date for the redemption of the Notes, and deposit the Available Proceeds into the Debt Service Reserve Account to be applied to redeem all or a portion of the Notes at a redemption price equal to 100% of the outstanding principal amount of the Notes being redeemed, plus accrued and unpaid interest (but not including) to the redemption date, plus Additional Amounts, if any (but without payment of any Make-Whole Amount) and prepay all other Permitted Pari Passu Secured Obligations, on a *pro rata* basis.

The procedures described under "– *Optional Redemption – Selection and Notice*" will apply.

The good faith determination of the Company described above shall be evidenced by an Officers' Certificate of the Company provided to the Trustee. The Trustee and the Agents shall be entitled to assume that no such event has occurred until the Trustee has received an Officers' Certificate from the Company.

Open Market Purchases

The Company may at any time and from time to time purchase Notes in the open market or otherwise (each an "**Open Market Purchase**"); *provided* that any such Open Market Purchases shall only be made with amounts in the Surplus Account. Any Notes, while held by any Affiliate of the Company, shall not entitle the Holder to vote the Notes and shall not be deemed outstanding for purposes of waivers and consents or other actions by Holders of Notes.

Additional Amounts

All payments of principal of and premium (if any) and interest or any other payment made by or on behalf of the Company under or with respect to the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, imposed or levied (collectively, "**Taxes**") by or within Indonesia or any other jurisdiction in which the Company or a Surviving Person (as defined under the caption "– *Consolidation, Merger and Sale of Assets*") is organized, resident for tax purposes or doing business for tax purposes or from or through which payment is made by or on behalf of the Company or a Surviving Person (or, in each case, any political subdivision or taxing authority thereof or therein) (each, as applicable, a "**Relevant Jurisdiction**"), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Company or a Surviving Person, as the case may be, will make such deduction or withholding, make payment of the amount so withheld to the appropriate governmental authority and will pay such additional amounts ("**Additional Amounts**") as will result in receipt by the holder or beneficial owner of each Note of such amounts payable under the Notes as would have been received by such holder or beneficial owner had no such withholding or deduction been required, except that no Additional Amounts will be payable:

(a) for or on account of:

  (i) any Taxes that would not have been imposed but for:

    (A) the existence of any present or former connection between the holder or beneficial owner (or a fiduciary, settlor, beneficiary, member or shareholder of such holder, if such holder is an estate, trust, partnership, limited liability company or corporation) of such Note, and the Relevant Jurisdiction other than merely holding such Note or the receipt of payments thereunder, including such holder or beneficial owner being or having been a national, domiciliary or resident of or incorporated in such Relevant Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein;

    (B) the presentation of such Note for payment (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of, premium, if any, or interest on or with respect to, such Note became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the Holder thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on the last day such 30-day period;

(C) the failure of the holder or beneficial owner to comply with a timely request of the Company or a Surviving Person addressed to the holder to provide information concerning such holder's or beneficial owner's nationality, residence, identity or connection with any Relevant Jurisdiction, if and to the extent that due and timely compliance with such request would have reduced or eliminated any withholding or deduction as to which Additional Amounts would have otherwise been payable to such holder or beneficial owner; or

(D) the presentation of such Note (in cases in which presentation is required) for payment in the Relevant Jurisdiction, unless such Note could not have been presented for payment elsewhere;

(ii) any estate, inheritance, gift, value added, sales, use, transfer, personal property or similar Tax;

(iii) any Tax that is payable other than by deduction or withholding from payments made on or with respect to any Note;

(iv) any withholding or deduction imposed on or in respect of any Note pursuant to Section 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (or any amended or successor version of such sections) ("**FATCA**"), any current or future regulations or official interpretation thereof, the laws of any Relevant Jurisdiction (including any intergovernmental agreements and related legislation or official administrative guidance) implementing FATCA, or any agreement between the Company and the United States or any authority thereof entered into for FATCA purposes; or

(v) any combination of Taxes referred to in the preceding clauses (i), (ii), (iii) and (iv); or

(b) to a person that is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that such payment would be required to be included for tax purposes in the income under the laws of a Relevant Jurisdiction, of a beneficiary or settlor with respect to the fiduciary, or a member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner, or beneficial owner been the Holder thereof. As a result of these provisions, there are circumstances in which taxes could be withheld or deducted but Additional Amounts would not be payable to some or all beneficial owners of Notes.

In addition to the foregoing, the Company will pay and indemnify the holder or beneficial owner for any present or future stamp, issue, registration, transfer, court or documentary Taxes, or any other excise or property Taxes, or similar Taxes levied by any Relevant Jurisdiction on the execution, delivery, registration or enforcement of any of the Notes or any other document or instrument referred to therein (other than on or in connection with a transfer of a Note that occurs after the initial sales thereof by the initial purchaser thereof), or the receipt of any payments with respect thereto (limited, solely in the case of Taxes attributable to the receipt of any payments with respect thereto, to any such Taxes imposed in a Relevant Jurisdiction that are not excluded under clauses (a) and (b) above, other than (a)(iii)).

At least 30 days prior to each date on which any payment under or with respect to the Notes is due and payable (unless the obligation to pay Additional Amounts arises after the 30th day prior to such date), if the Company or a Surviving Person becomes aware that it will be obligated to pay Additional Amounts with respect to such payment, the Company will deliver to the Trustee and Paying Agent an Officers' Certificate stating the fact that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable the Paying Agent to pay such Additional Amounts to the holders or beneficial owners on such payment

date. The Trustee shall be entitled to rely solely on such Officers' Certificate as conclusive proof that such payments are necessary. The Paying Agent and the Trustee will make payments free of withholdings or deductions on account of taxes unless required by applicable law. If such a deduction or withholding is required, the Paying Agent or the Trustee will not be obligated to determine if any payments are subject to withholdings or deductions on account of taxes as required by applicable law or pay any Additional Amount to the recipient unless such an Additional Amount is received by the Paying Agent or the Trustee.

The Company or a Surviving Person will make all withholdings and deductions required by law and will remit the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The Company will use its reasonable efforts to obtain Tax receipts from each Tax authority evidencing the payment of any Taxes so deducted or withheld. The Company will furnish to the Paying Agent, within 60 days after the date the payment of any Taxes so deducted or withheld is made, certified copies of Tax receipts evidencing payment by the Company or a Surviving Person, as the case may be, or if, notwithstanding such entity's efforts to obtain receipts, receipts are not obtained, other evidence of payments by such entity.

Notwithstanding the foregoing, the limitations on the obligations of the Company or a Surviving Person, as applicable, to pay Additional Amounts set forth in clause (a) (i) (C) above will not apply if the provision of any certification, identification, information, documentation or other reporting requirement described in such clause would be materially more onerous, in form, in procedure or in the substance of information disclosed, to a holder or beneficial owner of a Note than comparable information or other reporting requirements imposed under U.S. tax law, regulations and administrative practice (such as Internal Revenue Service Forms W-8BEN/W-8BEN-E and W-9). For the avoidance of doubt, no holder or beneficial owner of a Note shall have any obligation to establish eligibility for a reduced withholding tax rate under any income tax treaty.

In the event that Additional Amounts actually paid with respect to the Notes described above are based on rates of deduction or withholding of withholding Taxes in excess of the appropriate rate applicable to the holder or beneficial owner of such Notes, and, as a result thereof such holder or beneficial owner is entitled to make claim for a refund or credit of such excess from the authority imposing such withholding Tax, then such holder or beneficial owner shall, by accepting such Notes, be deemed to have assigned and transferred all right, title and interest to any such claim for a refund or credit of such excess to the Company.

Whenever there is mentioned in any context the payment of principal, premium or interest in respect of any Note, such mention will be deemed to include payment of Additional Amounts provided for in the Indenture or this "Description of the Notes" to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The above obligation will survive any termination, defeasance or discharge of the Indenture, any transfer by a holder or beneficial owner of its notes, and will apply, mutatis mutandis, to any of the Relevant Jurisdictions.

Redemption for Taxation Reasons

The Notes may be redeemed, at the option of the Company or a Surviving Person, as a whole but not in part, upon giving not less than 30 days' nor more than 60 days' notice to the holders (which notice will be irrevocable), the Trustee and the Paying Agent, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to (but not including) the date fixed by the Company or the Surviving Person, as the case may be, for redemption (the "**Tax Redemption Date**") and all Additional Amounts (if any) then due and that will become due on the Tax Redemption Date as a result of the redemption or otherwise (subject to

the right of holders on the relevant Notes Record Date to receive interest due on an interest payment date that is prior to the Tax Redemption Date and Additional Amounts (if any) in respect thereof), if, as a result of:

(1) any change in, or amendment to, the laws or treaties or any regulations or rulings promulgated thereunder of a Relevant Jurisdiction affecting taxation; or

(2) any change in, or amendment to, an official written position of a Relevant Jurisdiction regarding the application or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction),

which change or amendment is not publicly announced before and becomes effective on or after the Original Issue Date (or, if such Relevant Jurisdiction was not a Relevant Jurisdiction on the Issue Date, the date on which such Relevant Jurisdiction became a Relevant Jurisdiction under the Indenture) with respect to any payment due or to become due under the Notes, the Indenture, the Company or the Surviving Person, as the case may be, is, or on the next Notes Interest Payment Date would be, required to pay Additional Amounts, and such requirement cannot be avoided by the taking of reasonable measures by the Company or the Surviving Person, as the case may be; *provided* that changing the jurisdiction of the Company or the Surviving Person is not a reasonable measure for the purposes of this section; *provided further* that no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Company or the Surviving Person, as the case may be, would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due, and unless at the time such notice is given, the obligation to pay Additional Amounts remains in effect.

Prior to the publication or mailing of any notice of redemption of the Notes pursuant to the foregoing, the Company or Surviving Person, as the case may be, will deliver to the Trustee (with a copy to the Paying Agent) at least 30 days but not more than 60 days before the Tax Redemption Date:

(1) an Officers' Certificate stating that such change or amendment referred to in the prior paragraph has occurred, describing the facts related thereto and stating that such requirement cannot be avoided by the Company or such Surviving Person, as the case may be, by taking reasonable measures available to it; and

(2) an Opinion of Counsel of recognized standing, or an opinion of a tax consultant of international recognized standing, with respect to tax matters of the Relevant Jurisdiction, stating that the requirement to pay such Additional Amounts results from such change or amendment referred to in the prior paragraph.

The Trustee shall be entitled to accept such certificate and opinion as conclusive evidence of the satisfaction of the conditions precedent described above, in which event it will be conclusive and binding on the holders of the Notes.

Any Notes that are redeemed will be cancelled.

Change of Control

Following a Change of Control, the Company shall make an offer to repurchase all outstanding Notes on the terms set forth in the Indenture (a "**Change of Control Offer**"). In the Change of Control Offer, the Company will offer a payment in cash equal to 101% of the aggregate principal amount of Notes repurchased, plus accrued and unpaid interest, if any, on the Notes repurchased to (but excluding) the date of purchase, subject to the rights of holders of Notes on the relevant Notes Record Date to receive interest due on the relevant interest payment date (the "**Change of Control Payment**"). Within 30 days following any Change of Control, the Company will furnish a

notice to each Holder and the Trustee describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the date specified in the notice (the "**Change of Control Payment Date**"), which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed, pursuant to the procedures required by the Indenture and described in such notice. The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with provisions of the covenant described hereunder, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the covenant described hereunder by virtue of such compliance.

On the date one Business Day prior to the Change of Control Payment Date, the Company will deposit with the tender agent (the "**Tender Agent**") an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered. On the Change of Control Payment Date, the Company will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer; and

(2) deliver or cause to be delivered to the Trustee or the Tender Agent the Notes properly accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Company.

The Tender Agent will promptly mail to each holder of Notes properly tendered the Change of Control Payment for such Notes, and the Registrar or the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder a new Note equal in original principal amount to any unpurchased portion of the Notes surrendered, if any, *provided* that each new Note issued shall be in an original principal amount of US$200,000 and integral multiples of US$1,000 in excess thereof. The Company will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require the Company to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the holders of the Notes to require that the Company repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

Notwithstanding the above, a Change of Control Offer may be made in advance of a Change of Control, and conditioned upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

Notwithstanding the above, the Company will not be required to make a Change of Control Offer following a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer to be made by the Company and such third party purchases all Notes validly tendered and not withdrawn under such Change of Control Offer or (2) notice of redemption for all outstanding Notes has been given pursuant to the Indenture as described above under the caption "– *Optional Redemption*," unless and until there is a default in payment of the applicable redemption price.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the properties or assets of the Company. Although there is a limited body of case law interpreting the phrase "substantially

all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require the Company to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Company to another Person or group may be uncertain.

The Company's future agreements governing Indebtedness may contain provisions which may prohibit or restrict the Company's ability to repurchase the Notes upon a Change of Control. In the event a Change of Control occurs at a time when the Company is prohibited or restricted from purchasing the Notes, the Company could seek the consent of its creditors to the purchase of Notes or could attempt to refinance the borrowings that contain such prohibition or restriction. If the Company does not obtain such a consent or repay such borrowings, the Company will remain prohibited or restricted from purchasing Notes. In such case, the Company's failure to purchase tendered Notes would constitute an Event of Default under the Indenture. In addition, the occurrence of a Change of Control could result in an event of default under other indebtedness of the Company, which could cause, among other things, all indebtedness outstanding thereunder to become due and payable. As a result, the Company would have to pay all such indebtedness which could limit the Company's ability to pay cash to the Holders upon a repurchase. See "*Risk Factors – Risks Relating to the Notes – We may not be able to repurchase the Notes upon a Change of Control*."

The Trustee shall not be required to take any steps to ascertain whether a Change of Control or any event which could lead to the occurrence of a Change of Control has occurred or may occur and shall not be liable to any person for any failure to do so. The Trustee shall be entitled to assume that no such event has occurred until it has received written notice to the contrary from the Company. The Trustee shall not be under any duty to determine, calculate or verify the repurchase amount payable hereunder and will not be responsible to the Holders for any loss or liability arising from any failure by it to do so.

Certain Covenants

Set forth below are summaries of certain covenants contained in the Indenture.

Debt Service Coverage Ratio

The Company shall ensure that the Debt Service Coverage Ratio on each Calculation Date is not less than 1.1 to 1.0.

Limitation on Indebtedness

(a) The Company will not Incur Indebtedness; *provided* that, the Company may Incur Indebtedness if:

  (i) the Company has delivered an Officers' Certificate to the Trustee that after giving *pro forma* effect to the Incurrence of such Indebtedness and the receipt and the application of the proceeds therefrom, the projected Debt Service Coverage Ratio for the Ratio Debt Incurrence Period would be at least 1.6 to 1.0;

  (ii) the Company has obtained an affirmation from the Rating Agencies then rating the Notes that the then current rating of the Notes will not be lowered or withdrawn immediately after giving effect to the proposed Incurrence of Indebtedness; and

  (iii) the proceeds of such Indebtedness shall be used in the Permitted Business (other than for the purposes of making any Equity Distributions).

The foregoing Officers' Certificate described in clause (i) may be delivered at the time that the agreement for such Indebtedness is executed, even though the Incurrence of Indebtedness pursuant to such agreement occurs at a later time; *provided* that all calculations of the Debt Service Coverage Ratio made under the Indenture shall thereafter assume that such committed Indebtedness is fully drawn unless such commitment has been terminated.

(b) Notwithstanding the foregoing, the Company may Incur each and all of the following ("**Permitted Indebtedness**"):

(1) Indebtedness of the Company under the Existing Senior Debt Facilities;

(2) Indebtedness of the Company under the Notes (excluding any Additional Notes);

(3) Indebtedness of the Company ("**Permitted Refinancing Indebtedness**") issued in exchange for, or the net proceeds of which are used to refinance or refund, replace, exchange, purchase, renew, repay, defease, discharge or extend (collectively, "**refinance**" and "**refinances**" and "**refinanced**" shall have a correlative meaning), then-outstanding Indebtedness Incurred under clause (a) or clause (b)(2) of this covenant and any refinancings thereof in an amount not to exceed the amount so refinanced or refunded (plus premiums, accrued interest, defeasance costs, fees and expenses); *provided* that (A) Indebtedness the proceeds of which are used to refinance or refund the Notes or Indebtedness that is *pari passu* with, or subordinated in right of payment to, the Notes will only be permitted under this clause (b)(3) if (x) in case the Notes are refinanced in part or the Indebtedness to be refinanced is *pari passu* with the Notes, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is outstanding, is expressly made *pari passu* with or subordinated to the remaining Notes, or (y) in case the Indebtedness to be refinanced is subordinated in right of payment to the Notes, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the Notes at least to the extent that the Indebtedness to be refinanced is subordinated to the Notes, (B) such new Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not mature prior to the Stated Maturity of the Indebtedness to be refinanced, and the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be refinanced, (C) in no event may unsecured Indebtedness of the Company be refinanced pursuant to this clause with secured Indebtedness and (D) none of the conditions in (A), (B) and (C) above shall apply to any Permitted Refinancing Indebtedness Incurred to fully refinance the Notes;

(4) any Subordinated Shareholder Loan; and

(5) Indebtedness Incurred by the Company in an aggregate principal amount not to exceed US$15.0 million (or the Dollar Equivalent thereof) at any time outstanding ("**Permitted Financing Indebtedness**").

(c) For purposes of determining compliance with this "– *Limitation on Indebtedness*" covenant, in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, including under the proviso in the first paragraph of this covenant, the Company, in its sole discretion, will classify, and from time to time may reclassify, such item of Indebtedness and only be required to include the amount of such Indebtedness as one of such types and may apportion an item of Indebtedness among several such types.

(d) The accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of Preferred Stock as Indebtedness due to a change in accounting principles, and the payment of dividends on Preferred Stock or Disqualified Stock in the form of additional shares of the same class of Preferred Stock or Disqualified Stock will not be deemed to be an incurrence of Indebtedness.

(e) For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Indebtedness, the Dollar Equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred (or first committed, in the case of revolving credit debt); provided, that if such Indebtedness is Incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Company may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

Anti-Layering

The Company will not Incur any Indebtedness if such Indebtedness is contractually subordinated in right of payment to any other Indebtedness of the Company, unless such Indebtedness is also contractually subordinated in right of payment to the Notes on substantially identical terms. This covenant does not apply to distinctions between categories of Indebtedness that exist by reason of any Liens or guarantees securing or in favor of some but not all of such Indebtedness.

Limitation on Equity Distributions

The Company will not directly or indirectly (the payments or any other actions described in clauses (1) through (4) below being collectively referred to as "**Equity Distributions**"):

(1) declare or pay any dividend or make any distribution on or with respect to the Company's Capital Stock (other than dividends or distributions payable solely in shares of the Company's Capital Stock (other than Disqualified Stock) or in options, warrants or other rights to acquire shares of such Capital Stock) held by Persons other than the Company;

(2) purchase, call for redemption or redeem, retire or otherwise acquire for value any Equity Interests of the Company or any direct or indirect parent of the Company held by any Persons other than the Company;

(3) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of Indebtedness that is subordinated in right of payment to the Notes or make any payment in respect of any Parent Accounts Payables, Subordinated Shareholder Loan, or any other Subordinated Indebtedness; or

(4) make any loans to any Permitted Holder or other direct or indirect holder of shares of the Company's Capital Stock,

except that the Company may make Equity Distributions with amounts available in the Surplus Account; *provided* that the Distribution Conditions are satisfied.

The foregoing provision will not be violated by reason of:

(1) the payment of any dividend or redemption of any Equity Interest within 60 days after the related date of declaration or call for redemption if, at said date of declaration or call for redemption, such payment or redemption would comply with the preceding paragraph;

(2) the redemption, repurchase, defeasance or other acquisition or retirement for value of any Parent Accounts Payables, Subordinated Shareholder Loan or other Subordinated Indebtedness with the proceeds of, or in exchange for, Permitted Refinancing Indebtedness;

(3) the redemption, repurchase, defeasance or other acquisition or retirement for value of any Parent Accounts Payables, Subordinated Shareholder Loan or other Subordinated Indebtedness or Equity Interests of the Company in exchange for, or out of the Net Cash Proceeds of a substantially concurrent capital contribution or sale of, Equity Interests (other than Disqualified Stock) of the Company; *provided* that any such options, warrants or other rights are not redeemable at the option of the holder, or required to be redeemed, prior to the Stated Maturity of the Notes;

(4) the repurchase of Equity Interests of the Company deemed to occur upon (a) the exercise or conversion of warrants, options or other rights to acquire Equity Interests to the extent such Equity Interests represent a portion of the exercise price of those warrants, options or other rights or (b) the withholding of a portion of the Equity Interests granted or awarded to a current or former commissioner, director, officer or employee of the Company to pay for the taxes payable by such person upon such grant or award;

(5) cash payments in lieu of the issuance of fractional shares in connection with the exercise or conversion of any warrants, options or rights to acquire Capital Stock of the Company;

(6) dividends or distributions paid on, and the purchase, call for redemption, retirement, or acquisition for value of, Disqualified Stock of the Company, in each case in accordance with the terms of such Disqualified Stock, *provided* such Disqualified Stock was issued after the Original Issue Date in accordance with the covenant under the caption "– *Limitation on Indebtedness*"; or

(7) payments in respect of Parent Accounts Payables and Subordinated Shareholder Loans as described under "Use of Proceeds" in this offering memorandum;

provided that in the case of clause (2) or (3) above, no Default will have occurred and be continuing or would occur as a consequence of the actions or payments set forth therein.

The amount of any Equity Distribution (other than cash) will be the Fair Market Value on the date of the Equity Distribution of the asset(s) or securities proposed to be transferred or issued by the Company pursuant to the Equity Distribution. The value of any assets or securities that are required to be valued by this covenant will be the Fair Market Value.

The Board of Directors' determination of the Fair Market Value of an Equity Distribution or any such assets or securities must be based upon an opinion or appraisal issued by an accounting, appraisal or investment banking firm of recognized international standing if the Fair Market Value exceeds US$25.0 million (or the Dollar Equivalent thereof).

Limitation on Investments

The Company will not, directly or indirectly, make any investment of funds (whether by purchase of stocks, bonds, notes or other securities, loan, extension of credit, advance or otherwise) other than Permitted Investments made with amounts available in the Restricted Surplus Account, the Restricted Debt Service Account and the Surplus Account; *provided* that such Permitted Investments are pledged for the benefit of the Holders of the Notes. For the avoidance of doubt, this covenant shall not restrict any capital expenditures of the Company.

Limitation on Transactions with Affiliates

The Company will not, directly or indirectly, enter into, renew or extend any transaction (including, without limitation, the purchase, sale, lease or exchange of property or assets, or the rendering of any service) with any Affiliate of the Company (each an "**Affiliate Transaction**"), unless:

(1) the Affiliate Transaction is on terms that are no less favorable to the Company than those that could be obtained, at the time of such transaction or, if such transaction is pursuant to a binding agreement, at the time such agreement was made, in a comparable arm's-length transaction by the Company with a Person that is not an Affiliate of the Company; and

(2) the Company delivers to the Trustee:

    (a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$10.0 million (or the Dollar Equivalent thereof), a Board Resolution attached to an Officers' Certificate certifying that such Affiliate Transaction complies with clause (1) above and such Affiliate Transaction has been approved by the Board of Directors; and

    (b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$25.0 million (or the Dollar Equivalent thereof), in addition to the Board Resolution required in clause (2)(a) above, an opinion as to the fairness to the Company of such Affiliate Transaction from a financial point of view, or that such Affiliate Transaction is not less favorable to the Company than could reasonably be expected to be obtained at the time in an arm's-length transaction with a Person who was not an Affiliate, issued by an accounting, appraisal or investment banking firm of recognized international standing.

The foregoing limitation does not limit, and will not apply to:

(1) the payment of reasonable and customary regular fees to and reimbursements of expenses of (pursuant to indemnity arrangements or otherwise) officers, directors, commissioners, employees or consultants of the Company;

(2) transactions with a Person that is an Affiliate of the Company solely on account of the fact that the Company owns Capital Stock in, or controls, such Person or appoints directors, commissioners or officers to such Person;

(3) any Equity Distribution not prohibited by the covenant described under the caption "– *Limitation on Equity Distributions*;"

(4) any issuance of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or as the funding of, employment agreements and other compensation arrangements, options to purchase Capital Stock of the Company, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar benefits or plans and/or indemnities provided on behalf of commissioners, directors, officers and employees and approved by the Board of Directors; transactions or payments pursuant to any employee, commissioner, officer or director compensation or benefit plans, director or commissioner indemnification agreements, or similar arrangements entered into in the ordinary course of business and any payments pursuant thereto;

(5) transactions that would otherwise be restricted by operation of this covenant, to the extent that the same are undertaken pursuant to any contract or agreement as in effect on the Original Issue Date (including the Project Documents), as amended, modified, renewed or replaced from time to time so long as such amendment, modification, extension or replacement, taken as a whole, as certified in good faith by the Company in an Officers' Certificate, is not materially more disadvantageous to the Holders of the Notes than the original agreement as in effect on the Original Issue Date;

(6) any agreement entered into in the ordinary course of business (and any transactions pursuant to such agreements) on terms that are fair to the Company or on terms at least as favorable to the Company as arm's length, in each case, at the time such agreement is entered into, as determined in good faith by the Board of Directors, including (i) technical services or support agreements, (ii) secondment agreements, (iii) consultancy agreements, (iv) guarantee fee charge agreements for guarantees of obligations of the Company, (v) reimbursement agreements, (vi) leases and (viii) agency agreements for the procurement of goods or services;

(7) loans or advances to employees of the Company in the ordinary course of business in an aggregate principal amount not to exceed US$5.0 million (or the Dollar Equivalent thereof) at any time outstanding;

(8) the issuance or sale of any Equity Interests (other than Disqualified Stock) or contributions to common equity capital of the Company; and

(9) any Subordinated Shareholder Loan Incurred in compliance with the Indenture.

Limitation on Liens

The Company will not, directly or indirectly, incur, assume or permit to exist any Lien on the Collateral (other than Permitted Liens).

The Company will not, directly or indirectly, incur, assume or permit to exist any Lien securing Indebtedness on any of its assets or properties of any kind (other than the Collateral), whether owned at the Original Issue Date or thereafter acquired, except (a) Permitted Liens, and (b) Liens which are not Permitted Liens ("**Initial Liens**") as long as the Notes are secured equally and ratably with or prior to (or, if the obligation to be secured by such Lien is subordinated in right of payment to the Notes, prior to) the obligations so secured.

Any Lien created for the benefit of the Holders pursuant to this covenant will provide by its terms that such Lien will be automatically and unconditionally released and discharged (a) upon the release and discharge of the Initial Lien other than as a consequence of an enforcement action with respect to the assets subject to such Lien or (b) as set forth under "*Security – Release of Collateral*."

Permitted Pari Passu Secured Obligations

On or after the Original Issue Date, the Company and OTP Geothermal may, without the consent of any Holder, create Liens on the Collateral *pari passu* with the Lien for the benefit of the Holders, to secure either (1) other Indebtedness of the Company ("**Permitted Pari Passu Indebtedness**") or (2) Hedging Obligations of the Company under any Currency Agreement or Interest Rate Agreement entered into by the Company for the purpose of hedging any currency or interest rate exposures of the Company in relation to the Notes or any Permitted Pari Passu Indebtedness (such Hedging Obligations, together with any Permitted Pari Passu Indebtedness, being "**Permitted Pari Passu Secured Obligations**"); *provided* that (A) in the case of any Permitted Pari Passu Indebtedness, the Company was permitted to Incur such Indebtedness under either clause (a) or clauses b(3) or (b)(5) of the covenant under the caption "– *Limitation on Indebtedness*"; (B) the holders of such Indebtedness (or their representative(s)) become party to the Intercreditor Agreement referred to below and, for the avoidance of doubt, the holders of such Indebtedness shall be entitled to accede to the Intercreditor Agreement; (C) the agreement in respect of such Indebtedness contains provisions with respect to release of the Collateral that are substantially similar to and no more restrictive on the Company than the relevant provisions of the Indenture, the Intercreditor Agreement and the Security Documents; and (D) the Company delivers to the Trustee and the Collateral Agents an Opinion of Counsel and an Officers' Certificate with respect to compliance with the conditions stated in (A), (B), and (C) above (as relevant) with respect to corporate and collateral matters in connection with the Security Documents.

Any Permitted Pari Passu Secured Indebtedness that is Incurred other than in the form of Additional Notes to finance the exploration, development and construction costs of Additional Geothermal Units ("**Additional Geothermal Unit Financing**") may be secured, in addition to the Collateral, with a Lien over the physical assets comprising such Additional Geothermal Units (together with any related equipment and facilities), the cash revenues attributable to such additional Geothermal Units and any Additional Geothermal Unit Accounts (such assets, "**Excluded Assets**"). For the avoidance of doubt, any such Excluded Assets which is granted in respect of any Additional Geothermal Unit Financing shall not be required to be shared with the Notes or pledged for the benefit of the Holders of the Notes.

The Trustee and the Collateral Agents will be permitted and authorized, without the consent of any Holder, to enter into any amendments to the Security Documents relating to the Collateral, the Intercreditor Agreement or the Indenture and take any other action necessary to permit the creation and registration of Liens on the Collateral to secure Permitted Pari Passu Secured Obligations in accordance with this paragraph.

Except for certain Permitted Liens and the Permitted Pari Passu Secured Obligations, the Company will not be permitted to incur any other Indebtedness secured by all or any portion of the Collateral without the consent of each Holder of the Notes then outstanding.

Limitation on Asset Sales

The Company will not sell, transfer, dispose or lease any property or assets used in the operation of, and material to, the Project, except:

(1) inventory, receivables and other current assets in the ordinary course of business;

(2) to the extent that such property or assets has become damaged, obsolete, worn out or no longer useful in connection with the Project or a Permitted Business, or trade-ins or exchanges of equipment or other fixed assets for other assets of equivalent value;

(3) cash and cash equivalents;

(4) any sale, transfer or other disposition constituting an Equity Distribution that does not violate the covenant described under the caption "– *Limitation on Equity Distributions*";

(5) any transfer or other disposition deemed to occur in connection with creating or granting any Lien permitted to be created or granted under the Indenture;

(6) a transaction covered by the covenant under the caption "– *Consolidation, Merger and Sale of Assets*";

(7) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind, or any disposition arising from foreclosure, condemnation or similar action with respect to any property or other assets, or exercise or termination rights under any lease, license, concession or other agreement;

(8) property or assets with a Fair Market Value not in excess of US$25.0 million (or the Dollar Equivalent thereof) in any transaction or series of related transactions;

(9) the licensing or sublicensing of intellectual property or other general intangibles and licenses, leases or subleases of other property in the ordinary course of business;

(10) if the Net Cash Proceeds from such sale, transfer, disposal or lease are applied within 365 days of the receipt of such Net Cash Proceeds to (i) permanently repay any Permitted Pari Passu Secured Obligations of the Company; (ii) to acquire all or substantially all of the assets of, or any Capital Stock of, another Person engaged in a Permitted Business, if, after giving effect to any such acquisition of Capital Stock, such Person merges with and into the Company with the Company as the surviving entity; (iii) to make a capital expenditure (including by way of a repair or replacement of the assets or property that were the subject of such transfer, disposal or lease), or to enter into a binding agreement to make such a capital expenditure within 365 days of the receipt of such Net Cash Proceeds; *provided* that such binding agreement shall be treated as a permitted application of the Net Cash Proceeds from the date of such commitment until the earlier of (x) the date on which such capital expenditure is made in accordance with the provisions of such binding agreement and (y) the 180th day following the end of the 365-day time period, and provided, further, that any such replaced assets or property shall immediately become subject to the Liens of the Security Documents; (iv) to redeem the Notes or to make an offer to purchase the Notes at a purchase price at least equivalent to 100% of the principal amount thereof or make open market purchases of the Notes; or (v) in any combination of applications specified in clauses (i) through (iv) above.

Limitation on Business Activities of the Company

The Company will not, directly or indirectly, engage in any business other than Permitted Businesses. The Company will not establish, incorporate or own any Subsidiary. The Company will not take any action which would cause it to no longer satisfy the requirements of an available exemption from the provisions of the U.S. Investment Company Act of 1940, as amended.

The Company will not effect any capital expenditures in respect of the construction of any new Geothermal Unit unless the Company has first delivered to the Trustee a certification from a third party geothermal consultant of international standing, confirming the existence of sufficient geothermal resources in the Sorik Marapi-Roburan-Sampuraga working contract area to support the proposed generation capacity of such additional Geothermal Unit for a period of no less than 25 years.

Maintenance of Insurance

The Company will at all times to maintain, with reputable and financially sound carriers, (i) insurance which they are required to obtain by applicable legal requirements and in accordance with the terms of the PPA, including construction/erection all risks insurance, marine cargo insurance, property all risks/boiler and machinery insurance, comprehensive general liability insurance, automobile liability insurance, workmen's compensation insurance, and business interruption insurance as required under the PPA, and (ii) insurances of substantially the same scope, type and amounts as are in force as at the Original Issue Date (increased as necessary to take into account prudent operating practice and any additional Geothermal Units which the Company may develop from time to time), except to the extent such insurance is not available on commercially reasonable terms, such unavailability to be certified by the Company and confirmed as reasonable by an independent insurance expert from a nationally-recognized insurance brokerage firm.

Limitation on Amendments to Key Project Documents

The Company shall not, directly or indirectly, amend, modify, terminate, supplement or waive a right or permit or consent to the amendment, modification, termination, supplement or waiver of a right with respect to the PPA or any other material agreement, the effect of which could reasonably be expected to have (a) a material adverse effect on the Company's ability to make payment of the principal of, or interest on, the Notes or (b) a Material Adverse Effect. The Company shall deliver or cause to be delivered an Officers' Certificate in the case of any amendment to the PPA or other material agreement (i) if pursuant to the foregoing clause (a), stating that the effect of such amendment could not reasonably be expected to have a material adverse effect on the Company's ability to make payment of the principal of, or interest on, the Notes, and (ii) if pursuant to clause (b), stating that the effect of such amendment could not reasonably be expected to have a Material Adverse Effect.

Creation, Perfection and Maintenance of Security Interest

On the Original Issue Date (in the case of the Offshore Collateral) or within 120 days after the Original Issue Date (in the case of the Onshore Collateral), and from time to time as required thereafter, the Company shall at its expense, prepare, give, execute, deliver, file and/or record any notice, financing statement, continuation statement, public deed, instrument or agreement necessary to create, maintain, preserve, continue, perfect or validate a first priority security interest (subject to Permitted Liens) granted under the Security Documents or pursuant to the Security Documents for the benefit of the Holders and the Trustee and to protect the Collateral as set forth in the Security Documents; *provided*, that with regard to the insurance receivables and the Onshore Corporate and Tax Account, the Company will only be obligated to provide notice of the security interests in such insurance receivables and the Onshore Corporate and Tax Account to the corresponding insurance provider and account bank, respectively, and to use commercially reasonable efforts to obtain acknowledgements of such notices from the insurance provider and the account bank (as applicable). The Company shall, at its expense, furnish the Trustee and the Collateral Agents, no later than 120 days following each anniversary of the date of the Indenture, with an Officers' Certificate specifying the action taken or required to be taken by them to comply with the requirements of this paragraph since the date of the Indenture or the last such Officers' Certificate, or stating that no such action is necessary.

Maintenance of Existence

Except to the extent permitted by the covenant "– *Consolidation, Merger and Sale of Assets*" below, the Company will maintain its existence and obtain and maintain, or cause to be obtained or maintained, as the case may be, as and when needed, all material franchises, permits, rights, privileges, licenses or government permissions necessary for the operation of the Project and conduct of its business, except where any failure to do so would not reasonably be expected to have a Material Adverse Effect.

Maintenance of Books and Records, Inspection

The Company will maintain its books, accounts and records in accordance with IFAS. The Company shall keep books of accounts or records concerning its accounts, contract rights and proceeds at its offices identified in the address for notices in the Indenture (as the address may be changed from time to time in accordance with the Indenture).

Compliance with Laws and Agreements; Maintenance of Permits

The Company will (i) comply with all applicable laws and regulations, including any environmental laws) of any Governmental Instrumentality having jurisdiction over the Company or its business and the operation of the Project and (ii) obtain and maintain in full force and effect all material permits and rights reasonably required for their respective business, except, in any such case, where the failure to comply would not reasonably be expected to result in a Material Adverse Effect.

Limitations on Issuances of Capital Stock

The Company will not issue any shares of the Company's Capital Stock.

Credit Rating Agencies

The Company will use reasonable efforts to take all actions as may be necessary or appropriate from time to time to cause the Notes to be rated by at least two Rating Agencies. If one of the two Rating Agencies ceases to be a "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) under the Exchange Act or ceases to be in the business of rating securities of the type and nature of the Notes, the Company may replace the rating received from it with a rating from any other "nationally recognized statistical rating organization" in the business of rating securities of the type and nature of the Notes.

Taxes

The Company will pay, prior to delinquency, all material Taxes, assessments and governmental charges except such as are contested in good faith and by appropriate proceedings or where the failure to effect such payment is not adverse in any material respect to the Holders of the Notes.

Provision of Financial Statements and Reports

So long as any of the Notes remain outstanding, the Company will file with the Trustee and furnish to the Holders upon request:

(1) as soon as they are available, but in any event within 120 calendar days after the end of the fiscal year of the Company, copies of its financial statements (in the English language) in respect of such financial year (including a statement of income, balance sheet and cash flow statement) prepared in accordance with IFAS and audited by a member firm of an internationally recognized firm of independent accountants;

(2) as soon as they are available, but in any event within 90 calendar days after the end of each of the first, second and third fiscal quarters of the Company, copies of its unaudited financial statements (in the English language) in respect of such quarterly period (including a statement of income, balance sheet and cash flow statement) prepared on a basis consistent with the audited financial statements of the Company, together with a certificate signed by the Person then authorized to sign financial statements on behalf of the Company, to the effect that such financial statements have been prepared on a basis consistent with the audited financial statements (except that such financial statements may exclude usual year-end adjustments and any footnotes); and

(3) as soon as possible and in any event within 30 days after the Company becomes aware or should reasonably become aware of the occurrence of a Default or Event of Default, written notice of the occurrence of any event or condition which constitutes a Default and/or an Event of Default and an Officers' Certificate of the Company setting forth the details of such Default or Event of Default (and within 14 days after a written request from the Trustee) and the action the Company is taking or proposes to take with respect thereto,

provided that if at any time the Common Stock of the Company is listed for trading on a recognized stock exchange, the Company need not comply with clause (1) and (2) above, but shall instead file with the Trustee, as soon as they are available but in any event not more than 10 calendar days after any financial or other reports of the Company are filed with any recognized exchange on which the Company's Common Stock is at any time listed for trading, true and correct copies of any financial or other report filed (in the English language) with such exchange.

In addition, so long as any of the Notes remain outstanding, the Company will provide to the Trustee within 120 days after the end of each fiscal year, an Officers' Certificate stating (1) the Debt Service Coverage Ratio with respect to the four most recent fiscal quarters and showing in reasonable detail the calculations thereof and (2) that a review has been conducted of the activities of the Company and its performance under the Indenture, the Intercreditor Agreement, the Security Documents and the Notes, and that the Company has fulfilled all obligations thereunder or, if there has been a default in the fulfillment of any such obligation, specifying each such default and the nature and status thereof.

Further, the Company has agreed that, during any period in which the Company is neither subject to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, the Company, will supply to (i) any Holder or beneficial owner of a Note or (ii) a prospective purchaser of a Note or a beneficial interest therein designated by such Holder or beneficial owner, the information specified in, and meeting the requirements of Rule 144A(d)(4) under the Securities Act upon the request of any Holder or beneficial owner of a Note.

Events of Default

The following events will be defined as "**Events of Default**" in the Indenture with respect to the Notes:

(a) default in the payment of interest or any Additional Amounts on any Note when the same becomes due and payable, and such default continues for a period of 30 days, from and including such payment due date;

(b) default in the payment of principal of (or premium, if any, on) or other amount with respect to the Notes when the same becomes due and payable under the Indenture as described under "*– Brief Description of the Notes – Amortization of Principal*" or at maturity, upon acceleration, redemption or otherwise; *provided,* however, that a failure to pay will not constitute an Event of Default if the failure to pay was caused by an administrative or technical error and full payment is made within five Business Days following the date such payment is due;

(c) (x) the Company defaults in the performance of or breaches the covenant described under "– *Debt Service Coverage Ratio*," "– *Consolidation, Merger and Sale of Assets*" *or under* "– *Mandatory Redemption of Notes Without Premium*," (y) the Company fails to make or consummate a Change of Control Offer in the manner described under the caption "– *Change of Control*," or (z) the failure of the Company to redeem the Notes as described under "– *Escrow of Proceeds*" upon the occurrence of the Special Mandatory Redemption Event;

(d) the Company or OTP Geothermal defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the Notes (other than a default specified in clause (a), (b) or (c) above) and such default or breach continues for a period of 60 Business Days after written notice by the Trustee (in its own discretion or acting on the instructions of the Holders of at least 25% in principal amount of the outstanding Notes and having received indemnity, security and/or prefunding to its satisfaction) or the Holders of 25% or more in aggregate principal amount of the Notes; *provided*, *however*, that any failure to maintain the applicable minimum balance required in the Debt Service Reserve Account, Major Maintenance Reserve Account or the Onshore Accounts as set out under the caption "– *Accounts*" or the failure to pay any MCS Amounts, shall in any such case not constitute a Default or an Event of Default;

(e) there occurs a default in the payment of the principal of, or interest on, any Indebtedness (other than any Parent Accounts Payables, Subordinated Shareholder Loans or any other Subordinated Indebtedness) of the Company (whether such Indebtedness now exists or will hereafter be created) having an aggregate principal amount of exceeding US$15.0 million (or the Dollar Equivalent thereof) when and as that Indebtedness becomes due and payable, after the expiration of any applicable grace period or any other default relating thereto, if the effect of such default is to cause such Indebtedness to become due and payable prior to its Stated Maturity, unless such Indebtedness is discharged or such acceleration is rescinded;

(f) a distress, attachment, execution or other legal process for any amount exceeding US$15.0 million (or its Dollar Equivalent), (net of any amounts which the Company's insurance carriers have paid or are liable to pay under applicable policies) is issued, levied, enforced or sued upon or against any material part of the property of the Company pursuant to a final and non-appealable order from a relevant court, and such distress, attachment, execution or other process is not paid out, satisfied, bonded, withdrawn or stayed within 60 days of the date of issue, levy or enforcement;

(g) the Company shall: institute a voluntary case or undertake actions to form an arrangement with creditors for the purpose of paying past due debts or seeking liquidation, reorganization or moratorium of payments under any Bankruptcy Law (or any successor statute or similar statute in any relevant jurisdiction) or any similar proceeding, or shall consent to the institution of an involuntary case thereunder against it; or shall file a petition, answer or consent or shall otherwise institute any similar proceeding under any other Legal Requirements, or shall consent thereto; or shall apply for, or by consent or acquiescence there shall be an appointment of, a receiver, liquidator, sequestrator, trustee or other officer with similar powers, over any of them or material property or assets of any of them, or shall make an assignment for the benefit of creditors; or shall admit in writing its inability to pay its debts generally as they become due; or if an involuntary case shall be commenced seeking the liquidation or reorganization of the Company under any Bankruptcy Law (or any successor statute or similar statute under any relevant jurisdiction) or any similar proceeding shall be commenced against the Company under any other Legal Requirements and (a) the petition commencing the involuntary case is not timely controverted, (b) the petition commencing the involuntary case is not dismissed within sixty (60) days of its filing, (c) an interim trustee is appointed to take possession of all or a material portion of their property, and/or to operate all or any material part of the business of the Company and such

appointment is not vacated within sixty (60) days or (d) an order for relief shall have been issued or entered therein; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee or other officer having similar powers of the Company or of all or a material part of their property, shall have been entered; or any other similar relief shall be granted against the Company under any Legal Requirements;

(h) (i) the Company or OTP Geothermal fails to create a first priority security interest (subject to any Permitted Liens) on any Collateral having an aggregate Fair Market Value in excess of US$15.0 million (or the Dollar Equivalent thereof) in accordance with the provisions described under the caption "– Security" and any such default continues unremedied for a period of 60 days after the Company or OTP Geothermal, as the case may be, receives written notice thereof specifying such occurrence from the Trustee (in its own discretion or acting on the instructions of the Holders of at least 25% in principal amount of the outstanding Notes and having received indemnity, security and/or prefunding to its satisfaction) or the Holders of at least 25% in aggregate principal amount of the Notes, then outstanding, and demanding that such default be remedied; (ii) any security interest created by any Security Document ceases to be in full force and effect (except as permitted by the Indenture or any Security Document) with respect to Collateral having an aggregate Fair Market Value in excess of US$15.0 million (or the Dollar Equivalent thereof), or an assertion by the Company or OTP Geothermal that any Collateral having an aggregate Fair Market Value in excess of US$15.0 million (or the Dollar Equivalent thereof) is not subject to a valid, perfected security interest (in each jurisdiction where applicable and except as permitted by the Indenture or the Security Documents) and any such default continues unremedied for a period of 60 days after the Company or OTP Geothermal, as the case may be, receives written notice thereof specifying such occurrence from the Trustee (acting on the instructions of the Holders of at least 25% in principal amount of the outstanding Notes and having received indemnity, security and/or prefunding to its satisfaction) or the Holders of at least 25% in aggregate principal amount of the Notes, then outstanding, and demanding that such default be remedied; or (iii) the repudiation by the Company or OTP Geothermal of any of its material obligations under any Security Document;

(i) an Expropriation Event has occurred and is continuing with respect to the Project;

(j) the PPA is terminated, becomes invalid or otherwise ceases to be in full force and effect for any reason other than an expiration in accordance with its terms;

(k) there occurs any Loss Event with respect to the Project or any Geothermal Unit and the Company fails to comply with the conditions to remedy such Loss Event set forth in the Indenture;

(l) there occurs any abandonment of the Project; or

(m) any default in the performance of or breach of any covenant or agreement in the Intercreditor Agreement that materially adversely affects the rights of any holder of Notes and such default or breach continues for a period of 30 consecutive days from the Company's receipt of notice thereof from the Trustee (in its own discretion or acting on the instructions of the Holders of at least 25% in principal amount of the outstanding Notes and having received indemnity, security and/or prefunding to its satisfaction) or the Holders of at least 25% in aggregate principal amount of the Notes, then outstanding, or any amendment of any provision of the Intercreditor Agreement that materially adversely affects any holder of Notes and is not authorized by the holders of at least a majority in aggregate principal amount of the Notes.

If an Event of Default (other than an Event of Default specified in clause (g) above) occurs and is continuing under the Indenture, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the written request of such Holders of at least 25% in aggregate principal amount of the outstanding Notes (subject to receipt of indemnity, security and/or prefunding to its satisfaction) shall, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable or exercise other remedies. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest will be immediately due and payable. If an Event of Default specified in clause (g) above occurs, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding will automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

If an Event of Default occurs and is continuing, the Trustee may pursue (but will not be obliged to), and shall, upon written request of Holders of at least 25% in aggregate principal amount of outstanding Notes (subject to receiving indemnity and/or pre-funding and/or security), pursue, in its own name or as Trustee of an express trust, any available remedy by proceeding at law or in equity to collect the payment of principal of and interest on the Notes or to enforce the performance of any provision of the Notes or the Indenture. In addition, subject to the provisions of the Intercreditor Agreement, the Indenture and the Security Documents, if an Event of Default occurs and is continuing, the Trustee may, but will not be obliged to, and shall (subject to receipt of indemnity, security and/or prefunding to its satisfaction) upon the written direction of Holders of at least 25% in aggregate principal amount of outstanding Notes, instruct the Collateral Agents to foreclose on the Collateral in accordance with the terms of the Intercreditor Agreement, Indenture and the Security Documents and to instruct the Collateral Agents to take such further action on behalf of the Holders with respect to the Collateral as the Collateral Agents deem appropriate in accordance with such Holders' instructions and the relevant Security Documents as set out in such instruction. See "– *Security*."

The Holders of at least a majority in aggregate principal amount of the outstanding Notes by written notice to the Company and to the Trustee, may on behalf of all of the Holders waive all past defaults and rescind and annul a declaration of acceleration and its consequences with respect to the Notes if:

(x) all existing Events of Default, other than the nonpayment of the principal of, premium, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived, and

(y) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Upon such waiver, the Default will cease to exist, and any Event of Default arising therefrom will be deemed to have been cured, but no such waiver will extend to any subsequent or other Default or impair any right consequent thereon.

The Holders of at least a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee with respect to the Notes or exercising any trust or power conferred on the Trustee; *provided* that, in all cases the Trustee is indemnified and/or secured and/or prefunded to its satisfaction in advance of any such proceedings. However, the Trustee and the Collateral Agents may refuse to follow any direction that conflicts with law or the Indenture, that may involve the Trustee and the Collateral Agents in personal liability or cause it to expend or risk its own funds or otherwise incur any financial liability in following such direction (if it does not believe that reimbursement or satisfactory indemnification and/or security and/or pre-funding is assured to them), and may take any other action it deems proper that is not inconsistent with any such

direction received from Holders. Notwithstanding anything to the contrary herein, in the Security Documents, the Intercreditor Agreement, the Indenture or any other document relating to the Notes and the Security Documents, in the event the Trustee receives instructions and/or indemnity, security and/or prefunding from two or more groups of Holders, each holding at least 25% in aggregate principal amount of the then outstanding Notes, and the Trustee believes (in its sole and absolute discretion and subject to such legal or other advice as it may deem appropriate) that such instructions are conflicting, the Trustee may, in its sole and absolute discretion, exercise any one or more of the following options:

(i) refrain from acting on conflicting instructions;

(ii) take the action requested by Holders representing the highest percentage of the aggregate principal amount of the then outstanding Notes, notwithstanding any other provisions of the Indenture (and always subject to such indemnity, security and/or prefunding as is satisfactory to the Trustee); and/or;

(iii) petition a court of competent jurisdiction for further instructions.

In all instances where the Trustee has acted or refrained from acting as outlined above, the Trustee shall not be responsible or liable for loss or liability of any nature whatsoever to any party.

Subject to the provisions of the Indenture relating to the duties of the Trustee, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any Holders unless such Holders have instructed the Trustee in writing and have offered to the Trustee security, prefunding and/or indemnity to its satisfaction (which, in the case of a direction to enforce any document governed under the laws of Indonesia against any other Person, shall be subject to the provisions of the Indenture) against any loss, liability or expense. A Holder may not pursue or institute any proceeding, judicial or otherwise, with respect to the Indenture or the Notes, or for the appointment of a receiver or trustee, or for any other remedy under the Indenture or the Notes, unless:

(1) the Holder has previously given the Trustee written notice of a continuing Event of Default;

(2) the Holders of at least 25% in aggregate principal amount of outstanding Notes make a written request to the Trustee to pursue the remedy;

(3) such Holders offer the Trustee security, prefunding and/or indemnity satisfactory to the Trustee against any fees, costs, loss, liability or expense to be incurred in compliance with such request;

(4) the Trustee does not comply with the request within 60 days after receipt of such written request and the offer of security and/or indemnity and/or prefunding to its satisfaction; and

(5) during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a written direction that is inconsistent with such request.

See "– *Security – Intercreditor Agreement" and "Security – Enforcement of Security*."

However, such limitations do not apply to the right of any Holder of a Note to receive payment of the principal of, premium, if any, or interest, and Additional Amounts, if any, on, such Note or to bring suit for the enforcement of any such payment, on or after the due date expressed in the Notes, which right will not be impaired or affected without the consent of the Holder.

An Officer of the Company must certify to the Trustee in writing, on or before a date not more than 120 days after the end of each fiscal year, that a review has been conducted of the activities of the Company and the Company's performance under the Indenture, the Intercreditor Agreement, the Security Documents and the Notes and that the Company has fulfilled all obligations thereunder, or, if there has been a default in the fulfilment of any such obligation, specifying each such default and the nature and status thereof. The Company will also be obligated to notify the Trustee in writing of any Default or defaults in the performance of any covenants or agreements under the Indenture. See "– *Provision of Financial Statements and Reports*."

The Trustee or each of the Collateral Agents need not do anything to ascertain whether any Default or Event of Default has occurred or is continuing and will not be responsible to Holders or any other person for any loss arising from any failure by it to do so, and, the Trustee or each of the Collateral Agents may assume that no Default or Event of Default has occurred and that the Company is performing its respective obligations under the Indenture and the Notes unless the Trustee or each of the Collateral Agents has received written notice of the occurrence of such event or facts establishing that a Default or Event of Default has occurred or the Company is not performing its obligations under the Notes, the Indenture, the Security Documents or the Intercreditor Agreement.

No one or more of such holders of the Notes shall have any right in any manner whatsoever by virtue of, or by availing of, any provision of the Indenture to affect, disturb or prejudice the rights of any other of such holders, or to obtain or to seek to obtain priority or preference over any other of such holders or to enforce any right under the Indenture, except in the manner therein provided and for the equal and ratable benefit of all of such holders.

In all instances where the Trustee has acted or refrained from acting upon Holder instructions, the Trustee shall not be responsible or liable for loss or liability of any nature whatsoever to any party.

Consolidation, Merger and Sale of Assets

The Company will not consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets (as an entirety or substantially an entirety in one transaction or a series of related transactions), unless:

(1) the Company will be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets (the "**Surviving Person**") will be a corporation organized and validly existing under the laws of Indonesia and will expressly assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of the Company under the Indenture, the Notes, the Security Documents and the Intercreditor Agreement, as the case may be, and the Indenture, the Notes, the Security Documents and the Intercreditor Agreement, as the case may be, will remain in full force and effect;

(2) immediately after giving effect to such transaction, no Default will have occurred and be continuing;

(3) immediately after giving effect to such transaction on a *pro forma* basis, the Company or the Surviving Person, as the case may be, could Incur at least US$1.00 of Indebtedness under the proviso in clause (a) of the covenant under the caption "– *Certain Covenants – Limitation on Indebtedness*";

(4) the Company delivers to the Trustee (x) an Officers' Certificate (attaching the arithmetic computations to demonstrate compliance with clause (3) of this paragraph) and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with and that the relevant supplemental indenture is enforceable; and

(5) no Rating Decline will have occurred.

Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

Upon any consolidation or merger, or any sale, conveyance, transfer, lease or other disposition of all or substantially all of the properties and assets of the Company in a transaction that is subject to, and that complies with the provisions of, this "*Consolidation, Merger and Sale of Assets*" covenant, the successor Person to the Company shall, except as provided above, succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, conveyance, transfer, lease, assignment or other disposition, the provisions of the Indenture referring to "Company" shall refer instead to the successor Person and not to the predecessor Company (and the predecessor Company shall be relieved from the obligation to pay the principal of, premium on, if any, and interest on, the Notes and all other obligations under the Indenture and the Notes), and may exercise every right and power of the Company under the Indenture with the same effect as if such successor Person had been named as the Company in the Indenture; *provided, however*, that the predecessor Company shall not be relieved from the obligation to pay the principal of, premium on, if any, and interest on, the Notes under the Indenture or the Notes in the case of a lease of all or substantially all of its properties and assets.

The foregoing provisions would not necessarily afford Holders protection in the event of highly-leveraged or other transactions involving the Company that may adversely affect Holders.

Payments for Consents

The Company will not, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture, the Notes, the Security Documents or the Intercreditor Agreement, unless such consideration is offered to be paid or is paid to all Holders that consent, waive or agree to amend such term or provision within the time period set forth in the solicitation documents relating to such consent, waiver or amendment.

Notwithstanding the foregoing, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes, the Company may exclude (a) in connection with an exchange offer, holders or beneficial owners of the Notes that are not "qualified institutional buyers" as defined in Rule 144A under the Securities Act, and (b) in connection with any consent, waiver or amendment, holders or beneficial owners of the Notes in any jurisdiction where the inclusion of such holders or beneficial owners would require the Company to (i) file a registration statement, prospectus or similar document or subject the Company to ongoing periodic reporting or similar requirements under any securities laws (including but not limited to, the United States federal securities laws and the laws of the European Union or its member states or the United Kingdom), (ii) qualify as a foreign corporation or other entity as a dealer in securities in such jurisdiction if it is not otherwise required to so qualify, (iii) generally consent to service of process in any such jurisdiction or (iv) subject the Company to taxation in any such jurisdiction if it is not otherwise so subject, or the solicitation of such consent, waiver or amendment from, or the granting of such consent or waiver, or the approval of such amendment by, holders or beneficial owners in such jurisdiction would be unlawful, in each case as determined by the Company in its sole discretion.

Defeasance

Defeasance and Discharge

The Indenture will provide that the Company will be deemed to have paid and will be discharged from any and all obligations in respect of the Notes on the 183rd day after the deposit referred to below and payments of all amounts due to the Trustee, and the provisions of the Indenture and the Security Documents will no longer be in effect with respect to the Notes (except for, among other matters, certain obligations to register the transfer or exchange of the Notes, to replace stolen, lost or mutilated Notes, to maintain paying agencies and to hold monies for payment in trust) if, among other things:

(A) the Company has (1) deposited with the Trustee (or its agent), in trust, cash in U.S. dollars, U.S. Government Obligations or a combination thereof that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the Notes and (2) delivered to the Trustee a certificate of an internationally recognized firm of independent accountants to the effect that the amount deposited by the Company is sufficient to provide payment for the principal of, premium, if any, and accrued interest on, the Notes on the Stated Maturity of such payment in accordance with the terms of the Indenture and the Notes;

(B) the Company has delivered to the Trustee (1) either (x) an Opinion of Counsel of recognized international standing with respect to U.S. federal income tax matters which is based on a change in applicable U.S. federal income tax law occurring after the Original Issue Date to the effect that beneficial owners will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the Company's exercise of its option under this "– Defeasance" provision and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same time as would have been the case if such deposit, defeasance and discharge had not occurred or (y) a ruling directed to the Trustee received from the U.S. Internal Revenue Service to the same effect as the aforementioned Opinion of Counsel and (2) an Opinion of Counsel to the effect that the creation of the defeasance trust does not violate the U.S. Investment Company Act of 1940, as amended, and after the passage of 183 days following the deposit, the trust fund will not be subject to the effect of Section 547 of the United States Bankruptcy Code or Section 15 of the New York Debtor and Creditor Law; and

(C) immediately after giving effect to such deposit on a *pro forma* basis, no Event of Default, or event that after the giving of notice or lapse of time or both would become an Event of Default, will have occurred and be continuing on the date of such deposit or during the period ending on the 183rd day after the date of such deposit, and such defeasance will not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which the Company is a party or by which the Company is bound.

Defeasance of Certain Covenants

The Indenture further will provide that the provisions of the Indenture applicable to the Notes will no longer be in effect with respect to the covenants described under the caption "– *Change of Control*," clauses (3), (4) and (5) under the first paragraph and second paragraph under "– *Consolidation, Merger and Sale of Assets*" and all the covenants described herein under "– *Certain Covenants*" other than as described under "– *Certain Covenants – Anti-Layering*," clause (c) under "– *Events of Default*" with respect to such clauses (3), (4) and (5) under the first paragraph and second paragraph under "– *Consolidation, Merger and Sale of Assets*" and with respect to the other events set forth in such clause, clause (d) under "– *Events of Default*" with

respect to such other covenants and clauses (e), (f), (g) and (h) under "– *Events of Default*" will be deemed not to be Events of Default upon, among other things, the deposit with the Trustee (or its agent), in trust, of U.S. dollars, U.S. Government Obligations or a combination thereof that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, Additional Amounts, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the Notes, the satisfaction of the provisions described in clause (B)(2) of the preceding paragraph and the delivery by the Company to the Trustee of an Opinion of Counsel of recognized international standing with respect to U.S. federal income tax matters to the effect that the beneficial owners of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance of certain covenants and Events of Default and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same time as would have been the case if such deposit and defeasance had not occurred.

Defeasance and Certain Other Events of Default

If in the event the Company exercises its option to omit compliance with certain covenants and provisions of the Indenture as described in the immediately preceding paragraph and the Notes are declared due and payable because of the occurrence of an Event of Default that remains applicable, the amount of U.S. dollars and/or U.S. Government Obligations on deposit with the Trustee will be sufficient to pay amounts due on the Notes at the time of their Stated Maturity but may not be sufficient to pay amounts due on the Notes at the time of the acceleration resulting from such Event of Default. However, the Company will remain liable for such payments.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of the Notes, as expressly provided for in the Indenture) as to all outstanding Notes when:

(1) either:

  (a) all of the Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust by the Company and thereafter repaid to the Company) have been delivered to the Paying Agent for cancellation; or

  (b) all Notes not theretofore delivered to the Paying Agent for cancellation have become due and payable pursuant to an optional redemption notice or otherwise or will become due and payable within one year, and the Company has irrevocably deposited or caused to be deposited with the Trustee funds, in cash in U.S. dollars, non-callable U.S. Government Obligations or a combination thereof, in an amount sufficient to pay and discharge the entire indebtedness on the Notes not theretofore delivered to the Paying Agent for cancellation, for principal of, premium, if any, and interest on the Notes to the date of deposit together with irrevocable instructions from the Company directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be;

(2) the Company has paid all other sums payable under this Indenture; and

(3) no Default or Event of Default will have occurred and is continuing on the date of such deposit or will occur as a result of such deposit and such deposit will not result in a breach or violation of, or constitute a default under, any other instruments to which the Company is a party or by which the Company is bound.

In addition, the Company must deliver to the Trustee an Officers' Certificate and an Opinion of Counsel stating that all conditions precedent to satisfaction and discharge have been satisfied.

Amendments and Waivers

Amendments Without Consent of Holders

The Indenture, the Notes, any Security Document or the Intercreditor Agreement may be amended, without the consent of any Holder of Notes, to:

(1) cure any ambiguity, defect or inconsistency in the Indenture, the Notes, any Security Document or the Intercreditor Agreement;

(2) comply with the provisions described under "– *Consolidation, Merger and Sale of Assets*";

(3) evidence and provide for the acceptance of appointment by a successor Trustee;

(4) provide for the assumption by a successor of the obligations of the Company under the Indenture, the Notes, any Security Document and the Intercreditor Agreement;

(5) provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture;

(6) effect any changes to the Indenture in a manner necessary to comply with the procedures of DTC or any other depository or clearing system for the Notes;

(7) add additional Collateral to secure the Notes;

(8) permit Permitted Pari Passu Secured Obligations in accordance with the terms of the Indenture (including permitting the Trustee to enter into any amendments to the Security Documents relating to the Collateral, the Intercreditor Agreement (including the execution thereof) or the Indenture, the appointment of any collateral agent under any Intercreditor Agreement to hold the Collateral on behalf of the Holders and the holders of Permitted Pari Passu Secured Obligations and taking any other action necessary to permit the creation and registration of Liens on the Collateral to secure Permitted Pari Passu Secured Obligations, in accordance with the Indenture and the Intercreditor Agreement);

(9) enter into additional or supplemental Security Documents and to release Collateral in accordance with the Indenture, the Intercreditor Agreement and the Security Documents;

(10) make any amendment to the provisions of the Indenture relating to the transfer and legending of Notes as permitted by the Indenture, including, without limitation, to facilitate the issuance and administration of the Notes or, if Incurred in compliance with the Indenture, Additional Notes; provided, however, that (A) compliance with the Indenture as so amended would not result in Notes being transferred in violation of applicable securities laws and regulations and (B) such amendment, as certified in good faith by the Company in an Officers' Certificate, does not materially and adversely affect the rights of Holders to transfer Notes;

(11) provide for the succession of parties (other than the Company) to any Security Documents, the Intercreditor Agreement and other changes that are ministerial and administrative in nature, in connection with any refinancing, amendment, renewal, extension, substitution, restructuring, replacement, supplement or other modification of any agreement governing Pari Passu Secured Obligations and to which such parties are bound, in each case solely to the extent not prohibited by the Indenture;

(12) conform the text of the Indenture, the Notes, any Security Document or the Intercreditor Agreement to any provision of this "*Description of the Notes*" to the extent that such provision in this "Description of the Notes" was intended to be a verbatim recitation of a provision of the Indenture, the Notes, such Security Document or the Intercreditor Agreement;

(13) evidence and provide for the acceptance of appointment by a successor Account Bank and transfer of the Offshore Accounts and the Onshore Accounts to such successor Account Bank in accordance with the Intercreditor Agreement; or

(14) make any other change that, as certified in good faith by the Company in an Officers' Certificate, does not materially and adversely affect the rights of any Holder of Notes.

Amendments With Consent of Holders

Except as provided above or below, amendments of the Indenture, the Notes, any Security Document or the Intercreditor Agreement may be made by the Company, the Trustee and the Collateral Agents with the consent of the Holders of not less than a majority in aggregate principal amount of the outstanding Notes, and the holders of a majority in principal amount of the outstanding Notes may waive future compliance by the Company with any provision of the Indenture, the Notes, any Security Document or the Intercreditor Agreement. Notwithstanding provisions in the Indenture or the Security Documents that permit amendments without consent of Holders, no amendments to the Indenture or the Security Documents shall be made without the consent of the Holders of not less than a majority of the outstanding Notes if such amendments would modify any of the Intercreditor Rights. In addition, without the consent of the holders of at least 75% in principal amount of Notes then outstanding, no amendment, supplement or waiver may (i) release any Collateral from the Liens of the Security Documents (except as permitted by the terms of the Indenture, the Intercreditor Agreement and the Security Documents) or (ii) make any change in the Indenture, the Intercreditor Agreement or any other Security Document that has the effect of altering the priority of the Liens or the application of proceeds of the Collateral in a manner that would adversely affect the Holders in any material respect. However, without the consent of each Holder of an outstanding Note affected thereby, no modification, amendment or waiver may:

(1) change the Stated Maturity of the principal of, or any instalment of interest on, any Note;

(2) reduce the principal amount of, or premium, if any, or interest on, any Note;

(3) change the currency or place of payment of principal of, or premium, if any, or interest on, any Note;

(4) impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity (or, in the case of a redemption, on or after the redemption date) of any Note;

(5) reduce the above stated percentage of outstanding Notes the consent of whose Holders is necessary to modify or amend the Indenture;

(6) waive a default in the payment of principal of, premium, if any, or interest on the Notes (except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the then outstanding Notes with respect to a non-payment default and a waiver of the payment default that resulted from such acceleration);

(7) reduce the percentage or aggregate principal amount of outstanding Notes the consent of whose Holders is necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults;

(8) change the redemption date or the redemption price of the Notes from that stated under the captions "– *Optional Redemption*" or "– *Redemption for Taxation Reasons*" or "– *Mandatory Redemption of Notes Without Premium*";

(9) reduce the amount payable upon a Change of Control Offer or change the time or manner by which a Change of Control Offer may be made or by which the Notes must be repurchased pursuant to a Change of Control Offer with respect to a Change of Control in each case after such Change of Control has occurred;

(10) amend, change or modify the obligation of the Company to pay Additional Amounts; or

(11) amend, change or modify any provision of the Indenture or the related definition affecting the ranking of the Notes in a manner which adversely affects the Holders; *provided* that, for the avoidance of doubt, any amendment, change or modification of the covenant described under "– *Certain Covenants – Limitation on Liens*" or related definitions would not be deemed to affect the ranking of the Notes.

No Personal Liability of Incorporators, Officers, Directors or Employees

No recourse for the payment of the principal of, premium, if any, or interest on any of the Notes or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company in the Indenture, or in any of the Notes or because of the creation of any Indebtedness represented thereby, will be had against any incorporator, sponsor, officer, commissioner, director, employee or controlling person of the Company or of any successor Person thereof. Each Holder, by accepting the Notes, waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes. Such waiver may not be effective to waive liabilities under the applicable securities laws.

Concerning the Trustee, the Collateral Agents and Agents

The Bank of New York Mellon is to be appointed as Trustee under the Indenture, and The Bank of New York Mellon is to be appointed as registrar (the "**Registrar**"), as transfer agent (the "**Transfer Agent**") and paying agent (the "**Paying Agent**" and together with the Registrar and the Transfer Agent, the "**Agents**," including any successor agents) with regard to the Notes. Except during the continuance of a Default, the Trustee will not be liable for any other duties, except for the performance of such duties as are specifically set forth in the Indenture, the Intercreditor Agreement, the Notes or the Security Documents, as the case may be, and no implied covenants or obligations will be read into the Indenture, the Intercreditor Agreement, the Notes, or the Security Documents and the agent appointment letter against the Trustee or the Agents. If an Event of Default has occurred and is continuing, the Trustee will use the same degree of care and skill in its exercise of the rights and powers vested in it under the Indenture, the Intercreditor Agreement, the Notes and the Security Documents as a prudent person would exercise under the circumstances in the conduct of such person's own affairs. Pursuant to the terms of the Indenture, the Intercreditor Agreement, the Notes and the Security Documents, the Company will reimburse the Trustee, the Agents and the Collateral Agents for all their fees, costs and expenses (including, indemnity payments) incurred.

The Bank of New York Mellon, Singapore Branch will initially act as Offshore Collateral Agent under the Intercreditor Agreement and the Security Documents in respect of the Security over the Collateral governed by non-Indonesian law and PT Bank CIMB Niaga Tbk will initially act as Onshore Collateral Agent under the Security Documents in respect of the Security over the Collateral governed by Indonesian law. The Collateral Agents, acting in their respective capacities as such, shall have such duties with respect to the Collateral pledged, assigned or granted pursuant to the Security Documents as are set forth in the Intercreditor Agreement and the

Security Documents. Under certain circumstances, the Collateral Agents may have obligations under the Security Documents that are in conflict with the interests of the Holders. The Collateral Agents will be under no obligation to exercise any rights or powers conferred under the Security Documents and the Intercreditor Agreement for the benefit of the Holders unless the Collateral Agents have received indemnity, prefunding and/or security satisfactory to the Collateral Agents against any loss, liability or expense. Furthermore, each Holder, by accepting the Notes will agree, for the benefit of the Trustee and the Collateral Agents, that it is solely responsible for its own independent appraisal of, and investigation into, all risks arising under or in connection with the Indenture, the Security Documents and the Intercreditor Agreement and has not relied on and will not at any time rely on the Trustee or the Collateral Agents in respect of such risks.

For so long as the Notes are listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the rules of the SGX-ST so require, if a Global Note is exchanged for certificated Notes, the Company will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, and make an announcement of such exchange through the SGX-ST that will include all material information with respect to the delivery of the certificated Notes, including details of the paying agent in Singapore.

The Indenture contains limitations on the rights of the Trustee, should it become a creditor of the Company, to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise.

The Trustee will be under no obligation to exercise any rights or powers conferred under the Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity, prefunding and/or security satisfactory to the Trustee against any loss, liability or expense provided that with respect to a request or direction from Holders to enforce any document under the laws of the Republic of Indonesia against the Company, security and indemnity shall include, without limitation (and without limiting the Trustee's or the Collateral Agents' ability to accept other forms of security and/or indemnity and/or prefunding), prefunding by the requesting Holders of an account in the name of the Trustee in such amounts as the Trustee determines in its sole discretion. The foregoing prefunding requirements shall be in addition, and subject in all respects, to any other requirements of the Trustee regarding the indemnity, security and/or prefunding to be provided to it in connection with any such enforcement request, including requirements regarding the creditworthiness of the requesting Holders. The Trustee shall be entitled to refrain from acting in the absence of any, or any clear, instructions and shall not be liable for not acting in such circumstances.

Notwithstanding anything to the contrary herein, whenever the Trustee is required or entitled by the terms of the Indenture to exercise any discretion or power, take any action of any nature, make any decision or give any direction or certification, the Trustee is entitled prior to exercising any such discretion, right or power (including its right and power to enforce the terms of the Indenture, the Notes, the Intercreditor Agreement, the Security Documents or any other document relating to the Notes or under the laws of Indonesia against the Company, taking any such action, making any such decision, or giving any such direction or certification, to solicit Holders for direction and the Trustee is not responsible for any loss or liability incurred by any Person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction or certification where the Trustee is seeking such directions or the non-exercise of such discretion or power, or not taking any such action or making any such decision or giving any such direction or certification in the absence of any such directions from Holders. In any event, and as provided elsewhere herein, even where the Trustee has been directed by the Holders, the Trustee shall not be required to exercise any such discretion, power or take any such action as aforesaid unless it has been indemnified and/or secured and/or prefunded to its satisfaction.

The Trustee shall not be responsible for any loss or liability incurred by any person for any action it takes or refrains from taking upon the instructions of Holders in accordance with the provisions of the Indenture. Notwithstanding any provision to the contrary, the Trustee shall not be obliged or required to provide any consent, approval, direction or instruction with respect to any provision of a transaction document relating to the Notes if the Trustee is not a party to such transaction document.

In the exercise of its duties, the Trustee shall not be responsible for the verification of the accuracy or completeness of any certification, opinion or other documents submitted to it by the Company and is entitled to rely conclusively on the information contained therein. Notwithstanding anything described herein, the Trustee has no duty to monitor the performance or compliance of the Company in the fulfilment of its obligations under the Indenture, the Notes, the Security Documents and the Intercreditor Agreement.

No amendment, waiver or consent shall amend, modify or otherwise affect the rights or duties of any Agent without the prior written consent of such Agent.

In considering the interests of holders of the Notes while title to the Notes is registered in the name of a nominee of DTC, the trustee, the transfer agent, the paying agent and the notes registrar may (but will not be obliged to) rely conclusively upon any information made available to it by DTC as to the identity (either individually or by category) of its participants with entitlements to Notes and may (but will not be obliged to) consider such interests as if such accountholders were the holders of the Notes.

Book-Entry; Delivery and Form

The certificates representing the Notes will be issued in fully registered form without interest coupons, Notes sold in offshore transactions in reliance on Regulation S under the Securities Act will initially be represented by one or more permanent global notes in definitive, fully registered form without interest coupons (each a "**Regulation S Global Note**") and will be deposited with The Bank of New York Mellon acting, as custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream.

Notes sold in reliance on Rule 144A will be represented by one or more permanent global notes in definitive, fully registered form without interest coupons (each a "**Rule 144A Global Note**"; and together with the Regulation S Global Notes, the "**Global Notes**") and will be deposited with the Trustee as authenticating agent, as custodian for, and registered in the name of a nominee of, DTC.

Each Global Note (and any Notes issued for exchange therefor) will be subject to certain restrictions on transfer set forth therein as described under "*Transfer Restrictions*."

Ownership of beneficial interests in a Global Note will be limited to persons who have accounts with DTC ("**participants**") or persons who hold interests through participants. Ownership of beneficial interests in a Global Note will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants). Beneficial owners may hold their interests in a Global Note directly through DTC if they are participants in such system, or indirectly through organizations which are participants in such system.

Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through DTC.

So long as DTC, or its nominee, is the registered owner or holder of a Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Note for all purposes under the Indenture and the Notes. No beneficial owner of an interest in a Global Note will be able to transfer that interest except in accordance with DTC's applicable procedures, in addition to those provided for under the Indenture and, if applicable, those of Euroclear and Clearstream.

Payments of the principal of, and interest on, a Global Note will be made to DTC or its nominee, as the case may be, as the registered owner thereof. Neither the Company, the Trustee nor the Agents will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Company expects that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a Global Note, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Note as shown on the records of DTC or its nominee. The Company also expects that payments by participants to owners of beneficial interests in such Global Note held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

The Company expects that DTC will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described below) only at the direction of one or more participants to whose account the DTC interests in a Global Note is credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. However, if there is an Event of Default under the Notes, DTC will exchange the applicable Global Note for certificated Notes, which it will distribute to its participants and which may be legended as set forth under the heading "*Transfer Restrictions*."

Although DTC, Euroclear and Clearstream are expected to follow the foregoing procedures in order to facilitate transfers of interests in a Global Note among participants of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Company, the Trustee or the Agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

If DTC is at any time unwilling or unable to continue as a depositary for the Global Notes and a successor depositary is not appointed within 90 days, the Company will issue certificated Notes in registered form upon written request of any Holder of an interest in a Global Note, which may bear the legend referred to under "*Transfer Restrictions*," in exchange for the Global Notes. Holders of an interest in a Global Note may receive certificated Notes, which may bear the legend referred to under "Transfer Restrictions," in accordance with the DTC's rules and procedures in addition to those provided for under the Indenture.

The Clearing Systems

General

DTC, Euroclear and Clearstream have advised the Company as follows:

DTC. DTC is a limited-purpose trust company organized under the laws of the State of New York, a "banking organization" within the meaning of New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of securities certificates. DTC's participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, some of whom own DTC, and may include the initial purchaser. Indirect access to the DTC system is also available to others that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly ("**indirect participants**"). Transfers of ownership or other interests in Notes in DTC may be made only through DTC participants. In addition, beneficial owners of Notes in DTC will receive all distributions of principal of and interest on the Notes from the Trustee through such DTC participant.

Euroclear and Clearstream. Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Initial Settlement

Initial settlement for the Notes will be made in immediately available funds. All Notes issued in the form of global notes will be deposited with the Trustee, as custodian for DTC. Investors' interests in Notes held in book-entry form by DTC will be represented through financial institutions acting on their behalf as direct and indirect participants in DTC. As a result, Euroclear and Clearstream will hold positions on behalf of their participants through DTC.

Investors electing to hold their Notes through DTC (other than through accounts at Euroclear or Clearstream) must follow the settlement practices applicable to United States corporate debt obligations. The securities custody accounts of investors will be credited with their holdings against payment in same day funds on the settlement date.

Investors electing to hold their Notes through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional eurobonds in registered form. Notes will be credited to the securities custody accounts of Euroclear Holders and of Clearstream Holders on the Business Day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC rules. Secondary market trading between Clearstream participants and/or Euroclear participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear and will be settled using the procedures applicable to conventional eurobonds.

Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream participants or Euroclear participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by its U.S. depositary; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if a transaction meets its settlement requirements, deliver instructions to its U.S. depositary to take action to effect final settlement on its behalf by delivering or receiving Notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream participants and Euroclear participants may not deliver instructions directly to the U.S. depositaries.

Because of time zone differences, credits of Notes received in Clearstream or Euroclear as a result of a transaction with a DTC participant will be made during subsequent securities settlement processing and dated the Business Day following the DTC settlement date. Such credits or any transactions in such Notes settled during such processing will be reported to the relevant Clearstream participants or Euroclear participants on such Business Day. Cash received in Clearstream or Euroclear as a result of sales of Notes by or through a Clearstream participant or a Euroclear participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the Business Day following settlement in DTC.

Notices

All notices or demands required or permitted by the terms of the Notes or the Indenture to be given to or by the Holders are required to be in writing (in English) and may be given or served by being sent by prepaid courier or by being deposited, first-class postage prepaid, in the United States mails or by electronic means (if intended for the Company) addressed to the Company at the registered/principal office of the Company, (if intended for the Trustee) addressed to the Trustee at the corporate trust office of the Trustee at 240 Greenwich Street, New York, NY 10286, United States of America; and (if intended for any Holder) addressed to such Holder at such Holder's last address as it appears in the Note register. Notices and other communications may also be sent via electronic means in accordance with the terms of the Indenture.

Any such notice or demand will be deemed to have been sufficiently given or served when so sent or deposited and, if to the Holders, when delivered in accordance with the applicable rules and procedures of DTC.

Any such notice will be deemed to have been delivered on the day such notice is delivered to DTC or if by mail, when so sent or deposited.

Consent to Jurisdiction; Service of Process

The Company will irrevocably (i) submit to the non-exclusive jurisdiction of any U.S. federal or New York state court located in the Borough of Manhattan, The City of New York in connection with any suit, action or proceeding arising out of, or relating to, the Notes or the Indenture or any transaction contemplated thereby and (ii) designate and appoint Cogency Global Inc. for receipt of service of process in any such suit, action or proceeding.

Governing Law

Each of the Notes and the Indenture provides that such instrument will be governed by, and construed in accordance with, the laws of the State of New York. The Offshore Security Documents and the Subordination Agreement will be governed by the laws of Singapore. The Onshore Security Documents will be governed by the laws of Indonesia. The Intercreditor Agreement will be governed by, and construed in accordance with, the laws of the State of New York.

Definitions

Set forth below are defined terms used in the Indenture. Reference is made to the Indenture for other capitalized terms used in this "Description of the Notes" for which no definition is provided.

"**Account Bank**" means the Offshore Account Bank and the Onshore Account Bank.

"**Additional Project Documents**" means any contracts or agreements related to the Project entered into subsequent to the date of the Indenture and as may be amended from time to time in accordance with the Indenture.

"**Affiliate**" means, with respect to any Person, any other Person (1) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person; or (2) who is a director, commissioner or officer of such Person or any Subsidiary of such Person or of any Person referred to in clause (1) of this definition; or (3) who is a spouse or any person cohabiting as a spouse, child, parent, brother or sister, of a Person described in clause (1) or (2). For purposes of this definition, "**control**" (including, with correlative meanings, the terms "**controlling**," "**controlled by**" and "**under common control with**"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"**Asset Acquisition**" means (1) an investment by the Company in any other Person pursuant to which such Person will be merged into or consolidated with the Company, or (2) an acquisition by the Company of the property and assets of any Person other than the Company that constitute substantially all of a division or line of business of such Person.

"**Asset Disposition**" means the sale or other disposition by the Company of all or substantially all of the assets that constitute a division or line of business of the Company.

"**Attributable Indebtedness**" means, in respect of a Sale and Leaseback Transaction, at the time of determination, the present value, discounted at the interest rate implicit in such Sale and Leaseback Transaction, of the total obligations of the lessee for rental payments during the remaining term of the lease in such Sale and Leaseback Transaction, including any period for which such lease has been extended or may, at the option of the lessor, be extended, determined in accordance with IFAS.

"**Average Life**" means, at any date of determination with respect to any Indebtedness, the quotient obtained by dividing (1) the sum of the products of (a) the number of years from such date of determination to the dates of each successive scheduled principal payment of such Indebtedness and (b) the amount of such principal payment by (2) the sum of all such principal payments.

"**Bankruptcy Law**" means any bankruptcy, insolvency, reorganization, suspension of payment, moratorium or similar law for the general relief of debtors in any relevant jurisdiction.

"**Board of Directors**" means the board of directors of the Company elected or appointed by the stockholders of the Company to manage the business of the Company or any committee of such board duly authorized to take the action purported to be taken by such committee.

"**Board Resolution**" means any resolution of the Board of Directors taking an action which it is authorized to take and adopted at a meeting duly called and held at which a quorum of disinterested members (if so required) was present and acting throughout or adopted by written resolution executed by a majority of the Board of Directors.

"**Business Day**" means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in The City of New York, Hong Kong, Singapore or Indonesia (or in any other place in which payments on the Notes are to be made) are authorized by law or governmental regulation to close.

"**Calculation Date**" means December 31 and June 30 of each year, occurring on or after June 30, 2024.

"**Calculation Period**" means the 12-month period ending on a Calculation Date.

"**Capitalized Lease**" means, with respect to any Person, any lease of any property (whether real, personal or mixed) of which the discounted present value of rental obligations of such Person as lessee, in conformity with IFAS, is required to be capitalized on the balance sheet of such Person.

"**Capitalized Lease Obligations**" means, at the time any determination is to be made, the amount of the liability in respect of a Capitalized Lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with IFAS, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"**Capital Stock**" means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the Original Issue Date or issued thereafter, including, without limitation, all Common Stock and Preferred Stock.

"**Cash Flow Available for Debt Service**" means, for any period, (i) EBITDA, as adjusted for any changes in working capital, plus trade receivables from third party contracts, plus cash proceeds received from the sale of property and equipment, plus interest income from Permitted Investments, plus interest income from finance leases, minus (ii) (a) cash paid for income taxes, (b) amounts contributed to the Major Maintenance Reserve Account, and (c) any excess of actual Major Maintenance Costs and Major Drilling Costs incurred over the applicable Major Maintenance Reserve Amounts, in each case, for such period.

"**Change of Control**" means the occurrence of one or more of the following events:

(1) the Company consolidates with, or merges with or into, any Person (other than one or more Permitted Holders), any Person (other than one or more Permitted Holders) consolidates with, or merges with or into, the Company, or the sale of all or substantially all of the assets of the Company to any Person (other than one or more Permitted Holders) in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the Voting Stock of the Company outstanding immediately prior to such transaction is converted into or exchanged for (or continues as) Voting Stock (other than Disqualified Stock) of the surviving or transferee Person constituting a majority of the outstanding shares of Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance);

(2) (a) the Permitted Holders ceases to own, directly or indirectly, a majority of the total voting power of the Voting Stock of the Company or (b) any Person owns, directly or indirectly, a larger percentage of the total voting power of the Voting Stock of the Company than the Permitted Holders; or

(3) the adoption of a plan relating to the liquidation or dissolution of the Company.

"**Clearstream**" means Clearstream Banking S.A..

"**Commodity Agreement**" means any forward contract, commodity swap agreement, commodity option agreement or other similar agreement or arrangement designed to protect against fluctuations in commodity prices.

"**Common Stock**" means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock or ordinary shares, whether or not outstanding on the Original Issue Date, and include, without limitation, all series and classes of such common stock or ordinary shares.

"**Comparable Treasury Issue**" means the U.S. Treasury security having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

"**Comparable Treasury Price**" means, with respect to any redemption date, if clause (ii) of the Treasury Rate is applicable, the average of three (or such lesser number as is obtained by the Company) Reference Treasury Dealer Quotations for such redemption date.

"**Currency Agreement**" means any foreign exchange forward contract, currency swap agreement or other similar agreement or arrangement designed to protect against fluctuations in foreign exchange rates and not for speculation.

"**Debt Service**" means, for any period, the sum of all principal (which, for the avoidance of doubt, does not include any MCS Amounts, but includes any Notes Amortization Amounts), interest payments, settlement payments made net of settlement payments received under any interest rate hedging agreements and any currency hedging agreements relating to indebtedness, fees, expenses, taxes and other charges due in respect of all Indebtedness of the Company (other than Parents Accounts Payables, Subordinated Shareholder Loans, the Existing Senior Debt Facilities, and other Indebtedness owed to the Company). For the avoidance of doubt, settlement payments made net of settlement payments received under Hedging Obligations for such period shall be included under Debt Service for Hedging Obligations entered into for the purpose of protecting the Company from fluctuations in interest rates or currencies.

"**Debt Service Coverage Ratio**" means, for any period, the ratio of Cash Flow Available for Debt Service for such period to Debt Service for such period. In making the foregoing calculation:

(A) *pro forma* effect will be given to any Indebtedness Incurred, repaid, repurchased, defeased or redeemed since the beginning of such period in each case as if such Indebtedness had been Incurred, repaid, repurchased, defeased or redeemed on the first day of such period (other than Indebtedness Incurred or repaid under a revolving credit or similar arrangement or any predecessor revolving credit or similar arrangement); *provided* that, in the event of any such repayment, repurchase, defeasance or redemption, Cash Flow Available for Debt Service for such period will be calculated as if the Company had not earned any interest income actually earned during such period in respect of the funds used to repay, repurchased, defeased or redeem such Indebtedness;

(B) interest expense attributable to interest on any Indebtedness (whether existing or being Incurred) computed on a *pro forma* basis and bearing a floating interest rate will be computed as if the rate in effect on the date of determination (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months or, if shorter, at least equal to the remaining term of such Indebtedness) had been the applicable rate for the entire period;

(C) *pro forma* effect will be given to Asset Dispositions and Asset Acquisitions (including giving *pro forma* effect to the application of proceeds of any Asset Disposition) that occur during such period as if they had occurred and such proceeds had been applied on the first day of such period; and

(D) *pro forma* effect will be given to asset dispositions and asset acquisitions (including giving *pro forma* effect to the application of proceeds of any asset disposition) that have been made by any Person that has been merged with or into the Company during such period and that would have constituted Asset Dispositions or Asset Acquisitions had such transactions occurred as if such asset dispositions or asset acquisitions were Asset Dispositions or Asset Acquisitions that occurred on the first day of such period,

provided that to the extent that clause (C) or (D) of this sentence requires that *pro forma* effect be given to an Asset Acquisition or Asset Disposition (or asset acquisition or asset disposition), such *pro forma* calculation will be based upon the then most recent four fiscal quarterly periods immediately preceding the date of determination of the Person, or division or line of business of the Person, that is acquired or disposed for which financial information is available.

"**Debt Service Reserve Account**" means an interest bearing U.S. dollars account to be opened by the Company with the Offshore Account Bank.

"**Default**" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"**Disqualified Stock**" means any class or series of Capital Stock of any Person that by its terms or otherwise is (1) required to be redeemed on or prior to the Stated Maturity of the Notes, (2) redeemable at the option of the holder of such class or series of Capital Stock at any on or prior to the Stated Maturity of the Notes or (3) convertible into or exchangeable for Capital Stock referred to in clause (1) or (2) above or Indebtedness having a scheduled maturity on or prior to the Stated Maturity of the Notes. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or in certain circumstances in connection with an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Company may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption

complies with the covenant described above under the caption "– *Certain Covenants – Limitation on Equity Distributions*." The term "**Disqualified Stock**" will also include any options, warrants or other rights that are convertible at the option of the holder into Disqualified Stock or that are redeemable at the option of the holder, or required to be redeemed, on or prior to the Stated Maturity of the Notes.

"**Distribution Conditions**" means:

(a) no Default or Event of Default has occurred and is continuing or would occur as a result of such Equity Distribution; and

(b) all MCS Amounts payable or carried forward in respect of any MCS Amortization Redemption Date on or prior to the date of such proposed transfer shall have been paid in full.

"**Dollar Equivalent**" means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the base rate for the purchase of U.S. dollars with the applicable foreign currency as quoted by Bank Indonesia or its successor on the date of determination.

"**DTC**" means The Depository Trust Company.

"**EBITDA**" means in relation to a Person as of the applicable date of determination, the earnings before interest, tax, depreciation and amortization of such Person for the relevant period, being the aggregate of such Person's profit/(loss) before tax, depreciation and amortization expense and finance costs.

"**Equity Interests**" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"**Euroclear**" means Euroclear Bank SA/NV, as operator of the Euroclear System.

"**Existing Geothermal Units**" means each of Unit 1, Unit 2, Unit 3, Unit 4 and an additional geothermal generator unit in the Sorik Marapi-Roburan-Sampuraga working area under development as of the Original Issue Date that is expected to be commercially operational by the end of December 31, 2024.

"**Existing Senior Debt Facilities**" means the senior debt facilities undertaken pursuant to the Syndicated Loan Facility originally executed on July 3, 2017 between the Company, Export Import Bank of China, Zhejiang Branch (as the leading bank and agency bank), Bank of China Limited, Quzhou Branch (as participating bank) and Bank of China Limited, Jakarta Branch (as participating bank) for an aggregate principal amount of up to RMB ¥960,000,000 and US$100,000,000, as such facilities has been amended and modified.

"**Expropriation Event**" means any Governmental Instrumentality shall have condemned, nationalized, seized, or expropriated all or a substantial portion (i) of the Project, (ii) any Geothermal Unit or (iii) the property or assets of the Company or of its share capital, or shall have assumed custody or control of such property or other assets or business operations of the Company or of its share capital, or shall have taken any action for the dissolution or disestablishment of the Company or any action that would prevent the Company or its officers from carrying on its business or operations or a substantial part thereof.

"**Fair Market Value**" means the price that would be paid in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors, whose determination will be conclusive if evidenced by a Board Resolution (unless otherwise provided in the Indenture).

"**Fitch**" means Fitch Ratings Ltd. or any successor to the rating agency business thereof.

"**Geothermal Unit**" means:

(1) the Existing Geothermal Units; and

(2) any additional geothermal generator unit in the Sorik Marapi-Roburan-Sampuraga working area (if developed), forming part of the Project in accordance with and pursuant to the terms of the Project Documents, together with any related equipment and facilities, each as further described in this offering memorandum.

"**Governmental Instrumentality**" means of any country means such country and its government and any ministry, department, political subdivision, region, instrumentality, agency, corporation or commission under the direct or indirect control of such country.

"**guarantee**" means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise). The term "**guarantee**" used as a verb has a corresponding meaning.

"**Hedging Agreement**" means any Currency Agreement, Commodity Agreement or Interest Rate Agreement.

"**Hedging Obligation**" of any Person means the obligations of such Person pursuant to any Hedging Agreement.

"**Holder**" means the Person in whose name a Note is registered in the Note register.

"**IFAS**" means, at any time, the current version of accounting standards set out by the Indonesian Financial Accounting Standards. All ratios and computations contained or referred to in the Indenture shall be computed in conformity with such standards applied on a consistent basis.

"**Incur**" means, with respect to any Indebtedness or Capital Stock, to incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness or Capital Stock; *provided* that the accretion of original issue discount will not be considered an Incurrence of Indebtedness. The terms "**Incurrence**," "**Incurred**" and "**Incurring**" have meanings correlative with the foregoing.

"**Indebtedness**" means, with respect to any Person at any date of determination (without duplication):

(1) all indebtedness of such Person for borrowed money;

(2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (or reimbursement obligations with respect thereto);

(4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services due more than six months after such property is acquired or such services are completed (excluding accrued expenses and trade payables in the ordinary course of business);

(5) all Capitalized Lease Obligations and Attributable Indebtedness;

(6) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided* that the amount of such Indebtedness will be the lesser of (A) the Fair Market Value of such asset at such date of determination and (B) the amount of such Indebtedness;

(7) all Indebtedness of other Persons guaranteed by such Person to the extent such Indebtedness is guaranteed by such Person;

(8) to the extent not otherwise included in this definition, Hedging Obligations;

(9) all Disqualified Stock issued by such Person with the amount of Indebtedness represented by such Disqualified Stock being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price; and

(10) all obligations of such Person under conditional sale or other title retention agreements relating to assets purchased by such Person.

The amount of Indebtedness of any Person at any date will be the outstanding balance at such date of all unconditional obligations as described above (as determined in conformity with GAAP to the extent applicable) and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligations; *provided*:

(A) that the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP;

(B) that money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of principal, premium or interest on such Indebtedness will not be deemed to be "Indebtedness" so long as such money is held to secure the payment of such interest;

(C) that the amount of Indebtedness with respect to any Hedging Agreement will be equal to the net amount payable if such Hedging Agreement terminated at that time due to default by such Person.

Notwithstanding the foregoing, "**Indebtedness**" shall not include:

(a) (i) accrued expenses and royalties arising in the ordinary course of business, (ii) asset retirement obligations, (iii) obligations in respect of reclamation or rehabilitation of any facility (including the Project) and any obligation accounted for as an operating lease in accordance with GAAP (other than Attributable Indebtedness), (iv) any obligations in respect of early retirement or termination obligations, trade payables, pension fund obligations or contribution or similar claims, obligations or contributions or wage taxes (including superannuation, pensions and retiree medical care), and (v) any obligations under any license, permit or approval or guarantees thereof incurred prior to the Original Issue Date in the ordinary course of business;

(b) indebtedness or obligations Incurred by the Company pursuant to Hedging Obligations for the purpose of protecting the Company from fluctuations in interest rates, commodity prices or currencies and not for speculative purposes;

(c) indebtedness or obligations arising from agreements providing for indemnification, adjustment of purchase price, earn-out payments or similar obligations, or from guarantees or letters of credit, surety bonds or performance bonds securing any obligation of the Company, in any case, incurred in connection with the disposition of any business or assets, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business or assets for the purpose of financing such acquisition; *provided* that the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the gross proceeds actually received or receivable by the Company in connection with such disposition;

(d) indebtedness or obligations Incurred by the Company arising from the honouring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided, however*, that such Indebtedness is repaid in full or otherwise extinguished within five Business Days of Incurrence;

(e) indebtedness or obligations Incurred by the Company in respect of (x) workers' compensation claims, self-insurance obligations, bankers' acceptances, performance and surety bonds (in each case other than for an obligation for borrowed money) or similar instruments in the ordinary course of business or (y) the financing of insurance premiums in the ordinary course of business;

(f) indebtedness or obligations in respect of performance bonds, completion guarantees, construction bonds and sureties and similar instruments Incurred in the ordinary course of business; or

(g) indebtedness or obligations Incurred by the Company constituting reimbursement obligations with respect to letters of credit or trade guarantees, bank guarantees or similar instruments issued in the ordinary course of business to the extent that such letters of credit, trade guarantees, bank guarantees or similar instruments are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than 30 days following receipt by the Company of a demand for reimbursement.

"**Interest Rate Agreement**" means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement designed to protect against fluctuations in interest rates and not for speculation.

"**Investment Grade**" means a rating of "AAA," "AA," "A" or "BBB," as modified by a "+" or "-" indication, or an equivalent rating representing one of the four highest Rating Categories, by S&P or Fitch or any of their respective successors or assigns or a rating of "Aaa," "Aa," "A" or "Baa," as modified by a "1," "2" or "3" indication, or an equivalent rating representing one of the four highest Rating Categories, by Moody's, or any of its successors or assigns or the equivalent ratings of any internationally recognized rating agency or agencies, as the case may be, which will have been designated by the Company as having been substituted for S&P, Fitch or Moody's or any of them, as the case may be.

"**Legal Requirements**" means all laws, statutes, orders, decrees, injunctions, licenses, permits, approvals, decisions, agreements and regulations or any requirement or administrative guidance that has similar effect of any Governmental Instrumentality having jurisdiction over the matter in question, and all court orders, judgments or similar requirements.

"**Lien**" means any mortgage, pledge, fiduciary security, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to create any mortgage, pledge, security interest, lien, charge, easement or encumbrance of any kind).

"**Loss Event**" means any event which causes all or a portion of the Project to be damaged, destroyed or rendered unfit for normal operation.

"**Major Drilling Costs**" means capital expenditure and maintenance costs associated with make-up drilling activities conducted from time to time by the Company pursuant to any major drilling program.

"**Major Maintenance Reserve Amount**" means (1) with respect to each of the first eight Semiannual Maintenance Periods commencing on the Original Issue Date, an amount equal to 12.5% of the sum of the Major Drilling Costs and the Major Maintenance Costs (as determined by the Company, acting reasonably and in good faith) in each of the immediately following eight Semiannual Maintenance Periods; and (2) with respect to each of the next six Semiannual Maintenance Periods, an amount equal to 16.7% of the sum of the Major Drilling Costs and the Major Maintenance Costs (as determined by the Company, acting reasonably and in good faith) in each of the immediately following six Semiannual Maintenance Periods.

"**Major Maintenance Costs**" means capital expenditure and maintenance costs associated with make-up drilling activities conducted from time to time by the Company in relation to the Geothermal Units other than any such costs incurred pursuant to a major drilling program; *provided* that, any calculation of Major Maintenance Costs shall only take into account capital expenditure and maintenance costs relating to the Existing Geothermal Units and which are associated with pre-drilling mobilization and demobilization of rigs and heavy equipment, project management, well drilling activities, well testing and post drilling activities.

"**Major Maintenance Reserve Account**" means an interest bearing U.S. dollars account to be opened by the Company with the Offshore Account Bank.

"**Material Adverse Effect**" means a material adverse effect on (a) the performance, operations, business, property, assets, liabilities or financial condition of the Company or (b) the rights or interests of the Holders under the Indenture or Security Documents or on any security interest granted pursuant thereto.

"**Minimum DSRA Balance**" means the total amount of Debt Service of the Company in the succeeding six month period.

"**Minimum MMRA Balance**" means, with respect to any Calculation Date, the sum of (i) the applicable Major Maintenance Reserve Amount with respect to the immediately succeeding Semiannual Maintenance Period after such Calculation Date; (ii) all applicable Major Maintenance Reserve Amounts with respect to all Semiannual Maintenance Periods prior to such Calculation Date, *less* any actual Major Maintenance Costs and Major Drilling Costs incurred with respect to all such Semiannual Maintenance Periods prior to such Calculation Date; and (iii) any excess of actual Major Maintenance Costs and Major Drilling Costs incurred over the applicable Major Maintenance Reserve Amounts, in each case, with respect to all Semiannual Maintenance Periods prior to such Calculation Date.

"**Moody's**" means Moody's Investors Service, Inc. and its affiliates.

"**Net Cash Proceeds**" means:

(1) with respect to any sale, transfer, disposition or lease of property or assets material to the Project the proceeds of which are to be applied under clause (11) under the covenant under the caption "– *Certain Covenants – Limitation on Asset Sales*," (an "**Asset Sale**"), the proceeds of such Asset Sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of:

(A) brokerage commissions and other fees and expenses (including fees and expenses of counsel, accountants and investment bankers) related to such Asset Sale;

(B) provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such Asset Sale without regard to the results of operations of the Company;

(C) payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either (x) is secured by a Lien on the property or assets sold or (y) is required to be paid as a result of such sale;

(D) appropriate amounts to be provided by the Company as a reserve against any liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in conformity with GAAP;

(E) any portion of the purchase price in respect of such Asset Sale placed in escrow (excluding amounts as and when released from escrow and received by the Company); and

(2) with respect to any issuance or sale of Capital Stock, the proceeds of such issuance or sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"**Officer**" of any Person means one of the managing directors, executive officers or directors or the equivalent of such Person.

"**Officers' Certificate**" means a certificate signed by two Officers.

"**Onshore Corporate and Tax Account**" means interest bearing Indonesian rupiah accounts opened by the Company with the Onshore Account Bank.

"**Operating Accounts**" means interest bearing Indonesian rupiah accounts opened by the Company with the Onshore Account Bank.

"**Opinion of Counsel**" means a written opinion in form and substance satisfactory to the Trustee from legal counsel that meets the requirements of the Indenture; *provided* that legal counsel shall be entitled to rely on a certificate of the Company as to matters of fact. The legal counsel may be counsel to Company.

"**Original Issue Date**" means the date on which the Notes are originally issued under the Indenture.

"**Parent Accounts Payables**" means payables owed to: (A) (i) Zhejiang Kaishan Energy Equipment Co. Ltd., Shanghai Kaishan Energy Equipment Co. Ltd., Kaishan Compressor (Hong Kong) Co., Ltd. and Leobersdorfer Maschinenfabrik GmbH for the purchase of materials related to power plant construction; and (ii) Zhejian Kaishan Geothermal Power Plant Operational Maintenance Service Co. Ltd. for the operation and maintenance service related to the power plant construction, purchase of materials related to drilling and power plant spare parts, in each case, pursuant to agreements in effect on the Original Issue Date, as amended, modified, renewed or replaced from time to time, or (B) Permitted Holders pursuant to future similar agreements entered into with such Permitted Holders for the operation and maintenance service related to the power plant construction, purchase of materials related to drilling and power plant spare parts.

"**Permitted Account Bank**" means:

(1) in Indonesia, any of Bank of China (Hongkong) Limited, Jakarta Branch, PT Bank ANZ Indonesia, PT Bank Mandiri (Persero) Tbk., Sub-branch Office (*Kantor Cabang Pembantu*) Panyabungan and PT Bank Rakyat Indonesia (Persero) Tbk., Sub-branch Office (*Kantor Cabang Pembantu*) Panyabungan (the "**Initial Banks**"), any successor of the Initial Banks or any other bank or financial institution which has an international rating for its long-term debt obligations by S&P or Moody's equivalent to or higher than any of the Initial Banks at the time such entity is designated as Account Bank (or, in connection with the definition of Permitted Investments at the time of deposit with such bank); or

(2) outside Indonesia, Bank of China Zhejiang Quzhou Branch, The Export-Import Bank of China, Zhejiang Branch, or any other bank or financial institution which has an international rating for its long-term debt obligations of "BBB" or higher by S&P or "Baa2" or higher by Moody's.

"**Permitted Business**" means the development, operation, maintenance and expansion of the Project and the Existing Geothermal Units or the exploration, development, construction, operation and maintenance of any Additional Geothermal Units, or any other businesses, services or activities that are related, complementary, incidental, ancillary or similar to any of the foregoing.

"**Permitted Holders**" means any or all of the following:

(1) Kaishan Compressor (Hong Kong) Co. Ltd.; and

(2) any Affiliate (other than an Affiliate as defined in clause (2) or (3) of the definition of Affiliate) of the Persons specified in clause (1).

"**Permitted Investments**" means:

(1) short-term investments in direct obligations of Indonesia (including obligations issued or held in book-entry form on the books of the Directorate General of Treasury of Indonesia) or obligations, the timely payment of principal and interest of which is fully guaranteed by Indonesia and with the full faith and credit of Indonesia;

(2) short-term interest-bearing demand, time or call deposits (including certificates of deposit) that are held with:

(A) any scheduled commercial bank that, at the time of deposit, meets the definition of Permitted Account Bank; or

(B) any other bank or financial institution, *provided* such deposits do not exceed US$20.0 million (or the Dollar Equivalent thereof) in the aggregate,

provided that each of the above investments shall either mature or be otherwise capable of being liquidated on the date on which such investment will be required to be liquidated in order to fund withdrawals, transfers or payments from the relevant Account;

(3) any investment pursuant to a Hedging Obligation designed solely to protect the Company against fluctuations in interest rates, foreign currency exchange rates or commodity prices and not for speculation; or

(4) investments received in compromise or resolution of obligations of trade creditors or customers that were incurred in the ordinary course of business of the Company, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer or as a result of foreclosure of or transfer of title with respect to any secured investment and any investments obtained in exchange for any such investments.

"**Permitted Liens**" means:

(1) Liens on assets of the Company created by the Security Documents in each case as amended or supplemented from time to time, including for the issuance of Additional Notes;

(2) Liens for taxes, assessments, governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as is required in conformity with GAAP will have been made;

(3) statutory and common law Liens of landlords and carriers, warehousemen, mechanics, suppliers or repairmen, or other similar Liens arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as required in conformity with GAAP will have been made;

(4) Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory or regulatory obligations, bankers' acceptances, surety and appeal bonds, workers compensation claims, government contracts (or, in case of deposits only, any other contracts), indemnity, performance and return-of-money bonds and other obligations of a similar nature or letters of credit issued pursuant to the request of and for the account of such Persons in the ordinary course of its business; *provided, however*, that such letters of credit do not constitute Indebtedness;

(5) leases or subleases granted to others that do not materially interfere with the ordinary course of business of the Company;

(6) Liens encumbering property or assets under construction arising from progress or partial payments by a customer of the Company relating to such property or assets;

(7) Liens on property of, or on Equity Interests or Indebtedness of, any Person existing at the time such Person becomes a part of, or is merged with or into or consolidated with, the Company; *provided* that such Liens do not extend to or cover any property or assets of the Company other than the property or assets acquired or affixed or appurtenant thereto (including Equity Interests acquired and any property or assets of any Person so acquired); *provided further* that such Liens were not created in contemplation of or in connection with the transactions or series of transactions pursuant to which such Person became a part of, or is merged with or into or consolidated with, the Company;

(8) Liens in favor of the Company;

(9) bankers' Liens, rights of setoff, Liens arising from attachment or the rendering of any judgment or order against the Company that does not give rise to an Event of Default and notices of pending actions and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made if required in accordance with GAAP;

(10) Liens securing reimbursement obligations with respect to letters of credit that encumber documents and other property relating to such letters of credit and the products and proceeds thereof;

(11) Liens existing on the Original Issue Date;

(12) survey exceptions, easements, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar restrictions, municipal and zoning ordinances or other restrictions as to the use of properties or minor survey exceptions or encumbrances in favor of governmental agencies or utility, telephone or similar companies that do not materially adversely affect the value of such properties or materially impair the use for the purposes of which such properties are held by the Company;

(13) Liens securing Indebtedness Incurred by the Company relating to bid, performance or surety bonds or letters of credit or bank guarantees issued in the ordinary course of business to finance the purchase of fuel or other materials or equipment to be used in the Permitted Business;

(14) Liens to secure Hedging Obligations Incurred for the purpose of protecting the Company from fluctuations in interest rates, commodity prices or currencies and not for speculative purposes;

(15) any interest or title of a licensor, lessor or sublessor of any of its property, including intellectual property, subject to any licenses, leases or subleases in the ordinary course of business;

(16) Liens on deposits made in order to comply with statutory obligations to maintain deposits for workers' compensation claims and other purposes specified by statute made in the ordinary course of business and not securing Indebtedness of the Company;

(17) Liens securing Indebtedness which is Incurred to refinance secured Indebtedness which is permitted to be Incurred under clause (b)(3) of the covenant described under the caption entitled "– *Certain Covenants – Limitation on Indebtedness*"; *provided* that such Liens do not extend to or cover any property or assets of the Company other than the property or assets securing the Indebtedness being refinanced (plus improvements and accessions to, such property or proceeds or distributions thereof);

(18) Liens securing Permitted Pari Passu Secured Obligations that have been Incurred in accordance with the provisions of "– *Certain Covenants – Permitted Pari Passu Secured Obligations*";

(19) Liens on cash, cash equivalents or other property arising in connection with the defeasance (including covenant defeasance), discharge or redemption of Indebtedness;

(20) Liens arising out of the conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(21) Liens on specific items of inventory or other goods (and the proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances issued or created in the ordinary course of business for the account of such Person to facilitate the purchase, shipment or storage of such inventory of other goods;

(22) Liens granted to the Trustee to secure its compensation and indemnities pursuant to the Indenture;

(23) Liens encumbering customary initial deposits in the ordinary course of business;

(24) Liens created for the benefit of (or to secure) the Notes;

(25) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation and exportation of goods in the ordinary course of business;

(26) Liens that are contractual rights of netting or set-off relating to purchase orders and other agreements entered into with customers in the ordinary course of business;

(27) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings; and

(28) other Liens securing obligations in an aggregate amount not exceeding US$15.0 million.

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

"**PLN**" means PT Perusahaan Listrik Negara (Persero).

"**PPA**" means the power purchase agreement dated August 29, 2014 between PLN and the Company as amended by (i) the first amendment to the power purchase agreement dated August 8, 2016, (ii) the second amendment to the power purchase agreement dated June 27, 2019, and (iii) the third amendment to the power purchase agreement dated March 2, 2023, and as may be amended from time to time in accordance with the Indenture.

"**Preferred Stock**" as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its term is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"**Project**" means the owning, operation, management and maintenance of the geothermal power plant facilities situated in the Sorik Marapi-Roburan-Sampuraga working area in North Sumatra, Indonesia in accordance with and pursuant to the terms of the Project Documents.

"**Project Documents**" means the PPA, all Additional Project Documents and any other agreement or document entered into relating to the maintenance or operation of the Project, in each case, as the same may be amended from time to time in accordance with the terms and conditions of the Indenture and thereof.

"**Rating Agencies**" means (i) S&P, (ii) Moody's and (iii) Fitch; *provided* that if S&P, Moody's or Fitch shall not make a rating of the Notes publicly available, one or more "nationally recognized statistical rating organizations," as the case may be, within the meaning of Section 3(a)(62) under the Exchange Act, as the Company may select, which will be substituted for any of S&P, Moody's or Fitch, as the case may be.

"**Rating Category**" means (i) with respect to S&P and Fitch, any of the following categories: "BB," "B," "CCC," "CC," "C" and "D" (or equivalent successor categories), (ii) with respect to Moody's, any of the following categories: "Ba," "B," "Caa," "Ca," "C" and "D" (or equivalent successor categories); and (iii) the equivalent of any such category of S&P, Fitch or Moody's used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories ("+" and "-" for S&P and Fitch; "1," "2" and "3" for Moody's; or the equivalent gradations for another Rating Agency) will be taken into account (e.g., with respect to S&P, a decline in a rating from "BB+" to "BB," as well as from "BB-" to "B+," will constitute a decrease of one gradation).

"**Rating Date**" means in connection with actions contemplated under the caption "– Consolidation, Merger and Sale of Assets," that date which is 90 days prior to the earlier of (x) the occurrence of any such actions as set forth therein and (y) a public notice of the occurrence of any such actions.

"**Rating Decline**" means, in connection with actions contemplated under the caption "– *Consolidation, Merger and Sale of Assets*," the notification by any of the Rating Agencies that such proposed actions will result in any of the events listed below:

(a) in the event the Notes are rated by two Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by both Rating Agencies will be below Investment Grade;

(b) in the event the Notes are rated by either, but not both, of the Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by such Rating Agency will be below Investment Grade; or

(c) in the event the Notes are rated below Investment Grade by both Rating Agencies on the Rating Date, the rating of the Notes by either Rating Agency will be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories);

provided that a Rating Agency will be deemed to have not changed its rating of the Notes to below Investment Grade or to have decreased its rating of the Notes if such Rating Agency states publicly in writing that (i) its change in rating of the Notes is the result of a rating downgrade applicable to the Government of Indonesia or generally applicable to companies in the Company's industry or companies located or operating in Indonesia and (ii) is not as a result of any proposed action contemplated under the caption "– *Consolidation, Merger and Sale of Assets*."

"**Ratio Debt Incurrence Period**" means the period from the date of Incurrence of such Indebtedness under clause (a) of the covenant under the caption "– *Limitation on Indebtedness*" through the date that is two years prior to the expiration of the PPA.

"**Reference Treasury Dealer**" means each of any three investment banks of recognized standing that is a primary U.S. Government securities dealer in The City of New York, selected by the Company in good faith.

"**Reference Treasury Dealer Quotations**" means, with respect to each Reference Treasury Dealer and any redemption date, the average as determined by the Company, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Company by such Reference Treasury Dealer at 5:00 p.m. New York City time on the third Business Day preceding such redemption date.

"**Restricted Debt Service Account**" means an interest bearing U.S. dollars account to be opened by the Company with the Offshore Account Bank.

"**Restricted Surplus Account**" means an interest bearing U.S. dollars account to be opened by the Company with the Offshore Account Bank.

"**Revenue Account**" means an interest bearing U.S. dollars and Indonesian rupiah account opened by the Company with the Onshore Account Bank.

"**Sale and Leaseback Transaction**" means any direct or indirect arrangement relating to property (whether real, personal or mixed), now owned or hereafter acquired whereby the Company transfers such property to another Person and the Company leases it from such Person.

"**S&P**" means Standard & Poor's Ratings Services and its affiliates.

"**Security Documents**" means (a) each of the security agreements, whether existing on the Original Issue Date or thereafter, creating or expressing to create security interests or a charge over all or any part of the Collateral in favor of the Collateral Agents that secures the Notes or any Permitted Pari Passu Secured Obligations as contemplated by the Intercreditor Agreement and (b) any other security agreements which define the terms of the security interests that secure the Notes, in each case as amended, restated, modified, renewed or replaced from time to time.

"**Semiannual Maintenance Period**" means each successive six-month period commencing on the Original Issue Date.

"**Stated Maturity**" means, (1) with respect to any Indebtedness, the date specified in such debt security as the fixed date on which the final instalment of principal of such Indebtedness is due and payable as set forth in the documentation governing such Indebtedness and (2) with respect to any scheduled instalment of principal of or interest on any Indebtedness, the date specified as the fixed date on which such instalment is due and payable as set forth in the documentation governing such Indebtedness.

"**Subordinated Creditor**" means any creditor that is a provider of Subordinated Shareholder Loans.

"**Subordinated Indebtedness**" means any Indebtedness of the Company which is contractually subordinated or junior in right of payment to the Notes pursuant to a written agreement to such effect.

"**Subordinated Shareholder Loan**" means (i) each of the loans provided by the Permitted Holders or their Affiliates existing on the Original Issue Date to the Company, in each case, as amended and extended from time to time; or (ii) unsecured Indebtedness for borrowed money Incurred by the Company from any shareholder of the Company or any of its Affiliates as to which the payment of principal of (and premium, if any) and interest and other payment obligations in respect of such Indebtedness is, by its terms or by the terms of any agreement or instrument

pursuant to which such Indebtedness is issued or remains outstanding and by the terms of the Intercreditor Agreement or the Subordination Agreement (as applicable) is expressly made subordinate to the prior payment in full of the Notes, to at least the following extent: (i) no payments of principal of (or premium, if any) or interest on or otherwise due in respect of such Indebtedness may be permitted for so long as any Default exists; (ii) such Indebtedness may not provide for payments of principal of such Indebtedness, premium or interest prior to 366 days after the final Stated Maturity of the Notes; (iii) the Intercreditor Agreement or the Subordination Agreement (as applicable) will prevent the holders of such Indebtedness (or trustees or agents therefor) from pursuing remedies against the Company or its assets or properties in an insolvency proceeding or in respect of a default under such Indebtedness until the Notes and all Permitted Pari Passu Secured Obligations have been repaid in full and (iv) the Intercreditor Agreement or the Subordination Agreement (as applicable) will provide in the event that any payment is received by the holders of such Indebtedness (or any trustee or agent therefor) in respect of such Indebtedness when such payment is prohibited by one or more of the subordination provisions described in this paragraph, such payment shall be held in trust for the benefit of, and shall be paid over or delivered to, the Collateral Agents on behalf of the Holders and other holders of Permitted Pari Passu Secured Obligations. Notwithstanding the foregoing, the foregoing limitations shall not be violated by provisions that permit payments not otherwise permitted under this definition if the Company would be permitted to make such payment under the covenant described under the caption "– *Certain Covenants – Limitation on Equity Distributions*."

"**Subsidiary**" means, with respect to any Person, any corporation, association or other business entity of which more than 50% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person.

"**Surplus Account**" means an interest bearing U.S. dollars account to be opened by the Company with the Offshore Account Bank.

"**Treasury Rate**" means, with respect to the Notes, with respect to any redemption date, (i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three (3) months before or after Stated Maturity of the Notes, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date, in each case calculated on the third Business Day immediately preceding such redemption date.

"**Unit 1**" means the 52 MW geothermal generator unit of the Project and related equipment and facilities.

"**Unit 2**" means the 51 MW geothermal generator unit of the Project and related equipment and facilities.

"**Unit 3**" means the 51 MW geothermal generator unit of the Project and related equipment and facilities.

"**Unit 4**" means the 31 MW geothermal generator unit of the Project and related equipment and facilities.

"**U.S. Government Obligations**" means securities that are (1) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the Company thereof at any time prior to the Stated Maturity of the Notes, and will also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depository receipt.

"**Voting Stock**" means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

DESCRIPTION OF THE SECURITY DOCUMENTS AND THE COLLATERAL

The security interests over the Offshore Collateral will be granted on the Original Issue Date. The security interest over the Onshore Collateral shall be created within 120 days after the Original Issue Date.

The Collateral securing the Notes will comprise of:

Security Document	Collateral
Charge over Accounts (governed by Singapore law)	A charge over the following Offshore Accounts: • the Debt Service Reserve Account; • the Major Maintenance Reserve Account; • the Restricted Surplus Account; • the Restricted Debt Service Account; and • the Surplus Account
Assignment of Shareholder Loans (governed by Singapore law)	Assignment of all present and future Subordinated Shareholder Loans of our Company
Pledge of our Company's Shares (governed by Indonesian law)	Pledge over 7,082 shares held by OTP Geothermal PTE. Limited. in our Company (the "**Pledged Shares**")
Power of Attorney to Sell Shares (governed by Indonesian law)	Power of attorney to sell the Pledged Shares
Pledge of Bank Accounts (governed by Indonesian law)	Pledge over the following Onshore Accounts: • the Revenue Account; • the Operating Accounts; and • the Onshore Corporate and Tax Account.
Power of Attorney to Withdraw Funds (governed by Indonesian law)	Power of attorney to withdraw funds from the Onshore Accounts
Fiduciary Security over Insurance Claim Proceeds (governed by Indonesian law)	Fiduciary security over present and future insurance claim proceeds to be received by the Company
Fiduciary Security over all present and future movable assets (governed by Indonesian law)	Fiduciary security over all present and future movable assets of the Company
Power of Attorney to Grant Security Rights (*Hak Tanggungan*) (governed by Indonesian law	Power of attorney to grant security rights (*hak tanggungan*) over 110 plots of land of our Company
Security Rights (*Hak Tanggungan*) (governed by Indonesian law)	Security rights (*hak tanggungan*) over 110 plots of land of our Company

CERTAIN TAX CONSIDERATIONS

The following summary is based on tax laws of Indonesia, Singapore and the United States on the date of this offering memorandum, and is subject to changes in Indonesian, Singapore or US law, including changes that could have retroactive effects. Prospective purchasers in all jurisdictions are urged to consult their own tax advisors about the tax consequences of an investment in the Notes under the laws of Indonesia, Singapore and the US and their constituent jurisdictions, and any other jurisdictions where the purchasers of the Notes may be subject to taxation.

The below discussion is a general summary. It does not cover all tax matters that may be of importance to a particular purchaser. Each prospective investor is strongly urged to consult its tax advisor about the tax consequences as a result of an investment in the Notes.

Indonesia

General

Taxpayers resident in Indonesia, individual or corporate, are subject to income tax in Indonesia on a worldwide income basis. In this section, both resident individuals and resident corporations will be referred to as "Resident Taxpayers."

Generally, an individual is considered to be a non-resident of Indonesia if the individual is not present in Indonesia for more than 183 days within a 12-month period. A corporation will be considered to be a non-resident of Indonesia if it is not established or domiciled in Indonesia.

In determining the residency and tax status of an individual or corporation, consideration will also be given to the provisions of any applicable double tax treaty which Indonesia has concluded with other countries. In this section, both non-resident individuals and non-resident corporations will be referred to as "Non-resident Taxpayers."

Withholding Tax

Payments of principal under the Notes are not subject to withholding tax in Indonesia, but interest income (including additional amounts) sourced from Indonesia is subject to withholding tax.

According to Indonesian regulations, notes are defined as debt securities, government debt securities, and regional bonds with a tenure of more than 12 months, issued by both government and non-government entities. Furthermore, any rewards received or obtained by noteholders, in the form of interest, profit sharing, margins (gains from the disposal of the Notes), other similar income, and/or discounts, are subject to a withholding tax rate of 10.0%. Premiums, discounts, and compensation related to debt return guarantees are also included in the definition of interest.

Payments in respect of interest, profit sharing, gain from a disposal of the Notes, other similar income and/or discount received by Non-resident Taxpayers will be subject to final withholding tax in Indonesia at the rate of 10.0% (or a reduced rate under a relevant applicable tax treaty) on the gross amount of such payment.

Non-resident noteholders that are subject to Indonesian tax should consult their own tax advisors regarding the application of Indonesian withholding tax on such gains and the availability of any reduction of, or relief from, Indonesian tax pursuant to the relevant tax treaties with Indonesia.

Payments in respect of interest, profit sharing, gain from a disposal of the Notes, other similar income and/or discount received by Resident Taxpayers will be subject to final withholding tax in Indonesia at the rate of 10.0% on the gross amount of such payment, except for banks and Minister of Finance-approved pension funds.

Subject to certain exclusions, both Resident and Non-Resident noteholders will generally be entitled to a gross-up for such amounts withheld with respect to the Notes. See "*Description of Notes - Additional Amounts*".

Other Indonesian Taxes

There are no Indonesian estates, inheritance, succession, or gift taxes generally applicable to the acquisition, ownership or disposition of the Notes. There are no Indonesian stamp, issue, registration or similar taxes or duties payable by holders of the Notes as a result of their holding of the Notes.

Law No. 10 of 2020 regarding Stamp Duty in Indonesia imposes a requirement for a stamp duty of Rp.10,000 for agreements or documents valued above Rp.5,000,000 to ensure their legality, validity, enforceability and admissibility in court proceedings. This measure aimed at formalizing and regulating legal documents and agreements within the country.

United States

The following discussion is a summary of certain U.S. federal income tax considerations relevant to the purchase, ownership and disposition of the Notes, but does not purport to be a complete analysis of all potential tax effects. The summary is limited to consequences relevant to a U.S. holder (as defined below), except for the discussion on FATCA (as defined under "– *Foreign Account Tax Compliance Act*"), and does not address the effects of any U.S. federal tax laws other than U.S. federal income tax laws (such as estate and gift tax laws) or any U.S. state, local or non-U.S. tax laws. This discussion is based upon the Internal Revenue Code of 1986, as amended (the "**Code**"), Treasury regulations issued thereunder, and judicial and administrative interpretations thereof, each as of the date hereof, and all of which are subject to change, possibly with retroactive effect. No rulings from the U.S. Internal Revenue Service (the "**IRS**") have been or are expected to be sought with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the Notes or that any such position would not be sustained.

This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a U.S. holder in light of such U.S. holder's particular circumstances, including the impact of the unearned income Medicare contribution tax or any alternative minimum tax, or to holders subject to special rules, such as certain financial institutions, United States expatriates, insurance companies, dealers in securities or currencies, traders in securities, U.S. holders whose functional currency is not the US dollar, U.S. holders who are subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account in an applicable financial statement, tax-exempt entities, regulated investment companies, real estate investment trusts, partnerships (or other pass through entities or arrangements for U.S. federal income tax purposes) and investors in such entities, persons that are resident or ordinarily resident in or have a permanent establishment in a jurisdiction outside the United States and persons holding the Notes as part of a "straddle", "hedge", "conversion transaction" or other integrated transaction for U.S. federal income tax purposes. In addition, this discussion is limited to persons who purchase the Notes for cash at original issue and at their "issue price" (the first price at which a substantial amount of the Notes is sold to the public for cash, excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) and who hold the Notes as capital assets within the meaning of Section 1221 of the Code.

For purposes of this discussion, a "U.S. holder" is a beneficial owner of a Note that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States; (ii) a corporation or any entity classified as a corporation for U.S. federal income tax purposes created or organized in the United States or under the laws of the United States, any state thereof or the District of Columbia; (iii) any estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or if a valid election is in place to treat the trust as a U.S. person.

If any entity or arrangement treated as a partnership for U.S. federal income tax purposes holds the Notes, the U.S. federal income tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partner and the partnership. An entity or arrangement treated as a partnership for U.S. federal income tax purposes that is considering an investment in the Notes, and partners in such a partnership, should consult their tax advisors regarding the U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes.

Prospective purchasers of the Notes should consult their tax advisors concerning the tax consequences of holding Notes in light of their particular circumstances, including the application of the U.S. federal income tax considerations discussed below, as well as the application of other U.S. federal, state, local, non-U.S. or other tax laws.

Characterization of the Notes

In certain circumstances (see, e.g., "*Description of the Notes – Optional Redemption,*" "*Description of the Notes – Mandatory Redemption of Notes Without Premium*," "*Description of the Notes – Additional Amounts*," "*Description of the Notes – Change of Control*" and "*Description of the Notes – MCS Amortization Redemptions*"), we may be obligated to make certain other payments on the Notes in excess of stated principal and interest or make payments of stated principal on the Notes earlier or later than anticipated. We believe (and the rest of this discussion assumes) that the foregoing contingencies should not result in the Notes being treated as contingent payment debt instruments under applicable U.S. Treasury regulations. Assuming such position is respected, a U.S. holder would be required to include in income the amount of any such payments at the time such payments are received or accrued in accordance with such U.S. holder's method of accounting for U.S. federal income tax purposes. Our position is binding on a holder, unless the holder discloses in the proper manner to the IRS that it is taking a different position. The application of the contingent payment debt regulations to instruments such as the Notes is uncertain in several respects, and no rulings have been sought from the IRS with respect to any of the U.S. federal income tax consequences discussed herein. If the IRS successfully challenged this position, and the Notes were treated as contingent payment debt instruments, U.S. holders could be required to accrue interest income at a rate higher than their yield to maturity, regardless of the holder's method of accounting, and in some cases to treat as ordinary income, rather than capital gain, any gain recognized on a sale, exchange, retirement, redemption or other taxable disposition of a Note. The remainder of this discussion assumes that the Notes will not be considered contingent payment debt instruments. U.S. holders are urged to consult their tax advisors regarding the potential application to the Notes of the contingent payment debt instrument rules and the consequences thereof.

Payments of Stated Interest

Payments of stated interest on the Notes (including any additional amounts paid in respect of withholding taxes and without reduction for any amounts withheld) generally will be taxable to a U.S. holder as ordinary income at the time that such payments are received or accrued, in accordance with such U.S. holder's method of accounting for U.S. federal income tax purposes.

Original issue discount

The Notes may be issued with original issue discount for U.S. federal income tax purposes ("**OID**"). The Notes will be treated as issued with OID if the stated principal amount of such Notes exceeds their issue price (as defined above) by an amount equal to or greater than 0.0025 multiplied by the stated principal amount of the Notes multiplied by the weighted average maturity of the Notes (such amount, the "**De Minimis Amount**").

In the event the Notes are issued with OID, U.S. holders generally will be required to include such OID in gross income (as ordinary income) for U.S. federal income tax purposes on an annual basis under a constant yield accrual method regardless of their regular method of accounting for U.S. federal income tax purposes. As a result, U.S. holders generally will include any OID in income in advance of the receipt of cash attributable to such income.

The amount of any OID with respect to a Note includible in income by a U.S. holder is the sum of the "daily portions" of OID with respect to the Note for each day during the taxable year or portion thereof in which such U.S. holder holds such Note. A daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID that accrued in such period. The accrual period of a Note may be of any length and may vary in length over the term of the Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first or last day of an accrual period. The amount of OID that accrues with respect to any accrual period other than the final accrual period is the excess of (i) the product of the Note's "adjusted issue price" at the beginning of such accrual period and its "yield to maturity," determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of such period, over (ii) the amount of stated interest allocable to such accrual period. OID allocable to a final accrual period is the difference between the amount payable at maturity (other than a payment of stated interest) and the adjusted issue price of the Note at the beginning of the final accrual period. The adjusted issue price of a Note at the start of any accrual period generally is equal to its issue price, increased by the accrued OID for each prior accrual period, and reduced by any prior payments received other than payments of stated interest, in each case, with respect to the Note. The yield to maturity of a Note is the discount rate that, when used in computing the present value of all principal and interest payments to be made under the Note, produces an amount equal to the issue price of the Note.

A U.S. holder may elect to treat all interest (as well as *de minimis* OID, as defined below, if any) on a Note as OID and calculate the amount includible in gross income under the constant yield method described above. The election is to be made for the taxable year in which the Note was acquired, and may not be revoked without the consent of the IRS. U.S. holders should consult their tax advisors about this election.

Amortization Payments

Payments on the Notes which are amortization payments of principal will generally be treated as payment of accrued and unpaid OID (if any) and then receipts of principal. However, if the Notes are treated as issued at a discount from their stated principal amount that is less than the *De Minimis* Amount (such discount, "***de minimis* OID**"), a U.S. holder is required to include such *de minimis* OID in income as such principal payments on the Note are made. The includible amount with respect to each payment will be equal to the product of the total amount of the Note's *de minimis* OID and a fraction, the numerator of which is the amount of the principal payment made and the denominator of which is the stated principal amount of the Note. Any amount of *de minimis* OID includible in income under the preceding sentence is treated as an amount received in retirement of the debt instrument and thus as capital gain.

Additionally, in determining how to take into account an MCS Amortization Redemption payment, we have assumed that the MCS Amount will be paid in full on each MCS Amortization Redemption Date. These assumptions are made solely for such U.S. federal income tax purposes and do not constitute a representation by us regarding the actual amount of MCS Amortization Redemption payments for any period. If the assumptions are contrary to actual circumstances, then solely for the purposes of determining the amount of OID on the Notes, either (1) if we were assumed to have paid an amount less than the actual MCS Amortization Redemption payment, we will be deemed to have made a pro-rata prepayment (within the meaning of the applicable U.S. Treasury regulations) which should be treated as a payment in retirement of a portion of the Note and may result in capital gain to the U.S. holder, or (2) if we were assumed to have paid an amount greater than the actual MCS Amortization Redemption payment, the Notes will be treated as retired and reissued on the date of the change in circumstances for an amount equal to their adjusted issue price and the yield to maturity on the Notes will be redetermined taking into account such change in circumstances.

Foreign Tax Credit

A U.S. holder may be able to claim a credit (or, at such holder's election, a deduction in lieu of such credit) with respect to any non-U.S. withholding taxes deducted from the payment on the Notes in computing such holder's U.S. federal income tax liability. Stated interest income and OID on a Note (including any additional amounts paid in respect of withholding taxes at the rate applicable to such U.S. holder) generally will constitute foreign source income and generally will be considered "passive category income" for purposes of computing the foreign tax credit. There are significant complex limitations on a U.S. holder's ability to claim foreign tax credits or deduction in lieu of such credit, and recently issued U.S. Treasury regulations may restrict the availability of any such credit based on the nature of the withholding tax imposed by the relevant foreign jurisdiction (though under current IRS guidance taxpayers generally may elect to determine the creditability of foreign taxes without regard to such restrictions for taxable years ending prior to the year further guidance is issued). U.S. holders should consult their tax advisors regarding the creditability or deductibility of any withholding taxes, including the effects of any applicable income tax treaties.

Sale, Exchange, Retirement, Redemption or Other Taxable Disposition of Notes

Upon the sale, exchange, retirement, redemption or other taxable disposition of a Note, a U.S. holder generally will recognize gain or loss equal to the difference, if any, between the amount realized upon such disposition (less any amount equal to any accrued but unpaid stated interest, which will be taxable as interest income as discussed above to the extent not previously included in income by the U.S. holder) and such U.S. holder's adjusted tax basis in the Note. A U.S. holder's adjusted tax basis in a Note will, in general, be the cost of such Note to such U.S. holder, increased by any OID previously accrued by such U.S. holder with respect to the Note, and decreased by the aggregate amount of any payments (other than stated interest) on such Note previously made to the U.S. holder. The cost of a Note will generally be the purchase price of the Note.

Any gain or loss recognized upon the sale, exchange, retirement, redemption or other taxable disposition of a Note generally will be U.S. source capital gain or loss, and generally will be long-term capital gain or loss if the U.S. holder held the Note for more than one year on the date of disposition. Long-term capital gains of non-corporate U.S. holders (including individuals) are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to payments of stated interest (including accruals of OID, if any) on the Notes and to the proceeds of the sale, exchange, retirement, redemption or other taxable disposition of a Note paid to a U.S. holder unless such U.S. holder properly establishes that it is a corporation or other exempt recipient. Backup withholding may apply to such payments if the U.S. holder fails to provide a taxpayer identification number or a certification that it is not subject to backup withholding.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS.

Individuals that own "specified foreign financial assets" (which includes debt of non-U.S. entities) with an aggregate value in excess of certain thresholds at any time during the tax year generally are required to file an information report (IRS Form 8938) with respect to such assets with their tax returns. The Notes generally will constitute specified foreign financial assets subject to these reporting requirements, unless the Notes are held in an account at certain financial institutions. Under certain circumstances, an entity may be treated as an individual for purposes of these rules.

U.S. holders are urged to consult their tax advisors regarding the application of the foregoing disclosure requirements to their ownership of the Notes, including the significant penalties for non-compliance.

Foreign Account Tax Compliance Act

Pursuant to Section 1471 through 1474 of the Code (provisions commonly known as "**FATCA**"), a "foreign financial institution" may be required to withhold U.S. tax on "passthru payments" made under certain debt instruments to the extent such payments are treated as attributable to certain U.S. source payments. Under proposed regulations, any withholding on foreign passthru payments on Notes that are not otherwise grandfathered would apply to passthru payments made on or after the date that is two years after the date of publication in the U.S. Federal Register of applicable final regulations defining foreign passthru payments. Taxpayers generally may rely on these proposed regulations until final regulations are issued. Even if our Company is treated as a foreign financial institution, Notes issued on or prior to the date that is six months after the date on which applicable final regulations are filed with the U.S. Federal Register generally would be "grandfathered" from FATCA unless materially modified after such date. Non-U.S. governments have entered into agreements with the United States (and additional non-U.S. governments are expected to enter into such agreements) to implement FATCA in a manner that alters the rules described herein.

Holders should consult their tax advisors on how these rules may apply to their investment in the Notes. In the event any withholding under FATCA is imposed with respect to any payments on the Notes, there will be no additional amounts payable to compensate for the withheld amount.

Singapore

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore, administrative guidelines and circulars issued by the Inland Revenue Authority of Singapore ("**IRAS**") and the Monetary Authority of Singapore ("**MAS**") in force as of the date of this offering memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, administrative guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, administrative guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this offering memorandum are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring,

selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the Singapore tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore that have been granted the relevant Financial Sector Incentive(s) or hold a specified license) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own tax advisers regarding the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasized that neither the Issuer nor any other persons involved in the offering of the Notes accepts responsibility for any Singapore tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

Interest and Other Payments

Generally, interest and other payments derived by a holder of the Notes who is not resident in Singapore and who does not have any permanent establishment in Singapore is not subject to tax, as such income is likely to be regarded as arising from a source outside Singapore, given that the Issuer is issuing the Notes outside Singapore and not through a branch, permanent establishment, or otherwise in Singapore. However, even if such interest and payments are regarded as sourced in Singapore, such interest and other payments may also be exempt from tax, including withholding of tax, if the Notes qualify as "qualifying debt securities" as discussed below.

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, 1947 of Singapore (the "**ITA**"), the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore); or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for Singapore tax purposes, are generally subject to withholding tax in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is currently 24 per cent. However, if the payment is derived by a person not resident in Singapore from sources other than from its trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after January 1, 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after February 17, 2006; and

(c) early redemption fee and redemption premium from debt securities derived on or after February 15, 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession in Singapore.

In addition, as the Initial Purchaser for the issue of the Notes falls within the list of the following entities holding the relevant licenses (collectively, "**specified licensed entities**"):

(a) any bank or merchant bank licensed under the Banking Act 1970 of Singapore;

(b) any finance company licensed under the Finance Companies Act 1967 of Singapore; or

(c) an entity that holds a Capital Markets Services Licence under the Securities and Futures Act 2001 of Singapore to carry out regulated activities – Advising on Corporate Finance or Dealing in Capital Markets Products – Securities,

and the Notes are issued during the period from February 15, 2023 to December 31, 2028, such Notes would be "qualifying debt securities" ("**QDS**") pursuant to the ITA and the MAS Circular FDD Cir 08/2023 entitled "Qualifying Debt Securities and Primary Dealer Schemes – Extension and Refinements" issued by the MAS on May 31, 2023 (the "**MAS Circular**"), to which the following treatments shall apply:

(a) subject to certain prescribed conditions having been fulfilled (including the submission to the MAS of a return on debt securities in respect of the Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Notes as the MAS may require, and the inclusion by the Issuer in all offering documents relating to the Notes of a statement to the effect that where interest, discount income, early redemption fee or redemption premium from the Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Notes using funds from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium (collectively, the "**Qualifying Income**") from the Notes, derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore, but the funds used by that person to acquire the Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(b) subject to certain conditions having been fulfilled (including the submission to the MAS of a return on debt securities in respect of the Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Notes as the MAS may require), Qualifying Income from the Notes derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10 per cent. (except for holders who have been granted the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(c) subject to:

(i) the Issuer including in all offering documents relating to the Notes a statement to the effect that any person whose Qualifying Income derived from the Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

(ii) the submission to the MAS of a return on debt securities for the Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Notes as the MAS may require,

payments of Qualifying Income derived from the Notes and made by the Issuer are not subject to Singapore withholding tax.

Notwithstanding the foregoing:

(a) if during the primary launch of the Notes, the Notes are issued to fewer than four persons and 50% or more of the issue of the Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, the Notes would not qualify as QDS; and

(b) even if the Notes are QDS, if, at any time during the tenure of the Notes, 50.0% or more of the Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from the Notes held by:

(i) any related party of the Issuer; or

(ii) any other person where the funds used by such person to acquire the Notes are obtained, directly or indirectly from any related party of the Issuer,

shall not be eligible for the Singapore tax exemption or concessionary rate of tax described above.

The term "related party," in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where a person and that other person directly or indirectly are under the control of a common person.

The terms "early redemption fee" and "redemption premium" are defined in the ITA as follows:

- "early redemption fee," in relation to debt securities, QDS or qualifying project debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities; and

- "redemption premium," in relation to debt securities, QDS or qualifying project debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity or on the early redemption of the securities.

References to "early redemption fee" and "redemption premium" in this section have the same meaning as defined in the ITA.

Where Qualifying Income is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS (subject to certain conditions) under the ITA shall not apply if such person acquires the Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose Qualifying Income derived from the Notes is not exempt from tax is required to include such income in a return of income made under the ITA. However, to the extent that the Notes are not QDSs and subject to Singapore withholding tax, then subject to the limitations set forth under the "Description of the Notes – Additional Amounts," holders of the Notes will generally be entitled to Additional Amounts with respect to such tax.

Gains on sale of the Notes

Singapore income tax generally does not apply to capital gains. Any gains considered to be in the nature of capital made from the sale of the Notes should not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

In addition, any gains from the sale or disposal of the Notes or any rights or interest thereof by an entity of a relevant group within the meaning of section 10L(5) of the Income Tax Act (for example, an entity of a multinational group that does not have adequate economic substance in Singapore) on or after January 1, 2024 that are received in Singapore from outside Singapore are treated as income chargeable to tax under Section 10(1)(g) of the Income Tax Act, subject to certain exceptions.

Holders of the Notes who apply or who are required to apply Singapore Financial Reporting Standard 109 – Financial Instruments ("**FRS 109**") or Singapore Financial Reporting Standard (International) 9 Financial Instruments ("**SFRS(I) 9**") (as the case may be) may for Singapore income tax purposes be required to recognize gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 109. Please see the section below on "Adoption of FRS 109 Treatment for Singapore Income Tax Purposes."

Adoption of FRS 109 or SFRS(I) 9 treatment for Singapore income tax purposes

Section 34AA of the Income Tax Act requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments"

Holders of the Notes who may be subject to the tax treatment under 34AA of the Income Tax Act should consult their own tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

Goods and Services Tax

A sale of the Notes by a Goods and Services Tax ("**GST**") registered investor belonging in Singapore to another person belonging in Singapore is an exempt supply not subject to GST. Any GST (for example, GST on brokerage) incurred by the investor in respect of the Notes purchased or sold by him will become an additional cost to the investor. Where the Notes are supplied by a GST-registered investor to a person belonging outside Singapore and who is outside Singapore at the time of supply, the sale is a taxable supply subject to GST at zero rate. Consequently, any GST (for example, GST on brokerage) incurred by him in the course of or furtherance of business in respect of the Notes sold by him will, subject to the provisions of the Goods and Services Tax Act 1993 of Singapore, be claimable as an input tax credit in its GST returns. Services such as brokerage and handling services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase or sale of the Notes will be subject to GST at the prevailing rate (currently 9.0%.). Services supplied under a contract with a person belonging outside Singapore are subject to GST at zero rate on the condition that the services directly benefit a person who belongs outside Singapore or a registered person who is in Singapore.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after February 15, 2008.

PLAN OF DISTRIBUTION

Under the terms and subject to the conditions contained in a purchase agreement dated July 29, 2024 (the "**Purchase Agreement**") between us and the initial purchaser named below (the "**Initial Purchaser**"), the Initial Purchaser has agreed to purchase from us, and we have agreed to sell to the Initial Purchaser, the principal amount of the Notes set forth opposite its name below:

Initial Purchaser	Principal Amount of Notes
	US$
Deutsche Bank AG, Singapore Branch	350,000,000
Total	**350,000,000**

The Purchase Agreement provides that the obligation of the Initial Purchaser to take and pay for the Notes is subject to the approval of certain legal matters by its counsel and certain other conditions, including that there is no material change in our business or the financial markets, we deliver customer closing documents to the Initial Purchaser and the representations and warranties made by us to the Initial Purchaser are true. The Initial Purchaser has agreed to take and pay for all of the Notes if any are taken. After the initial offering, the offering price and other selling terms may be varied from time to time by the Initial Purchaser.

The initial offering price is set forth on the cover page of this offering memorandum. After the Notes are released for sale, the Initial Purchaser may change the offering price and other selling terms. The Initial Purchaser reserves the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part.

We have agreed not to, for a period of 90 days after the date of this offering memorandum (i) offer for sale, sell, or otherwise dispose of (or enter into any transaction or device that is designed to, or would be expected to, result in the disposition by any person at any time in the future of) any debt securities substantially similar to the Notes or securities convertible into or exchangeable for such debt securities, or sell or grant options, rights or warrants with respect to such debt securities or securities convertible into or exchangeable for such debt securities, (ii) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of such debt securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of our debt securities or other securities, in cash or otherwise, (iii) file or cause to be filed a registration statement, including any amendments, with respect to the registration of debt securities substantially similar to the Notes or securities convertible, exercisable or exchangeable into debt securities or (iv) publicly announce an offering of any debt securities substantially similar to the Notes or securities convertible or exchangeable into such debt securities, in each case without the prior written consent of the Initial Purchaser. We have agreed to indemnify the Initial Purchaser against certain liabilities, including liabilities under the Securities Act, and to contribute to payments which the Initial Purchaser may be required to make in respect thereof.

The Notes are a new issue of securities with no established trading market. Application will be made for the listing and quotation of the Notes on the SGX-ST. We have been advised that the Initial Purchaser intends to make a market in the Notes, as permitted by applicable laws and regulations. The Initial Purchaser is not obligated, however, to make a market in the Notes, and any such market making may be discontinued at any time without prior notice at the sole discretion of the Initial Purchaser. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes. We have been advised by the Initial Purchaser that, in connection with the offering of the Notes, the Initial Purchaser may engage in transactions that stabilize, maintain or

otherwise affect the price of the Notes. Specifically, the Initial Purchaser may over-allot the offering, creating a syndicate short position. In addition, the Initial Purchaser may bid for, and purchase, the Notes in the open market to cover syndicate shorts or to stabilize the price of the Notes. Any of these activities may stabilize or maintain the market price of the Notes above independent market levels. The Initial Purchaser is not required to engage in these activities, and may end any of these activities at any time. No assurance can be given as to the liquidity of, or the trading market for, the Notes.

The Initial Purchaser or certain of its affiliates may purchase the Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution.

We expect that delivery of the Notes will be made against payment therefor on or about the closing date specified on the cover page of this offering memorandum, which will be on or about the fifth business day following the pricing date of the Notes (this settlement cycle being referred to as "**T+5**"). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes on the date of pricing or the next succeeding business day will be required, by virtue of the fact that the Notes initially will settle in T+5, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes on the date of pricing date or the next succeeding business day should consult their own legal advisor.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to CMIs (including Private Banks)

This notice to CMIs (including Private Banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and co-operation of other CMIs (including Private Banks).

Prospective investors who are the directors, employees or major shareholders of the Company, a CMI or its group companies would be considered under the SFC Code as having an Association with the Company, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Notes. In addition, Private Banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Company, or any CMI (including its group companies) and inform the Initial Purchaser accordingly.

CMIs are informed that the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II and UK MiFIR product governance language set out elsewhere in this offering memorandum.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Notes (except for omnibus orders where underlying investor information should be provided to the overall coordinators when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including Private Banks as the case may be) in the order book and book messages.

CMIs (including Private Banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Company. In addition, CMIs (including Private Banks) should not enter into arrangements which may result in prospective investors paying different prices for the Notes.

The SFC Code requires that a CMI discloses complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, the Initial Purchaser in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Notes, Private Banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private Banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private Banks should be aware that placing an order on a "principal" basis may require the Initial Purchaser to apply the "proprietary orders" requirements of the SFC Code to such order and will require the Initial Purchaser to apply the "rebates" requirements of the SFC Code (if applicable) to such order.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including Private Banks) agree and warrant: (a) to take appropriate steps to safeguard the transmission of such information; and (b) that they have obtained the necessary consents from the underlying investors to disclose such information. By submitting an order and providing such information, each CMI (including Private Banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any third parties as may be required by the SFC Code, including to the Company, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Initial Purchaser may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including Private Banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including Private Banks) are required to provide the relevant Initial Purchaser with such evidence within the timeline requested.

Selling restrictions

General

We and the Initial Purchaser have not taken any action, nor will we and the Initial Purchaser take any action, in any jurisdiction that would permit a public offering of the Notes, or the possession, circulation or distribution of this offering memorandum or any other material relating to us, the Notes in any jurisdiction where action for that purpose is required. Accordingly, an investor may not offer or sell, directly or indirectly, any Note and may not distribute or publish either this offering memorandum or any other offering material or advertisements in connection with the Notes, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction.

United States

The Notes have not been and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. For a description of other restrictions on the transfer of Notes, see "*Transfer Restrictions*".

Accordingly, the Notes are being offered and sold only to (1) "qualified institutional buyers" in accordance with and in reliance upon Rule 144A or another available exemption from the registration requirements of the Securities Act, and (2) outside the United States in offshore transactions in accordance with and in reliance upon Regulation S. Resales of the Notes are restricted as described under "*Transfer Restrictions*".

Until 40 days after the commencement of this Offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in this Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act.

As used herein, the term "**United States**" has the meaning given to it in Regulation S.

United Kingdom

The Initial Purchaser has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act of 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Prohibition of Sales to UK Retail Investors

The Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the offering memorandum in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

  (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

  (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

  (iii) not a qualified investor as defined in the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

EEA Retail Investors

The Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the offering memorandum in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II;

(ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Indonesia

This offering does not constitute (i) a public offering in Indonesia under Indonesian Capital Market Law and (ii) a private placement of debt securities under POJK No. 30/2019 and its implementing regulations. This offering memorandum may not be distributed in Indonesia and the Notes may not be offered or sold in Indonesia or to Indonesian citizens (wherever domiciled or located) or to Indonesian residents, in a manner which constitutes a public offering or private placement of debt securities under the laws and regulations in Indonesia.

Singapore

The Initial Purchaser has acknowledged that this offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore (the "**MAS**"). Accordingly, the Initial Purchaser has represented and agreed that this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes may not be circulated or distributed, nor may any Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the CMP Regulations 2018, we have determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Any reference to the "**SFA**" is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Hong Kong

The Initial Purchaser has represented and agreed that (1) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to "**professional investors**" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a "**prospectus**" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(2) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue any advertisement, invitation or document relating to the Notes, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "**professional investors**" as defined in the SFO and any rules made thereunder.

British Virgin Islands

The Initial Purchaser has represented and agreed that it has not offered or sold, and will not offer or sell, any Notes to the public in the British Virgin Islands.

Other relationships and conflicts of interest

The Initial Purchaser and certain of its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The Initial Purchaser and certain of its affiliates have, from time to time, performed, and may in the future perform, various commercial and investment banking and financial advisory services for us and our affiliates, for which they received or may in the future receive customary fees and expenses.

In the ordinary course of their various business activities, the Initial Purchaser and certain of its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of our Company or our affiliates. If the Initial Purchaser or its affiliates have a lending relationship with us, certain other of the Initial Purchaser or its affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, the Initial Purchaser and its affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities or the securities of our affiliates, including potentially the Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes offered hereby. The Initial Purchaser and certain of its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

TRANSFER RESTRICTIONS

As the following restrictions will apply to the Notes, investors should consult their legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only:

- within the United States to "qualified institutional buyers" in compliance with Rule 144A; and
- outside the United States in offshore transactions, in reliance upon Regulation S.

Rule 144A Notes

Each purchaser of the Notes within the United States pursuant to Rule 144A, by accepting delivery of this offering memorandum, will be deemed to have represented, agreed and acknowledged that:

1. It is (a) a qualified institutional buyer within the meaning of Rule 144A (a "**QIB**"), (b) acquiring such Notes for its own account or for the account of a QIB and (c) aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes to it is being made in reliance on Rule 144A.

2. It understands and acknowledges that the Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (i) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (ii) in an "offshore transaction", as defined in, and in accordance with Rule 903 or Rule 904 of Regulation S or (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any state of the United States.

3. It understands that such Notes, unless otherwise agreed between the Company and the Trustee in accordance with applicable law, will bear a legend to the following effect:

   "THIS NOTE IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN "**OFFSHORE TRANSACTION**", AS DEFINED IN, AND IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE."

4. The Company, the Trustee, the Collateral Agents, the Registrar, the Agents, the Initial Purchaser and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements. If it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

5. It understands that the Notes offered in reliance on Rule 144A will be represented by the Rule 144A Global Certificate. Before any interest in any Rule 144A Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the corresponding Regulation S Global Certificate, it will be required to provide the relevant Registrar with a written certification (in the form provided in the indenture governing the Notes) as to compliance with applicable securities laws.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Regulation S Notes

Each purchaser of the Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes in resales prior to the expiration of the distribution compliance period, by accepting delivery of this offering memorandum and the Notes, will be deemed to have represented, agreed and acknowledged that:

1. It is, or at the time such Notes are purchased will be, the beneficial owner of such Notes and (a) it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Company or a person acting on behalf of such an affiliate.

2. It understands that such Notes have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Notes except (a) in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB or (b) in an "**offshore transaction**", as defined in, and in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.

3. The Company, the Trustee, the Collateral Agents, the Agents, the Initial Purchaser and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

4. It understands that the Notes offered in reliance on Regulation S will be represented by a Regulation S Global Note. Prior to the expiration of the distribution compliance period, before any interest in the Regulation S Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Note, it will be required to provide the Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

SUMMARY OF CERTAIN SIGNIFICANT DIFFERENCES BETWEEN IFAS AND U.S. GAAP

Our financial statements included elsewhere in this offering memorandum are prepared and presented in accordance with Indonesian Financial Accounting Standards ("**IFAS**"). Significant differences exist between IFAS and United States Generally Accepted Accounting Principles ("**U.S. GAAP**"), which might be material to the financial statements herein. The matters described below should not be expected to reveal all differences between IFAS and U.S. GAAP that are relevant to us.

Management has made no attempt to quantify the impact of those differences, nor has any attempt been made to identify all disclosure, presentation, or classification differences that would affect the manner in which transactions or events are presented in the financial statements. Had any such quantification or identification been undertaken by management, other potential significant accounting and disclosure differences may have come to its attention which are not summarized below. Accordingly, it should not be construed that the following summary of certain significant differences between IFAS and U.S. GAAP is complete.

Regulatory bodies that promulgate IFAS and U.S. GAAP have significant ongoing projects that could affect future comparisons such as this one. Further, no attempt has been made to identify future differences between IFAS and U.S. GAAP as a result of prescribed changes in accounting standards and regulations. Finally, no attempt has been made to identify all future differences between IFAS and U.S. GAAP that may affect the financial statements as a result of transactions or events that may occur in the future.

Management believes that the application of U.S. GAAP to the financial statements could have a material and significant impact upon the financial statements reported under IFAS. In making an investment decision, investors must rely upon their own examination of us, terms of the offering, and the financial statements. Potential investors should consult their own professional advisors for an understanding of the differences between IFAS and U.S. GAAP, and how those differences might affect the financial statements included herein.

Interim Financial Reporting

Under IFAS, each interim period is viewed as a discrete reporting period. A cost that does not meet the definition of an asset at the end of an interim period is not deferred, and a liability recognized at an interim reporting date must represent an existing obligation. Under U.S. GAAP, each interim period is viewed as an integral part of an annual period. As a result, certain costs that benefit more than one interim period may be allocated among those periods, resulting in deferral or accrual of certain costs.

Land

In Indonesia, except for ownership rights granted to individuals, the title to land rests with the Government of the Republic of Indonesia under the Agrarian Law No. 5 of 1960. Land use is accomplished through land rights whereby the holder of the rights enjoys the full use of the land for a stated period of time, subject to extensions. Under IFAS, land rights are not depreciated unless management believes that it is highly unlikely that extensions of the land right will not be granted by the Government. The predominant practice is to capitalize (and not to amortize) the costs of acquired land rights, as entities generally believe that extensions of land rights will be granted by the Government. Other expenses associated with the acquisition of government permits to use the land, including legal fees, area survey and re-measurement fees, notary fees, and taxes, are capitalized and amortized over the period of the right to use the land. Under U.S. GAAP, the costs and other expenses associated with the acquisition of land rights are capitalized and amortized over the period of the right to use the land.

Long-Lived Assets

Under IFAS, revaluation of long-lived assets is a permitted accounting policy election for an entire class of assets, requiring revaluation to fair value on a regular basis. Under U.S. GAAP, revaluation of long-lived assets is not permitted.

Under IFAS, component depreciation of long-lived assets is required if components of an asset have differing patterns of benefit. Under U.S. GAAP, component depreciation of long-lived assets is permitted, but it is not common.

Under IFAS, eligible borrowing costs that are capitalized as part of a qualifying long-lived asset include exchange rate differences from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. For borrowings associated with a specific qualifying asset, actual borrowing costs are capitalized offset by investment income earned on those borrowings. Under U.S. GAAP, eligible borrowing costs do not include exchange rate differences. Interest earned on the investment of borrowed funds generally cannot offset interest costs incurred during the period. For borrowings associated with a specific qualifying asset, borrowing costs equal to the weighted-average accumulated expenditures times the borrowing rate are capitalized.

Under IFAS, costs that represent a replacement of a previously identified component of an asset or costs of a major inspection are capitalized if the entity expects to use it during more than one period, future economic benefits are probable and the costs can be reliably measured. Otherwise, these costs are expensed as incurred. The carrying amount of the part was replaced or any remaining carrying amount of the cost of a previous inspection should be written off. U.S. GAAP provides specific guidance on airframe and engine overhauls for the airline industry under ASC 908 "Airlines", however U.S. GAAP does not provide guidance for other industries. As a result, repair and maintenance costs outside the scope of ASC 908 are generally expensed as incurred. ASC 908 permits the following accounting methods: (1) expensing overhaul costs as incurred, (2) capitalizing costs and amortizing through the date of the next overhaul or (3) following the built-in overhaul approach (i.e., an approach with certain similarities to composite depreciation).

Impairment of Long-Lived Assets

Under IFAS, the one-step approach requires that an impairment loss calculation of long-lived assets be performed if impairment indicators exist. Under U.S. GAAP, the two-step approach requires that a recoverability test be performed first (the carrying amount of the asset is compared with the sum of future undiscounted cash flows using entity-specific assumptions generated through use and eventual disposition). If it is determined that the asset is not recoverable, an impairment loss calculation is required.

Under IFAS, an impairment loss is the amount by which the carrying amount of the asset (or CGU) exceeds its recoverable amount, which is the higher of: (i) fair value less costs to sell, and (ii) value in use (the present value of future cash flows expected to be derived from the asset's use and eventual disposal at the end of its useful life). Under U.S. GAAP, an impairment loss is the amount by which the carrying amount of the asset ("**assets group**") exceeds its fair value using market participant assumptions, as calculated in accordance with ASC 820, "Fair Value Measurement" ("**ASC 820**").

Financial Instruments

Classification

Under IFAS, classification of certain instruments with characteristics of both debt and equity is largely based on the contractual obligation to deliver cash, assets or an entity's own shares. Economic compulsion does not constitute a contractual obligation. Contracts that are indexed to, and potentially settled in, an entity's own stock are classified as equity if settled only by delivering a fixed number of shares for a fixed amount of cash.

U.S. GAAP specifically identifies certain instruments with characteristics of both debt and equity that must be classified as liabilities. Certain other contracts that are indexed to, and potentially settled in, an entity's own stock may be classified as equity if they either: (i) require physical settlement or net-share settlement, or (ii) give the issuer a choice of net-cash settlement or settlement in its own shares.

Measurement – debt securities, loans, and receivables

Under IFAS, regardless of an instrument's legal form, its classification and measurement depend on its contractual cash flow characteristics and the business model under which it is managed. The assessment of the contractual cash flow determines whether the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets that pass the cash flow characteristics test are subsequently measured at amortized cost, fair value recognized through other comprehensive income ("**FVTOCI**"), or FVTPL, based on the entity's business model for managing them, unless the fair value option is elected. Financial assets that fail the cash flow characteristics test are subsequently measured at FVTPL.

Under U.S. GAAP, classification and measurement depend largely on the legal form of the instrument (i.e., whether the financial asset represents a security or a loan) and management's intent for the instrument. At acquisition, debt instruments that meet the definition of a security are classified in one of three categories and subsequently measured as follows: (i) held to maturity ("**HTM**") (amortized cost), (ii) trading (fair value, with changes in FVTPL), (iii) AFS (fair value, with changes in FVTOCI). Unless the fair value option is elected, loans and receivables are classified as either: (i) held for investment, and then measured at amortized cost, or (ii) held for sale, and then measured at the lower of cost or fair value.

Measurement – effective interest method

Under IFAS, the calculation of the effective interest rate is generally based on the estimated cash flows (without considering credit losses) over the expected life of the financial asset. IFAS generally requires the original effective interest rate to be used throughout the life of the financial instrument. When estimated cash flows change, an entity follows an approach that is analogous to the catch-up method under U.S. GAAP.

Under U.S. GAAP, the effective interest method is generally applied on the basis of contractual cash flows for financial assets. However, in some instances, estimated cash flows are used. U.S. GAAP discusses three different approaches: (i) catch-up, (ii) retrospective, or (iii) prospective, to account for a change in estimated cash flows, depending on the type of instrument and the reason for the change.

Impairment recognition – financial assets measured at amortized cost

Under IFAS, there is a single impairment model for debt instruments not measured at FVTPL (i.e., measured at amortized cost or FVTOCI), including loans and debt securities. Write-downs (charge-offs) of loans and other receivables are recorded when the entity has no reasonable expectation of recovering all or a portion of the contractual cash flows of the asset. IFAS does not provide guidance on accounting for subsequent recoveries.

Under U.S. GAAP, prior to the adoption of ASC 326, the impairment model for loans and other receivables measured at amortized cost is an incurred loss model. Losses from uncollectible receivables are recognized when: (i) it is probable that a loss has been incurred (i.e., when, based on current information and events, it is probable that a creditor will be unable to collect all amounts due according to the contractual terms of the receivable), and (ii) the amount of the loss is reasonably estimable. The total allowance for credit losses should include amounts for financial assets that have been measured for impairment, whether individually under ASC 310, "Receivables", or collectively (in groups of receivables) under ASC 450-20, "Contingencies (Loss Contingencies)". Changes in the allowance are recognized in earnings. Write-downs (charge-offs) of loans and other receivables are recorded when the asset is deemed uncollectible. Recoveries of loans and receivables previously written down are recorded when received. For HTM debt securities, the impairment analysis is the same as it is for debt securities measured at FVTOCI, except that an entity should not consider whether it intends to sell or will more likely than not be required to sell, the debt security before the recovery of its amortized cost basis. This is because the entity has already asserted its intent and ability to hold a debt security to maturity. When an investor does not expect to recover the entire amortized cost of the HTM debt security, the HTM debt security is written down to its fair value. The amount of the total impairment related to the credit loss is recognized in the income statement, and the amount related to all other factors is recognized in OCI. The carrying amount of an HTM debt security after the recognition of an impairment is the fair value of the debt instrument at the date of the impairment. The new cost basis of the debt instrument is equal to the previous cost basis less the impairment recognized in the income statement. The impairment recognized in OCI for an HTM debt security is accreted to the carrying amount of the HTM instrument over its remaining life. This accretion does not affect earnings. After the adoption of ASC 326, financial assets measured at amortized cost, including loans, receivables and HTM securities (including beneficial interests accounted for under ASC 325, "Investments (Other)", follow the current expected credit loss ("**CECL**") model. Under the CECL model, a lifetime expected credit loss is recorded upon initial recognition of assets in scope. The objective of the model is to recognize an allowance for credit losses that results in the financial statements reflecting the net amount expected to be collected. To determine the expected credit losses, entities must consider, among other things, available relevant information about the collectability of cash flows (including information about past events, current conditions and reasonable and supportable forecasts). An expected credit loss estimate requires entities to reflect the risk of loss, even when that risk is remote. This is accomplished by pooling assets with similar risk characteristics. As a result of using pool-based assumptions, an estimate of zero credit loss may be appropriate only in limited circumstances. Write-downs (charge-offs) of loans and other receivables are recorded when the entity deems all or a portion of a financial asset to be uncollectible. Additionally, when measuring the allowance for credit losses, entities should incorporate an estimate of expected recoveries.

Derecognition of financial assets

Under IFAS, derecognition of financial assets is based on a mixed model that considers transfer of risks and rewards and control. Transfer of control is considered only when the transfer of risks and rewards assessment is not conclusive. If the transferor has neither retained nor transferred substantially all of the risks and rewards, there is then an evaluation of the transfer of control. Control is considered to be surrendered if the transferee has the practical ability to unilaterally sell the transferred asset to a third party without restrictions. There is no legal isolation test required.

The derecognition criteria may be applied to a portion of a financial asset if the cash flows are specifically identified or represent a pro rata share of the financial asset or a pro rata share of specifically identified cash flows.

Under U.S. GAAP, derecognition of financial assets (i.e. sales treatment) occurs when effective control over the financial asset has been surrendered whereby: (i) the transferred financial assets are legally isolated from the transferor, (ii) each transferee (or, if the transferee is a securitization entity or an entity whose sole purpose is to facilitate an asset-backed financing, each holder of its beneficial interests) has the right to pledge or exchange the transferred financial assets (or beneficial interests), and (iii) the transferor does not maintain effective control over the transferred financial assets or beneficial interests (e.g., through a call option or repurchase agreement). The derecognition criteria may be applied to a portion of a financial asset only if it mirrors the characteristics of the initial entire financial asset.

Leases

Definition of a lease

Under IFAS, a lease is a contract, or part of a contract, that conveys the right to control the use of an asset (the underlying asset) for a period of time in exchange for consideration. To determine if the right to control has been conveyed to the customer, an entity assesses whether, throughout the period of use, the customer has the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. Under U.S. GAAP, the definition of a lease is generally consistent with PSAK 73.

Recognition exemption

Under IFAS, lessees can elect, by class of underlying asset to which the right of use relates, to apply a method similar to operating lease accounting under PSAK 30, to leases with a lease term of 12 months or less and without a purchase option. Lessees can also elect, on a lease-by-lease basis, to apply a method similar to operating lease accounting under PSAK 30, to leases of low-value assets (e.g., tablets and personal computers, small items of office furniture and telephones). A lease does not qualify as a short-term lease if it includes a purchase option, regardless of whether the lessee is reasonably certain to exercise the option. A change in the terms of a short-term lease creates a new lease. If that new lease has a lease term greater than 12 months, it cannot qualify as a short-term lease.

Under U.S. GAAP, there is no recognition exemption for leases based on the value of the underlying asset. A lease does not qualify as a short-term lease if it includes a purchase option that is reasonably certain to be exercised. A lease no longer qualifies as a short-term lease when there is a change in a lessee's assessment of either of the following: (i) the lease term so that, after the change, the remaining lease term extends more than 12 months from the end of the previously determined lease term, or (ii) whether the lessee is reasonably certain to exercise an option to purchase the underlying asset.

Lease classification for lessee

Under IFAS, lessees apply a single recognition and measurement approach for all leases, with options, on a lease-by-lease basis, not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. Under U.S. GAAP, the lease classification for lessee is generally consistent with PSAK 73 whereby lessee shall classify the recognized leases as either finance lease or operating lease at the lease commencement date, except that there is no recognition exemption for leases based on the value of the underlying asset.

Lease payments included in the initial measurement for lessee

Under IFAS, at the commencement date, lessees (except short-term leases and leases of low-value assets) measure the lease liability at the present value of the lease payments to be made over the lease term. Lease payments include: (i) fixed payments (including in-substance fixed payments), less any lease incentives receivable, (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date, (iii) amounts expected to be payable by the lessee under residual value guarantees, (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. In addition, the cost of the right-of-use asset comprises: (i) the lease liability, (ii) lease payments made at or before the commencement date, less any lease incentives received, (iii) initial direct costs, and (iv) asset retirement obligations, unless those costs are incurred to produce inventories. Lessees determine the discount rate at lease commencement, but lessors determine the rate implicit in the lease at the lease inception date. Under U.S. GAAP, lessees and lessors determine the discount rate at the lease commencement date.

Under IFAS, when determining lessee's incremental borrowing rate, IFAS does not address whether a lessee may consider the effect of lease term options (e.g., purchase and renewal options) that are not included in the lease term. Under U.S. GAAP, a lessee may consider the effect of lease term options (e.g., purchase and renewal options) that are not included in the lease term. Under IFAS, lessees may allocate variable consideration not dependent on an index or rate entirely to a non-lease component of a contract.

Under U.S. GAAP, lessees allocate variable consideration not dependent on an index or rate (e.g., performance- or usage-based payments) to the lease and non-lease components of a contract on a relative standalone basis.

Reassessment of lease liability for lessee

Under IFAS, after the commencement date, lessees are required to remeasure the lease liability when there is a lease modification (i.e., a change in the scope of a lease, or the consideration for a lease that was not part of the original terms and conditions of the lease) that is not accounted for as a separate contract. Lessees are also required to remeasure lease payments upon a change in any of the following: (i) the lease term, (ii) the assessment of whether the lessee is reasonably certain to exercise an option to purchase the underlying asset, (iii) the amounts expected to be payable under residual value guarantees, or (iv) future lease payments resulting from a change in an index or rate. Changes in variable lease payments based on index or rate result in a remeasurement lease liability whenever there is a cash flows (i.e., when the adjustment lease payments take effect). Under U.S. GAAP, changes in variable lease payments based on an index or rate result in a remeasurement of the lease liability when the lease liability is remeasured for another reason (e.g., a change in the lease term).

Lease modifications which do not result in new separate leases

Under IFAS, lease modifications which do not result in new separate leases, lessees are required to: (i) allocate the consideration in the modified contract, (ii) determine the lease term of the modified lease, (iii) remeasure the lease liability by discounting the revised lease payments using a revised discount rate with a corresponding adjustment to right-of-use asset. In addition, lessees recognize in profit or loss any gain or loss relating to the partial or full termination of the lease. Under U.S. GAAP, the accounting for lease modifications which do not result in new separate leases is generally consistent with PSAK 73.

Determining whether a sale has occurred in sale and leaseback transaction

Under IFAS, to determine whether the transfer of an asset is accounted for as a sale and purchase, a seller-lessee and a buyer-lessor apply the requirements for determining when a performance obligation is satisfied. Under U.S. GAAP, to determine whether an asset transfer is a sale and purchase, a seller-lessee and a buyer-lessor consider the following: (i) whether the transfer meets sale criteria under ASC 606 (however, certain fair value repurchase options would not result in a failed sale), and (ii) whether the leaseback would be classified as a sales-type lease by the buyer-lessor or a finance lease by the seller-lessee (i.e., a sale and purchase does not occur when the leaseback is classified as a sales-type lease by the buyer-lessor or as a finance lease by the seller-lessee).

Accounting of sales and leaseback by seller – lessees

Under IFAS, the seller-lessee measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained by the seller-lessee and recognizes only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. If the fair value of the consideration for the sale of an asset does not equal the fair value of the asset, or if the payments for the lease are not at market rates, an entity is required to measure the sale proceeds at fair value with an adjustment either as a prepayment of lease payments (any below market terms) or additional financing (any above market terms) as appropriate. The seller-lessee recognizes only the amount of any gain or loss, adjusted for off-market terms, that relates to the rights transferred to the buyer-lessor. Under U.S. GAAP, the seller-lessee recognizes any gain or loss, adjusted for off-market terms, immediately.

Income Taxes

Under IFAS, tax base is generally the amount deductible or taxable for tax purposes. The manner in which management intends to settle or recover the carrying amount affects the determination of the tax base. When an uncertain tax treatment exists, it is determined in accordance with ISAK 34 “Uncertainty Over Income Tax Treatments”. Under U.S. GAAP, tax basis is a question of fact under the tax law. For most assets and liabilities, there is no dispute on this amount; however, when uncertainty exists, it is determined in accordance with ASC 740-10-25, “Income Taxes (Recognition)”. Management intent is not a factor.

IFAS requires taxes paid on intercompany profits to be recognized as incurred and requires the recognition of deferred taxes on temporary differences between the tax bases of assets transferred between entities/tax jurisdictions that remain within the consolidated group. Under U.S. GAAP, taxes paid on intercompany profits from the transfer or sale of inventory within a consolidated group should be deferred in consolidation, resulting in the recognition of a prepaid asset for the taxes paid. Recognition of deferred taxes for increases in the tax bases due to an intercompany sale or transfer of inventory is prohibited. The income tax effects of the intercompany sale or transfer of inventory are recognized when the inventory is sold to a party outside of the consolidated group. Companies are required to recognize both the current and deferred income tax effects of intercompany sales and transfers of assets other than inventory in the income statement as income tax expense (benefit) in the period in which the sale or transfer occurs.

Under IFAS, when it is probable that the taxation authority will accept an uncertain tax treatment, taxable profit or loss is determined consistent with the tax treatment used or planned to be used in the income tax filings. When it is not probable that a taxation authority will accept an uncertain tax treatment, an entity will reflect the effect of the uncertainty for each uncertain tax treatment by using either the expected value or the most likely amount, whichever method better predicts the resolution of the uncertainty. Uncertain tax treatments may be considered separately or together based on which approach better predicts the resolution of the uncertainty. Under U.S. GAAP,

entities are required to recognize and measure their uncertain tax positions using a two-step process, separating recognition from measurement. First, a benefit is recognized when it is "more likely than not" to be sustained based on the technical merits of the position. Second, the amount of benefit to be recognized is based on the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement. The unit of account for uncertain tax positions is based on the level at which an entity prepares and supports the amounts claimed in the tax return and considers the approach the entity anticipates the taxation authority will take in an examination.

Under IFAS, deferred tax effects arising from the initial recognition of an asset or liability are not recognized when: (i) the amounts did not arise from a business combination, and (ii) upon occurrence, the transaction affects neither accounting nor taxable profit (e.g. acquisition of non-deductible assets). This is referred to as the initial recognition exemption. Under U.S. GAAP, there is no initial recognition exemption exists. Deferred taxes are recognized for temporary differences arising on the initial recognition of an acquired asset or liability. If the amount paid when acquiring a single-asset differs from its tax basis, the consideration paid is allocated between the asset and deferred tax effect. In this case, a simultaneous equation is used to determine the amount of the deferred tax and the value of the asset acquired.

Under IFAS, deferred tax assets are recognized only to the extent that it is probable (more-likely-than-not) that they will be realized. A separate valuation allowance is not recognized. Under U.S. GAAP, deferred tax assets are recognized in full, but the valuation allowance reduces them to the amount that is more-likely-than-not to be realized.

Under IFAS, enacted or "substantively enacted" tax rates as of the date of the statement of financial position must be used in calculating deferred tax asset or liability. Under U.S. GAAP, enacted tax rates as of the date of the statement of financial position must be used in calculating deferred tax asset or liability.

Under IFAS, recognition of deferred tax liabilities from investments in subsidiaries or joint ventures (often referred to as outside basis differences) is not required if the reporting entity has control over the timing of the reversal of the temporary difference, and it is probable that the difference will not reverse in the foreseeable future. Under U.S. GAAP, recognition of deferred tax liabilities from investments in subsidiaries or joint ventures (often referred to as outside basis differences) is not required for investment in a foreign subsidiary or foreign corporate joint venture that is essentially permanent in duration unless it becomes apparent that the difference will reverse in the foreseeable future. A deferred tax liability is recognized for investment in a domestic subsidiary unless an entity can recover the investment in a tax-free manner and expects to use that means.

Provisions and Contingencies

Under IFAS, a loss must be "probable" (in which "probable" is interpreted as "more likely than not") to be recognized. "More likely than not" refers to a probability of greater than 50%. Under U.S. GAAP, a loss must be "probable" (in which "probable" is interpreted as "the future event or events are likely to occur") to be recognized.

Under IFAS, provisions should be recorded at the estimated amount to settle or transfer the obligation taking into consideration the time value of money, if material. The discount rate to be used should be "a pre-tax rate (or rates) that reflects (or reflect) current market assessments of the time value of money and the risks specific to the liability." Under U.S. GAAP, provisions may be discounted only when the amount of the liability and the timing of the payments are fixed or reliably determinable or when the obligation is a fair value obligation. The discount rate to be used is dependent upon the nature of the provision. However, when a provision is measured at fair value, the time value of money and the risks specific to the liability should be considered.

Under IFAS, the best estimate of the amount to settle or transfer an obligation should be accrued. For a large population of items being measured, such a warranty costs, the best estimate is typically the expected value, although midpoint in the range may also be used when any point in a continuous range is as likely as another. The best estimate for a single obligation may be the most likely outcome, although other possible outcomes should still be considered. Under U.S. GAAP, most likely outcome within a range of possible outcomes should be accrued. When no one outcome is more likely than the others, the minimum amount in the range of outcomes should be accrued.

Under IFAS, once management has a legal or constructive obligation for a detailed exit plan, the general provisions under IFAS apply. Costs typically are recognized earlier than under U.S. GAAP because IFAS focuses on the exit plan as a whole, rather than individual cost components of the plan. Under U.S. GAAP, once management has committed to a detailed exit plan, each type of cost is examined to determine when recognized. Involuntary employee termination costs under a one-time benefit arrangement are recognized over the future service period, or immediately if there is no future service required. Other exit costs are expensed when incurred.

Revenue Recognition

Under IFAS, an entity recognizes revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration the entity expects to be entitled in exchange for those goods or services using the following five steps: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the entity satisfies a performance obligation. A completed contract is one in which the entity has fully transferred all of the goods and services identified in accordance with PSAK 30. PSAK 72 allows an entity uses the full retrospective adoption method only to contracts that are not completed as of the beginning of the earliest period presented. PSAK 72 provides similar practical expedient on contract modifications at transition with U.S. GAAP. However, an entity applying the full retrospective adoption method, the effect of this practical expedient depends on the number of comparative years included in the financial statements. When applying the modified retrospective adoption method, an entity can apply this practical expedient either to all contract modifications that occur before the beginning of the earliest period presented in the financial statements or to all contract modifications that occur before the date of initial application. Under PSAK 72, an entity must assess whether it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. PSAK 72 does not provide policy election on shipping and handling activities. PSAK 72 also does not specify the measurement date for noncash consideration and does not address how the constraint will be applied when the noncash consideration is variable due to both its form and other reasons. Further, PSAK 72 permits the reversal of some or all of previous impairment losses when impairment conditions no longer exist or have improved. However, the increased carrying value of the asset must not exceed the amount that would have been determined (net of amortization) if no impairment had been recognized previously.

Under U.S. GAAP, the accounting for revenue recognition is generally consistent with PSAK 72 of IFAS, except for the following matters. A completed contract is one for which all (or substantially all) of the revenue was recognized in accordance with revenue guidance that is in effect before the date of initial application. An entity electing the full retrospective adoption method must transition all of its contracts with customers to ASC 606, subject to practical expedients created to provide relief, not just those contracts that are not considered completed as of the beginning of the earliest period presented under the standard. For contracts modified before the beginning of the earliest reporting period presented under ASC 606, an entity can reflect the aggregate effect of all modifications that occur before the beginning of the earliest period presented under ASC 606 when identifying the satisfied and unsatisfied performance obligations, determining the

transaction price and allocating the transaction price to the satisfied and unsatisfied performance obligations for the modified contract at transition. An entity must assess whether it is probable that the entity will collect substantially all of the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. An entity can elect to account for shipping and handling activities performed after the control of a good has been transferred to the customer as a fulfillment cost (i.e., not as a promised good or service). An entity is required to measure the estimated fair value of noncash consideration at contract inception. When the variability of noncash consideration is due to both the form (e.g., changes in share price) of the consideration and for other reasons (e.g., a change in the exercise price of a share option because of the entity's performance), the constraint on variable consideration will apply only to the variability for reasons other than its form. Reversal of impairment losses is prohibited for all costs to obtain and/or fulfill a contract.

Employee Benefits Other Than Share-Based Payments

Under IFAS, the projected unit credit method is required in all cases when computing employee benefits liability in defined benefit plans. Under U.S. GAAP, the use of either the projected unit credit method or the traditional unit credit method is required depending on the characteristics of the plan's benefit formula.

Under IFAS, treatment of actuarial gains and losses must be recognized immediately in other comprehensive income. Gains and losses are not subsequently recognized in net income. Under U.S. GAAP, actuarial gains and losses may be recognized in net income as they occur or deferred in accumulated other comprehensive income and subsequently amortized to net income through a corridor approach.

Under IFAS, prior service costs or credits from plan amendments are immediately recognized in net income. Under U.S. GAAP, prior service costs or credits from plan amendments are initially deferred in accumulated other comprehensive income and subsequently recognized in net income over the average remaining service period of active employees or, when all or almost all participants are inactive, over the average remaining life expectancy of those participants.

Under IFAS, gain or loss from settlement is recognized in net income when it occurs. Change in the defined benefit obligation from a curtailment is recognized in net income at the earlier of when it occurs or when related restructuring costs or termination benefits are recognized. Under U.S. GAAP, settlement gain or loss is recognized in net income when the obligation is settled. Curtailment loss is recognized in net income when the curtailment is probable of occurring and the loss is estimable, while curtailment gain is recognized in net income only when the curtailment occurs.

Subsequent Events

Under IFAS, subsequent events are evaluated through the date that the financial statements are authorized for issuance. Depending on an entity's corporate governance structure and statutory requirements, authorization may come from management or a board of directors. Entities are required to disclose the date when the financial statements were authorized for issue (i.e., the date through which subsequent events were evaluated), who gave that authorization and if the owners of the entity or others have the power to amend them after issue. Under U.S. GAAP, subsequent events are evaluated through the date the financial statements are issued (United States Securities and Exchange Commission ("**SEC**") registrants and conduit bond obligors or available to be issued (all entities other than SEC registrants and conduit bond obligors). Financial statements are considered issued when they are widely distributed to shareholders or other users in a form that complies with U.S. GAAP. Financial statements are considered available to be issued when they are in a form that complies with U.S. GAAP and all necessary approvals have been obtained.

IFAS does not specifically address the reissuance of financial statements and recognizes only one date through which subsequent events are evaluated, that is, the date that the financial statements are authorized for issuance, even if they are being reissued. As a result, only one date will be disclosed with respect to the evaluation of subsequent events, and an entity could have adjusting subsequent events in reissued financial statements. If financial statements are reissued as a result of adjusting subsequent events or an error correction, the date the reissued statements are authorized for reissuance disclosed. IFAS does not address the presentation of re-issued financial statements in an offering document when the originally issued financial statements have not been withdrawn, but the re-issued financial statements are provided either as supplementary information or as a representation of the originally issued financial statements in an offering document in accordance with regulatory requirements. Under U.S. GAAP, if the financial statements are reissued, events or transactions may have occurred that require disclosure in the reissued financial statements to keep them from being misleading. However, an entity should not recognize events occurring between the time the financial statements were issued or available to be issued and the time the financial statements were reissued unless the adjustment is required by U.S. GAAP or regulatory requirements (e.g. stock splits, discontinued operations, or the effect of adopting a new accounting standard retrospectively would give rise to an adjustment). An entity is required to disclosed in the revised financial statements the dates through which it evaluated subsequent events in both the issued or available-to-be-issued financial statements and the revised financial statements.

Financial statements presentation

Under IFAS, criteria of discontinued operation classification presented in income statement is for components that have been disposed of or are classified as held for sale, and the component: (1) represents a separate major line of business or geographical area of operations, (2) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or (3) is a subsidiary acquired exclusively with a view to resale. Under U.S. GAAP, discontinued operations classification is for components that are held for sale or disposed of and represent a strategic shift that has (or will have) a major effect on an entity's operations and financial results. Also, a newly acquired business or nonprofit activity that on acquisition is classified as held for sale qualifies for reporting as a discontinued operation.

LEGAL MATTERS

Certain legal matters with respect to the Notes offered hereby will be passed upon for us by Latham & Watkins LLP as to United States federal securities law and New York law and by Assegaf Hamzah & Partners as to Indonesian law. The Initial Purchaser has been advised by Linklaters Singapore Pte. Ltd. as to United States federal securities law and New York law and by Hiswara Bunjamin & Tandjung as to Indonesian law.

INDEPENDENT AUDITORS

Our Audited Financial Statements which have been prepared in accordance with IFAS and presented in United States Dollars, and included in this offering memorandum, have been audited in accordance with Standards on Auditing established by the IICPA, by KAP Purwantono, Sungkoro & Surja ("**PSS**") (a member firm of Ernst & Young Global Limited), as independent auditors, as stated in their audit reports included in this offering memorandum.

Our Unaudited Financial Statements which have been prepared in accordance with IFAS and presented in United States Dollars, and included in this offering memorandum, have been reviewed in accordance with SRE 2410 established by the IICPA, by PSS (a member firm of Ernst & Young Global Limited), as independent auditors, as stated in their review report included in this offering memorandum. A review conducted in accordance with SRE 2410 established by the IICPA is substantially less in scope than an audit conducted in accordance with Standards on Auditing established by the IICPA, and consequently, does not enable PSS, as independent auditors, to obtain assurance that PSS would become aware of all significant matters that might be identified in an audit. Accordingly, PSS did not audit and does not express any opinion on the Unaudited Financial Statements.

FINANCIAL STATEMENTS OF
PT SORIK MARAPI GEOTHERMAL POWER

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FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021, 2022, AND 2023 AND FOR THE YEARS THEN ENDED AND UNAUDITED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2024 AND FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2024

PT Sorik Marapi Geothermal Power

The financial statements
As of December 31, 2023, 2022, and 2021
and for the years then ended
with independent auditor's reports and
Unaudited interim financial statements
as of March 31, 2024
and for the three-month periods ended
March 31, 2024 and 2023
with report on review of interim financial information

PT SORIK MARAPI GEOTHERMAL POWER
FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023, 2022, AND 2021
AND FOR THE YEARS THEN ENDED
WITH INDEPENDENT AUDITOR'S REPORTS
AND
UNAUDITED FINANCIAL STATEMENTS AS OF MARCH 31, 2024
AND FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023
WITH REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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BOARD OF DIRECTORS' STATEMENT
REGARDING THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2023, 2022 AND 2021
AND FOR THE YEARS THEN ENDED WITH INDEPENDENT AUDITOR'S REPORTS
AND UNAUDITED FINANCIAL STATEMENTS AS OF MARCH 31, 2024
AND FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023
WITH REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
PT SORIK MARAPI GEOTHERMAL POWER

We, the undersigned below:

1. Name : Yan Tang
   Office address : Gedung Menara Sentraya, Lt. 19 Unit A4, B3, B4
   Jln. Iskandarsyah Raya No. 1A, RT.3/RW.1
   Melawai, Kec. Kebayoran Baru, Kota Jakarta Selatan, 12160.
   Domicile address or address according to ID : Gedung Menara Sentraya, Lt. 19 Unit A4, B3, B4,
   Jln. Iskandarsyah Raya No. 1A, RT.3/RW.1,
   Melawai, Kec. Kebayoran Baru, Kota Jakarta Selatan, 12160.
   Telephone number : 021 - 72787336
   Title : President Director

2. Name : Zhou Ming
   Office address : Gedung Menara Sentraya, Lt. 19 Unit A4, B3, B4
   Jln. Iskandarsyah Raya No. 1A, RT.3/RW.1
   Melawai, Kec. Kebayoran Baru, Kota Jakarta Selatan, 12160.
   Domicile address or address according to ID : Gedung Menara Sentraya, Lt. 19 Unit A4, B3, B4,
   Jln. Iskandarsyah Raya No. 1A, RT.3/RW.1,
   Melawai, Kec. Kebayoran Baru, Kota Jakarta Selatan, 12160.
   Telephone number : 021 - 72787336
   Title : Director

declare that:

1. We are responsible for the preparation and presentation of the financial statements of PT Sorik Marapi Geothermal Power;

2. The financial statements of PT Sorik Marapi Geothermal Power have been prepared and presented in accordance with Indonesian Financial Accounting Standards;

3. a. All information in the financial statements of PT Sorik Marapi Geothermal Power have been fully disclosed in a complete and truthful manner; and

   b. The financial statements of PT Sorik Marapi Geothermal Power do not contain any incorrect information or material fact, nor do they omit any information or material fact;

4. We are responsible for the internal control system of PT Sorik Marapi Geothermal Power.

This statement is made truthfully.

Jakarta, July 8, 2024

Yan Tang
President Director

Zhou Ming
Director

Menara Sentraya, 19th Floor, Unit A4-B4
Jl. Iskandarsyah Raya No. 1A Melawai, Kebayoran Baru, Jakarta Selatan 12160
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Report on Review of Interim Financial Information

Report No. 00315/2.1032/JL.0/02/1294-2/1/VII/2024

The Shareholders and the Boards of Commissioners and Directors
PT Sorik Marapi Geothermal Power

Introduction

We have reviewed the accompanying interim financial statements of PT Sorik Marapi Geothermal Power (the "Company"), which comprise the interim statement of financial position as of March 31, 2024, and the interim statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the three-month periods ended March 31, 2024 and 2023, and a notes to the interim financial statements, including material accounting policy information. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Indonesian Financial Accounting Standards. Our responsibility is to express a review conclusion on these interim financial statements based on our reviews.

Scope of review

We conducted our review in accordance with Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("SRE 2410"), established by the Indonesian Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the financial position of PT Sorik Marapi Geothermal Power as of March 31, 2024, and its financial performance and cash flows for the three-month periods ended March 31, 2024 and 2023, in accordance with Indonesian Financial Accounting Standards.

Other matter

This report on review of interim financial information has been prepared solely for inclusion in the offering document in connection with the proposed offering of the debt securities of the Company's in the United States of America and outside of the United States of America in reliance on Rule 144A and Regulation S, respectively, under the United States Securities Act of 1933, and is not intended to be and should not be used for any other purposes.

KAP Purwantono, Sungkoro & Surja

Said Amru
Public Accountant Registration No. AP.1294

July 8, 2024

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Independent Auditor's Report

Report No. 01902/2.1032/AU.1/02/1294-1/1/VII/2024

The Shareholders and the Boards of Commissioners and Directors
PT Sorik Marapi Geothermal Power

Opinion

We have audited the accompanying financial statements of PT Sorik Marapi Geothermal Power (the "Company"), which comprise the statement of financial position as of December 31, 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants ("IICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements paragraph of our report. We are independent of the Company in accordance with the ethical requirements relevant to our audit of the financial statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with such requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

This independent auditor's report has been prepared solely for inclusion in the offering document in connection with the proposed offering of the debt securities of the Company's in the United States of America and outside of the United States of America in reliance on Rule 144A and Regulation S, respectively, under the United States Securities Act of 1933, and is not intended to be and should not be used for any other purposes.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of management and those charged with governance for the financial statements (continued)

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease its operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing established by the IICPA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing established by the IICPA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to such risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our independent auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KAP Purwantono, Sungkoro & Surja

Said Amru
Public Accountant Registration No. AP.1294

July 8, 2024

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Independent Auditor's Report

Report No. 01901/2.1032/AU.1/02/0705-7/1/VII/2024

The Shareholders and the Boards of Commissioners and Directors
PT Sorik Marapi Geothermal Power

Opinion

We have audited the accompanying financial statements of PT Sorik Marapi Geothermal Power (the "Company"), which comprise the statement of financial position as of December 31, 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and its financial performance and cash flows for the years then ended, in accordance with Indonesian Financial Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants ("IICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements paragraph of our report. We are independent of the Company in accordance with the ethical requirements relevant to our audit of the financial statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with such requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

This independent auditor's report has been prepared solely for inclusion in the offering document in connection with the proposed offering of the debt securities of the Company's in the United States of America and outside of the United States of America in reliance on Rule 144A and Regulation S, respectively, under the United States Securities Act of 1933, and is not intended to be and should not be used for any other purposes.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of management and those charged with governance for the financial statements (continued)

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease its operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing established by the IICPA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing established by the IICPA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to such risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our independent auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KAP Purwantono, Sungkoro & Surja

Susanti
Public Accountant Registration No. AP.0705

July 8, 2024

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Independent Auditors' Report

Report No. 01900/2.1032/AU.1/02/0705-6/1/VII/2024

The Shareholders, Boards of Commissioners and Directors
PT Sorik Marapi Geothermal Power

We have audited the accompanying financial statements of PT Sorik Marapi Geothermal Power, which comprise the statement of financial position as of December 31, 2021, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of material accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Sorik Marapi Geothermal Power as of December 31, 2021, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Other matter

This independent auditor's report has been prepared solely for inclusion in the offering document in connection with the proposed offering of the debt securities of the Company's in the United States of America and outside of the United States of America in reliance on Rule 144A and Regulation S, respectively, under the United States Securities Act of 1933, and is not intended to be and should not be used for any other purposes.

KAP Purwantono, Sungkoro & Surja

Susanti
Public Accountant Registration No. AP.0705

July 8, 2024

PT SORIK MARAPI GEOTHERMAL POWER
STATEMENTS OF FINANCIAL POSITION
As of March 31, 2024 and December 31, 2023, 2022, and 2021
(Expressed in United States Dollar, unless otherwise stated)

	Notes	March 31, (Unaudited) 2024	December 31, 2023	2022	2021
ASSETS					
CURRENT ASSETS					
Cash on hand and in banks	4	12,685,398	10,084,607	1,837,803	1,810,638
Trade receivables	5	16,875,380	8,542,326	14,383,276	10,026,936
Prepayments		1,591,407	1,673,553	1,630,460	1,288,062
Finance lease receivables - current maturities	11	126,106	123,519	90,514	-
Other current assets	14	4,121,439	3,053,591	1,311,061	575,359
Total Current Assets		**35,399,730**	**23,477,596**	**19,253,114**	**13,700,995**
NON-CURRENT ASSETS					
Property on operating lease	6	902,719,512	910,927,210	773,093,063	483,196,198
Fixed assets	7	22,001,140	22,493,412	23,432,103	24,342,645
Exploration and evaluation assets	8	76,223,955	73,753,951	32,440,609	26,817,368
Construction in progress	9	126,675,755	116,531,665	202,634,059	396,604,421
Advances	10	250,300	296,192	244,329	1,317,627
Finance lease receivables - net of current maturities	11	13,064,275	13,042,633	12,857,941	12,683,565
Other non-current assets	12	4,898,704	6,166,284	8,064,214	7,451,286
Total Non-Current Assets		**1,145,833,641**	**1,143,211,347**	**1,052,766,318**	**952,413,110**
TOTAL ASSETS		**1,181,233,371**	**1,166,688,943**	**1,072,019,432**	**966,114,105**
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Accounts payables and other liabilities	13,14	247,643,567	240,286,459	198,032,823	177,418,901
Taxes payable	16	2,725,219	3,266,252	6,897,165	7,073,993
Current maturities of loans payable	15	268,402,047	288,001,473	88,022,048	180,127,834
Total Current Liabilities		**518,770,833**	**531,554,184**	**292,952,036**	**364,620,728**
NON-CURRENT LIABILITIES					
Long-term employee benefits liability		883,479	829,942	715,250	652,807
Loans payable - net of current maturities	15	194,787,351	175,210,143	346,010,577	213,171,377
Total Non-Current Liabilities		**195,670,830**	**176,040,085**	**346,725,827**	**213,824,184**
TOTAL LIABILITIES		**714,441,663**	**707,594,269**	**639,677,863**	**578,444,912**
EQUITY					
Share capital Par value - US$20,000 per share Authorized - 15,000 shares Issued and fully paid - 7,455 shares	17	149,100,000	149,100,000	149,100,000	149,100,000
Deposit for future stock subscription	17	234,914,831	234,914,831	234,388,274	217,157,393
Retained earnings		82,776,877	75,079,843	48,853,295	21,411,800
TOTAL EQUITY		**466,791,708**	**459,094,674**	**432,341,569**	**387,669,193**
TOTAL LIABILITIES AND EQUITY		**1,181,233,371**	**1,166,688,943**	**1,072,019,432**	**966,114,105**

The accompanying notes to the financial statements form an integral part of these financial statements.

PT SORIK MARAPI GEOTHERMAL POWER
STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
For the Three-Month Periods Ended March 31, 2024 and 2023 and
the Years Ended December 31, 2023, 2022, and 2021
(Expressed in United States Dollar, unless otherwise stated)

		March 31, (Unaudited)		December 31,		
	Notes	2024	2023	2023	2022	2021
REVENUES						
Revenue from contract with customer	2	6,941,702	3,973,823	18,898,070	18,707,140	8,514,436
Lease	6	18,677,670	16,096,291	64,385,165	47,414,290	28,983,180
TOTAL REVENUES		**25,619,372**	**20,070,114**	**83,283,235**	**66,121,430**	**37,497,616**
OPERATING EXPENSE						
Depreciation	6	(9,084,231)	(6,150,539)	(26,067,049)	(17,215,675)	(10,091,843)
Plant operation and maintenance		(3,480,624)	(2,484,799)	(11,946,847)	(8,543,544)	(5,677,241)
Administrative expenses	18	(2,498,831)	(1,440,412)	(6,767,525)	(4,058,068)	(5,116,835)
Permits		(963,585)	(745,344)	(2,655,131)	(2,123,202)	(1,151,454)
OPERATING INCOME		**9,592,101**	**9,249,020**	**35,846,683**	**34,180,941**	**15,460,243**
Finance expense	15	(3,514,216)	(3,344,296)	(12,406,944)	(7,112,091)	(4,123,476)
Foreign exchange gain (loss)		1,433,968	(1,712,153)	1,986,815	(269,816)	(344,724)
Interest income	11	185,181	191,852	738,468	676,083	1,567,318
PROFIT BEFORE INCOME TAX EXPENSE		**7,697,034**	**4,384,423**	**26,165,022**	**27,475,117**	**12,559,361**
INCOME TAX EXPENSE	16	**-**	**-**	**-**	**-**	**-**
PROFIT FOR THE YEAR		**7,697,034**	**4,384,423**	**26,165,022**	**27,475,117**	**12,559,361**
OTHER COMPREHENSIVE INCOME						
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent years:						
Remeasurements on defined benefit plan		-	-	61,526	(33,622)	62,533
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**7,697,034**	**4,384,423**	**26,226,548**	**27,441,495**	**12,621,894**

The accompanying notes to the financial statements form an integral part of these financial statements.

PT SORIK MARAPI GEOTHERMAL POWER
STATEMENTS OF CHANGES IN EQUITY
For the Three-Month Periods Ended March 31, 2024 and 2023 and
the Years Ended December 31, 2023, 2022, and 2021
(Expressed in United States Dollar, unless otherwise stated)

	Notes	Share capital	Deposit for future stock subscription	Retained earnings	Total equity
Balance as of December 31, 2020		**149,100,000**	**71,658,145**	**8,789,906**	**229,548,051**
Additional deposit for future stock subscription	17	-	145,499,248	-	145,499,248
Total comprehensive income for the year		-	-	12,621,894	12,621,894
Balance as of December 31, 2021		**149,100,000**	**217,157,393**	**21,411,800**	**387,669,193**
Additional deposit for future stock subscription	17	-	17,230,881	-	17,230,881
Total comprehensive income for the year		-	-	27,441,495	27,441,495
Balance as of December 31, 2022		**149,100,000**	**234,388,274**	**48,853,295**	**432,341,569**
Additional deposit for future stock subscription	17	-	526,557	-	526,557
Total comprehensive income for the three-month periods (unaudited)		-	-	4,384,423	4,384,423
Balance as of March 31, 2023 (unaudited)		**149,100,000**	**234,914,831**	**53,237,718**	**437,252,549**

*) Retained earnings includes remeasurement of employee benefits liability.

The accompanying notes to the financial statements form an integral part of these financial statements.

PT SORIK MARAPI GEOTHERMAL POWER
STATEMENTS OF CHANGES IN EQUITY (continued)
For the Three-Month Periods Ended March 31, 2024 and 2023 and the Years Ended December 31, 2023, 2022, and 2021
(Expressed in United States Dollar, unless otherwise stated)

	Notes	Share capital	Deposit for future stock subscription	Retained earnings	Total equity
Balance as of December 31, 2022		**149,100,000**	**234,388,274**	**48,853,295**	**432,341,569**
Additional deposit for future stock subscription	17	-	526,557	-	526,557
Total comprehensive income for the year		-	-	26,226,548	26,226,548
Balance as of December 31, 2023		**149,100,000**	**234,914,831**	**75,079,843**	**459,094,674**
Total comprehensive income for the three-month period (unaudited)		-	-	7,697,034	7,697,034
Balance as of March 31, 2024 (unaudited)		**149,100,000**	**234,914,831**	**82,776,877**	**466,791,708**

*) Retained earnings includes remeasurement of employee benefits liability.

The accompanying notes to the financial statements form an integral part of these financial statements.

PT SORIK MARAPI GEOTHERMAL POWER
STATEMENTS OF CASH FLOWS
For the Three-Month Periods Ended March 31, 2024 and 2023 and the Years Ended December 31, 2023, 2022, and 2021
(Expressed in United States Dollar, unless otherwise stated)

	Notes	March 31, (Unaudited)		December 31,		
		2024	2023	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before income tax expense		7,697,034	4,384,423	26,165,022	27,475,117	12,559,361
Adjustments to reconcile profit before income tax expense to net cash provided by operating activities:						
Depreciation expense		8,207,698	6,150,539	26,067,049	17,215,675	10,091,843
Interest income		(184,354)	(191,483)	(727,844)	(676,083)	(1,097,148)
Sub-total		15,720,378	10,343,479	51,504,227	44,014,709	21,554,056
Working capital adjustments:						
Trade receivables		(8,378,373)	1,066,678	5,666,586	(4,826,075)	(6,213,500)
Other current assets		(988,291)	(701,053)	(1,785,622)	(1,078,100)	(57,265)
Accounts payables and other liabilities		7,357,108	20,631,900	42,237,205	20,273,108	37,968,644
Taxes payable		(541,033)	(1,536,039)	(3,630,913)	(176,828)	5,441,813
Interest received		208,032	299,861	684,510	880,929	5,065
Interest paid		(1,668,274)	(1,927,471)	(7,454,663)	(6,886,165)	(7,619,431)
Net Cash Provided by Operating Activities		**11,709,547**	**28,177,355**	**87,221,330**	**52,201,578**	**51,079,382**
CASH FLOWS FROM INVESTING ACTIVITIES						
Increase in other non-current assets		1,350,919	(727)	(196,814)	(427,951)	(3,109,589)
Additions to fixed assets		(50,432)	(388,562)	(1,215,971)	(866,603)	(5,966,262)
Increase in advances		(17,775)	(157,933)	(433,569)	(1,318,921)	(337,526)
Additions to exploration and evaluation assets		(8,391,468)	(27,175,927)	(96,789,062)	(111,617,368)	(228,755,761)
Net Cash Used in Investing Activities		**(7,108,756)**	**(27,723,149)**	**(98,635,416)**	**(114,230,843)**	**(238,169,138)**
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from loans payable		-	1,284,170	59,316,369	77,831,147	75,406,224
Receipt of deposit for future stock subscription	17	-	526,557	526,557	17,230,881	145,499,248
Payments of loans payable		(2,000,000)	(1,400,000)	(40,182,036)	(33,005,598)	(32,270,670)
Net Cash (Used in) Provided by Financing Activities		**(2,000,000)**	**410,727**	**19,660,890**	**62,056,430**	**188,634,802**
NET INCREASE IN CASH ON HAND AND IN BANKS		**2,600,791**	**864,933**	**8,246,804**	**27,165**	**1,545,046**
CASH ON HAND AND IN BANKS AT BEGINNING OF YEAR		**10,084,607**	**1,837,803**	**1,837,803**	**1,810,638**	**265,592**
CASH ON HAND AND IN BANKS AT END OF YEAR		**12,685,398**	**2,702,736**	**10,084,607**	**1,837,803**	**1,810,638**

The accompanying notes to the financial statements form an integral part of these financial statements.

1. GENERAL

PT Sorik Marapi Geothermal Power (the "Company") is a company domiciled in the Republic of Indonesia and registered as a Foreign Capital Investment Company based on the approval from the Head of Indonesia Investment Coordinating Board in its Decision Letter No. 00973/1/PPM/PMA/2010, dated May 20, 2010. The Company was established in May 2010 based on the Notarial Deed No. 64 of Robert Purba, S.H., dated May 25, 2010. The deed was approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-29973.AH.0101 year 2010, dated June 11, 2010, and was published in State of Gazette of the Republic of Indonesia No. 53, Supplement No.17558 year 2011.

The Company's Articles of Association have been amended several times, most recently by Notarial Deed No. 3 dated September 6, 2023 of Shahreza Annaz, S.H., M.Kn., regarding the change of purpose and objectives of the Company and the members of the Board of Directors and Commissioners. The amendment was approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-0053892.AH.01.02 year 2023 dated September 8, 2023 and was published in State of Gazette No. 79, Supplement No. 030515 dated October 3, 2023.

The Company is engaged in exploration and exploitation of geothermal resources, and generation and sale of electricity. The Company's main purpose is to build a geothermal power generating facility ("the Project") located at Mandailing Natal Regency, North Sumatera. Currently, the Company's registered office is located at 19th floor, Menara Sentraya Building, Jl. Iskandar Raya No. 1A, Jakarta.

On September 2, 2010, the Company obtained a Geothermal Operating License/*Izin Usaha Pertambangan* ("IUP") No. 540/525/K/2010 from the Regent of Mandailing Natal for exploration and exploitation of geothermal resources in Sorik Marapi-Roburan-Sampuraga geothermal concession area in North Sumatera. The license covers an area of approximately 62,900 hectares (unaudited), located at Mandailing Natal regency, North Sumatera and is effective for 35 years. The license was subsequently amended by the Ministry of Energy and Natural Resources ("ESDM") on July 31, 2019 into 62,920 hectares (unaudited) under the Decree No. 139 K/30/MEM/2019.

Since the issuance of the Geothermal Law No. 21 year 2014, the supervision and management of geothermal IUP implementation which previously was conducted by regional government, has been transferred to the central government due to the transfer of IUP to *Izin Panas Bumi* ("IPB"). The Company's IUP was converted into IPB by the ESDM on April 21, 2015.

In relation to the geothermal license that was granted to the Company, the Company entered into a Power Purchase Agreement ("PPA") with PT PLN (Persero) ("PLN") dated August 29, 2014, as amended by the first amendment agreement dated August 8, 2016 ("1st PPA Amendment"), the second amendment agreement dated June 27, 2019 ("2nd PPA Amendment"), and the third amendment agreement dated March 2, 2023 ("3rd PPA Amendment"). On October 1, 2019, July 27, 2021, October 7, 2022, and December 16, 2023 the Company achieved the Commercial Operation Date ("COD") for the first, second, third, and fourth Phase I power plant units with the capacity of 45 MW (unaudited), 45 MW (unaudited), 50 MW (unaudited) and 27 MW (unaudited), respectively.

As of March 31, 2024 and December 31, 2023, 2022, and 2021, the Company employed 115 (unaudited) and 116 (unaudited), 96 (unaudited), and 82 (unaudited) permanent employees, respectively. The Company provides unfunded long-term employee benefits for its employees based on the provisions of Law No. 06/2023 for the three-month period ended March 31, 2024 and for the year ended December 31, 2023, Law No. 02/2022 for the year ended December 31, 2022, and Law No. 13/2003 for the year ended December 31, 2021. The long-term employee benefits liability as of December 31, 2023, 2022, and 2021 were calculated by Kantor Konsultan Aktuaria ("KKA") Riana dan Rekan, an independent actuary, based on its reports dated January 22, 2024, March 20, 2023, and January 27, 2022, respectively. For the three-month periods ended March 31, 2024 and 2023, the Company did not assign an independent actuary.

The Company's direct and ultimate parent is OTP Geothermal Pte. Ltd., and Kaishan Holding Group Co., Ltd., respectively.

(Expressed in United States Dollar, unless otherwise stated)

1. GENERAL (continued)

The Company's Boards of Commissioners and Directors as of March 31, 2024 and 2023 and December 31, 2023, 2022, and 2021 are as follows:

	March 31, 2024 and December 31, 2023	March 31, 2023 and December 31, 2022	December 31, 2021
President Commissioner	Zhao Xiaowei	Zhao Xiaowei	Zhao Xiaowei
Commissioners	Yang Jianjun	Yang Jianjun	Yang Jianjun
	Sofwan Farisyi	Sofwan Farisyi	Sofwan Farisyi
President Director	Yan Tang	Yan Tang	Yan Tang
Directors	Cao Kejian	Cao Kejian	Cao Kejian
	Runar Thor Jonsson	Runar Thor Jonsson	Hu Jun
	Zhou Ming	Zhou Ming	Chrismon Djajadi
	Ramzy Siddiq Amier	Chrismon Djajadi	-

Based on the Notarial Deed No. 327 dated December 20, 2021 of Jimmy Tanal, S.H., M.Kn., Notary in Jakarta, the Shareholders of the Company respectfully dismissing all members of the Company's Board of Directors as of December 31, 2021. The Company has appointed Yan Tang as President Director, and Cao Kejian, Runar Thor Jonsson, Zhou Ming, and Chrismon Djajadi as Board of Directors, with effective date on January 1, 2022. The amendment was reported and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in its Acknowledgement Letter No. AHU-0001909.AH.01.11 year 2022 dated January 5, 2022.

Based on the Notarial Deed No. 3 dated September 6, 2023, of Shahreza Annaz, S.H., M.Kn., Notary in Jakarta, the Shareholders of the Company has received a resignation letter from Chrismon Djajadi from his position as Director of the Company on December 7, 2022. The Company has appointed Ramzy Siddiq Amier as the new Director. The amendment was reported and accepted by the Minister of Law and Human Rights of the Republic of Indonesia in its Acknowledgement Letter No. AHU-0177127.AH.01.11 year 2023 dated September 8, 2023.

The Company's financial statements were completed and authorized for issue by the Board of Directors on July 8, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION

a. Basis of presentation of the financial statements

The financial statements of the Company have been prepared in accordance with Indonesian Financial Accounting Standards ("SAK"), which comprise the Statements of Financial Accounting Standards ("PSAK") and Interpretations of Financial Accounting Standards ("ISAK") issued by the Financial Accounting Standards Board of the Institute of Indonesia Chartered Accountants (*Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia* or DSAK IAI).

The financial statements have been prepared on the accrual basis, except for statements of cash flows, and using the historical cost concept of accounting, except for certain accounts which are measured on the basis described in the relevant notes herein.

The accounting policies adopted by the Company are consistently applied for the periods covered by the Company financial statements, except for new and revised accounting standards as disclosed in the following Note 2b.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

a. Basis of presentation of the financial statements (continued)

The statements of cash flows, which has been prepared using the indirect method, presents cash receipts and payments classified into operating, investing, and financing activities.

The presentation currency used in the preparation of the financial statements is the United States Dollar ("US Dollar" or "US$"), which is the functional currency of the Company.

b. Changes in accounting principles

The Company adopted amendments and improvements of Statements of Financial Accounting Standards ("PSAK") that are mandatory for application from January 1, 2024.

Financial Accounting Standards Pillars

These standards provide requirements and guidelines for entities to apply the correct financial accounting standards in preparing general purpose financial statements. There will be 4 (four) financial accounting standards that are currently applied in Indonesia, namely:

1. Pillar 1 International Financial Accounting Standards,
2. Pillar 2 Indonesian Financial Accounting Standards ("PSAK"),
3. Pillar 3 Indonesian Financial Accounting Standards for Private Entities/Indonesian Financial Accounting Standards for Entities without Public Accountability, and
4. Pillar 4 Indonesian Financial Accounting Standards for Micro Small and Medium Entities.

International Financial Accounting Standard

This standard is a full adoption of International Financial Reporting Standards ("IFRS") which is translated in a word-for-word basis and there is no modifications from IFRS Standards, including the effective date. Entities that meet the requirements can apply this standard, from the effective date.

Financial Accounting Standards Nomenclature

This standard regulates the new numbering for financial accounting standards applicable in Indonesia issued by DSAK IAI.

Amendment of PSAK 201: Non-current Liabilities with Covenants

The amendment specifies the requirements for classifying liabilities as current or non-current and clarify:

1. What is meant by a right to defer settlement,
2. The right to defer must exist at the end of the reporting period,
3. Classification is not affected by the likelihood that an entity will exercise its deferral right, and
4. Only if an embedded derivative in a convertible liability is an equity instrument would the terms and conditions of a liability will not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendment had no impact on the Company's financial statements.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

b. Changes in accounting principles (continued)

Amendment of PSAK 116: Lease Liability in a Sale and Leaseback

The amendment to PSAK 116 *Leases* specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment had no impact on the Company's financial statements.

Amendments of PSAK 207 and PSAK 107: Supplier Finance Arrangements

The amendments to PSAK 207 *Statement of Cash Flows* and PSAK 107 *Financial Instruments: Recognition* clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendment had no impact on the Company's financial statements.

c. Current and non-current classification

The Company presents assets and liabilities in the statements of financial position based on current/non-current classification. An asset is current when it is:

i. expected to be realized or intended to be sold or consumed in the normal operating cycle,
ii. held primarily for the purpose of trading,
iii. expected to be realized within twelve months after the reporting period, or
iv. cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as current and non-current.

A liability is current when it is:

i. expected to be settled in the normal operating cycle,
ii. held primarily for the purpose of trading,
iii. due to be settled within twelve months after the reporting period, or
iv. there is no right at the end of reporting period to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities, if any, are classified as non-current assets and liabilities.

d. Fair value measurement

Fair value related disclosures for financial instruments are disclosed in Note 19d.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

d. Fair value measurement (continued)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

e. Transactions with related parties

The Company has transactions with related parties as defined in PSAK No 224.

The transactions are made based on terms agreed by the parties, which may not be the same as those made with unrelated parties.

Significant transactions and balances of the Company with related parties are disclosed in Note 14.

Unless specifically identified as related parties, the parties disclosed in the Notes to the financial statements are unrelated parties.

f. Foreign currency transactions and balances

The Company considers the primary indicators and other indicators in determining its functional currency. The Company determined that its functional currency is US Dollar and decided that the presentation currency for the financial statements is US Dollar.

Transactions involving foreign currencies are recorded in the functional currency at the rates of exchange prevailing at the time the transactions are made.

(Expressed in United States Dollar, unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

f. Foreign currency transactions and balances (continued)

At the reporting date, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the rates as published by Ministry of Finance and any resulting gains or losses are credited or charged to current year profit or loss.

The rates of exchange used were as follows:

	March 31, (unaudited)		December 31,		
	2024	2023	2023	2022	2021
Indonesian Rupiah (Rp)/US$1	15,710	15,304	15,512	15,606	14,294
Yuan Renminbi (¥)/US$1	7.22	6.86	7.14	6.99	6.38

The resulting gains or losses are credited or charged to current operations. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

g. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

- **Financial assets**

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (“OCI”), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Company’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, directly attributable transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective to collect contractual cash flows and sell the financial assets.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

g. Financial instruments (continued)

- **Financial assets (continued)**

Initial recognition and measurement (continued)

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the assets.

The Company's financial assets include cash on hand and in banks and trade receivables which are all classified as financial assets measured at amortized cost. The Company has no financial assets measured at fair value through OCI or fair value through profit or loss.

Subsequent measurement

The Company measures financial assets at amortized cost if both of the following conditions are met:

i. the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognized in profit or loss when the financial asset is derecognized, modified or impaired.

Derecognition

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

i. the rights to receive cash flows from the asset have expired;
ii. the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

g. Financial instruments (continued)

- **Financial assets (continued)**

  Impairment

  The Company recognizes an allowance for expected credit loss ("ECL") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows include any cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

  ECLs are recognized in two stages. When there have been significant increases in credit risks since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). But, when there have been significant increases in credit risks since initial recognition, a loss allowance is recognized for credit losses expected over the remaining life of the asset, irrespective of timing of the default (a lifetime ECL).

  For trade receivables and other financial assets measured at amortized costs, the Company applies a simplified approach in calculating ECL. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. The Company established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

  The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

- **Financial liabilities**

  Initial recognition and measurement

  Financial liabilities are classified as financial liabilities at fair value through profit or loss and other financial liabilities. The Company determines the classification of its financial liabilities at initial recognition.

  Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, inclusive of directly attributable transaction costs.

  The Company's financial liabilities include accounts payables and other liabilities and loans payable, which are all classified as loans and borrowings.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

g. Financial instruments (continued)

- **Financial liabilities (continued)**

  Subsequent measurement

  After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains or losses are recognized in profit or loss when the financial liabilities are derecognized as well as through the EIR amortization process.

  Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statements of profit or loss and other comprehensive income.

  Derecognition

  A financial liability is derecognized when the obligation under the contract is discharged or cancelled or has expired.

  When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the profit or loss.

- **Offsetting of financial instruments**

  Financial assets and financial liabilities are offset, and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

h. Cash on hand and in banks

Cash on hand and in banks represents cash which are not used as collateral and are not restricted.

i. Property on operating lease

Under the terms of the PPA, the power plants and geothermal steam field facilities (the “Infrastructures”) shall be owned and be under the responsibility of the Company. There is no regulatory requirement which imposes the Company to transfer its Infrastructures to PLN at the end of the term of the PPA. Moreover, there is no provision in the PPA which grants PLN the right to buy the Infrastructures from the Company.

Management’s assessment of the contractual arrangement concluded that the arrangement is outside the scope of IFRIC 12 *Service Concession Arrangements* and has concluded that the arrangement is in substance a lease in accordance with IFRIC 4 *Determining Whether an Arrangement contains a Lease*. Based on this conclusion and with reference to IAS 17 *Leases*, management has determined that the power generating facilities and field facilities included in the contractual arrangement should be accounted for as an operating lease. As such, the infrastructures used in supporting its obligations under the contractual arrangement have been classified in the statements of financial position under the caption “Property on Operating Lease”.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

i. Property on operating lease (continued)

Property on operating lease is stated at historical cost less accumulated depreciation and impairment losses, if any. Such cost includes the cost of replacing part of property on operating lease when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of property on operating lease as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs that do not meet the recognition criteria are recognized in statements of profit and loss and other comprehensive income as incurred.

The depreciation of power generating facilities and field facilities are computed using the straight-line method based on the estimated useful life of 32 years, from the commencement of COD or until the end of PPA, whichever occurs earlier.

An item of property on operating lease is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period the asset is derecognized.

The residual values estimated useful lives and depreciation method are reviewed and adjusted as appropriate at each reporting date. The effects of any revision are recognized in profit or loss when the changes arise.

j. Fixed assets

Fixed assets, except land, are stated at historical cost less accumulated depreciation and impairment losses, if any. Such cost includes the cost of replacing part of fixed assets when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of fixed assets as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs that do not meet the recognition criteria are recognized in statements of profit and loss and other comprehensive income as incurred.

Depreciation is computed using straight-line method based on the estimated useful lives of fixed assets as follows:

	Years
Office equipment	2-5
Field equipment	5-8
Vehicles	2-8
Medical equipment	10
Office furniture and fixtures	10

Land is stated at cost and is not depreciated as the management is of the opinion that it is probable that the titles of land rights can be renewed/extended upon expiration.

The legal cost of land rights in the form of Building Usage Rights (“HGB”) incurred when the land was acquired initially are recognized as part of the cost of the land under “Fixed Assets” account and not amortized. The legal cost incurred to extend or renew the land rights are recorded as intangible assets and amortized over the shorter of the rights’ legal life or land’s economic life.

Repairs and maintenance expense are taken to profit or loss when these are incurred. The cost of major renovation and restoration is included in the carrying amount of the related fixed assets when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company and is depreciated over the remaining useful life of the related asset.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

j. Fixed assets (continued)

The carrying amount of an item of these fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of the asset is directly included in profit or loss when the item is derecognized.

The residual values, useful lives and depreciation method of fixed assets are reviewed at each reporting period and adjusted prospectively, if necessary.

k. Exploration and evaluation assets

Exploration and evaluation costs, including the costs of acquiring licences, are capitalized as exploration and evaluation assets on an area of interest basis.

Exploration and evaluation assets are recognized on area of interest basis, provided that:
i. the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
ii. activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are tested for impairment if certain facts and circumstances indicate that the carrying amount of the assets may exceed the recoverable value. In such conditions, the entity must measure, present and disclose the impairment loss as required under PSAK No. 106, *Exploration for and Evaluation of Mineral Resources*.

The exploration and evaluation assets are transferred to “Construction in Progress” account after the geothermal area is determined to have commercial reserves for further development.

The accumulated costs in constructing geothermal steam field facilities and power plants are also capitalized under “Construction in progress” account. These costs will be reclassified to “Property on Operating Lease” account when the construction or installation has been completed and the asset is ready for its intended use. Depreciation is not charged on costs carried forward in respect of assets in the development stage until production commences.

l. Capitalization of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized to the cost of the related assets. Borrowing costs may include interest and foreign exchange differences arising from foreign currency borrowings to the extent that they are regarded as adjustment to interest costs.

Capitalization of borrowing costs commences when the activities to prepare the qualifying asset for its intended use have started and the expenditures for the qualifying asset and the borrowing costs have been incurred. Capitalization of borrowing costs ceases when all the activities necessary to prepare the qualifying asset for its intended use are substantially completed. Investment income earned on the temporary investment of specified borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

m. Impairment of non-financial assets

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceed its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

Non-financial assets that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date. A reversal of impairment loss for assets is recognized if, and only if, there has been a change in the estimates used to determine the assets recoverable amount since the last impairment test was carried out. Reversal of impairment losses will be immediately recognized in the statements of profit or loss. The reversal will not result in the carrying amount of an asset that exceed what the depreciated cost would have been had the impairment not been recognized at the date at which the impairment was reversed.

For exploration and evaluation assets, impairment shall be assessed if certain facts and circumstances suggest that the carrying amount of such assets may exceed their recoverable amount. In such conditions, the Company shall measure, present and disclose the impairment loss as required under PSAK No. 106, *Exploration for and Evaluation of Mineral Resources*.

n. Employee benefits

The Company recognized a provision for unfunded employee benefits in accordance with the Company's Regulation. The cost of providing employee benefits is determined using the projected unit credit method.

Re-measurement, comprising of actuarial gains and losses, are recognized immediately in the statements of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent period.

Past service cost is recognized in profit or loss at the earlier between:
- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the defined benefit liability. The Company recognizes the following changes in the net defined benefit obligation under "Exploration and evaluation assets" in the statements of financial position and other comprehensive income (by function):
i. service costs comprising current service cost, past-service cost, gains and losses on curtailments and non-routine settlements, and
ii. net interest expense or income.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognized when the curtailment or settlement occurs. A curtailment occurs when an entity either:
i. is demonstrably committed to make a significant reduction in the number of employees covered by a plan; or
ii. amends the terms of a defined benefit plan so that a significant element of future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits.

A settlement occurs when the Company enters into a transaction that eliminates all further legal or constructive obligation for part or all of the benefits provided under a defined benefit plan.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

n. Employee benefits (continued)

Change in accounting policy

In April 2022, the Institute of Indonesia Chartered Accountants' Accounting Standard Board ("DSAK IAI") issued a press release regarding attribution of benefits to periods of service in accordance with PSAK 219, *Employee Benefits* which was adopted from IAS 19, *Employee Benefits*. The press release conveyed the information that the fact pattern of the pension program based on the Labor Law currently enacted in Indonesia is similar to those responded and concluded in the IFRS Interpretation Committee ("IFRIC") Agenda Decision Attributing Benefit to Periods of Service (IAS 19). The Company has adopted the said press release and accordingly changed its accounting policy regarding attribution of benefits to periods of service previously applied.

In prior years, the Company attributed benefits under the defined benefit plan's benefit formula to periods of service from the date when employees provide their services until their retirement age. Starting 2022, based on the press release, the Company changed the policy for attributing benefits under the plan to the date when employee service first leads to benefits under the plan until the date when further employee service will lead to no material amount of further benefits under the plan. However, since the impact is not material to the financial statements, the impact of the change was charged during the year 2022.

o. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfillment of the arrangement is dependent on the use of a specific asset or assets, or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company as lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use asset

The Company recognizes right-of-use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also assessed for impairment in accordance with PSAK No. 236, *Impairment of Assets*.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

o. Leases (continued)

The Company as lessee (continued)

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Company also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value underlying assets are recognized as expense on a straight-line basis over the lease term.

Based on management's assessment, the Company did not record right-of-use asset and lease liability since the amount is considered not material. As of March 31, 2024, December 31, 2023, 2022, and 2021, the Company has short-term lease contracts for its drilling equipment amounted to US$1,223,793, US$2,264,856, US$3,423,713, and US$2,851,402, respectively. As of March 31, 2024, December 31, 2023, 2022, and 2021, the Company has long-term lease contract for rental buildings amounted to US$23,469, US$137,013, US$135,632, and US$140,904, respectively.

As of March 31, 2024 and 2023, and December 31, 2023, 2022, and 2021, the short-term lease related to drilling activities were capitalized as part of construction in progress amounted to US$900,665 and US$108,509, and US$1,722,402, US$2,773,907, and US$2,573,845, respectively. For the three-month periods ended March 31, 2024 and 2023, and December 31, 2023, 2022, and 2021, the short-term leases related to drilling activities used for power plant operation amounting to US$323,128 and US$26,744, and US$542,453, US$649,807, and US$277,557, and long-term leases relating to building amounting to US$16,330 and US$18,260, and US$81,195, US$56,896, and US$103,487, respectively were recorded as part of administrative expense.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

p. Income tax

Current tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authority.

Current tax expense is determined based on the taxable profit for the year computed using the prevailing tax rates.

Amendments to tax obligations are recorded when a tax assessment letter is received or, if appealed against, when the result of the appeal is determined. The underpayment or overpayment of income tax are presented as part of “Income Tax Expense” in profit or loss. The Company also presents interest/penalty, if any, as part of “Income Tax Expense”.

Deferred tax

Deferred tax assets and liabilities are recognized using the liability method for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities in the financial statements and their respective tax bases at each reporting date. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences and accumulated fiscal losses to the extent that it is probable that taxable profit will be available in future years against which the deductible temporary differences and accumulated fiscal losses can be utilized.

The carrying amount of a deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the benefit of that deferred tax asset to be utilized. Unrecognized deferred tax assets are reassesses at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted at the reporting date. Changes in the carrying amount of deferred tax assets and liabilities due to a change in tax rates are charged to current period operations, except to the extent that they relate to items previously charged or credited to equity.

Deferred tax assets and liabilities are offset in the statements of financial position, except if they are for different legal entities, consistent with the presentation of current tax assets and liabilities. Deferred tax relating to items recognized outside of profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

q. Revenue and expense recognition

Revenue

The Company operates a geothermal energy resource area located at Mandailing Natal Regency, North Sumatera in Indonesia and all of the Company’s electricity production is sold to PLN for a 32-year period.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

q. Revenue and expense recognition (continued)

Revenue (continued)

At the commencement of COD, the management determined that the Company's contract with PLN contains a lease and should be accounted for as an operating lease (Note 2i). As such, revenue from contract with PLN is allocated between electricity revenue and lease revenue based on the relative fair value of each revenue components. Electricity revenue represents the portion of revenue that recovers the operation and maintenance of the power plant while lease revenue represents the portion of revenue that recovers the investment in the power plant.

Electricity revenue is recognized in accordance with PSAK 115, *Revenue from Contracts with Customers*, while lease revenue is recognized in accordance with PSAK 116, *Leases*.

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

Electricity revenue

Electricity revenue is recognized at the point in time when the control of the electrical output is transferred to PLN which is upon delivery. Quantities delivered are determined through electrical measurement meters at the delivery point. The electricity revenue is measured through allocation of transaction price between lease revenue and electricity revenue. The normal credit term is 30 days upon receipt of the invoice from the Company by PLN.

The Company considers whether there are other promises in the contract that are separate performance obligation to which a portion of the transaction price needs to be allocated. In determining the transaction price for the electricity revenue, the Company considers the effect of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to PLN (if any). Based on management's assessment, the Company's contract with PLN has no variable consideration such as rights of return and volume rebates, and has no significant financing component, non-cash consideration, and consideration payable to PLN.

Expenses

Expenses are recognized when incurred and over the periods of benefits (accrual basis).

r. Accounting standard issued but not yet effective

The accounting standards that have been issued up to the date of issuance of the Company's financial statements, but not yet effective are disclosed below. The management intends to adopt these standards that are considered relevant to the Company when they become effective, and the impact to the financial position and performance of the Company is still being estimated as of the completion date of the financial statements:

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

r. Accounting standard issued but not yet effective (continued)

Effective beginning on or after January 1, 2025

Amendment of PSAK 221: Effect of Changes in Foreign Exchange Rates

The amendments on the lack of exchange. This change clarifies the rules regarding the conditions under which a currenct is not exchanged and its disclosure.

The amendment is effective for annual reporting periods beginning on or after January 1, 2025, retrospectively with early adoption permitted.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosures of contingent liabilities, at the end of the reporting periods. Uncertainly about these assumptions and estimates could result in outcomes that may require material adjustments to the carrying amounts of the assets and liabilities affected in future periods.

Judgments

The following judgments are made by management in the process of applying the Company's accounting policies that have the most significant effects on the amounts recognized in the financial statements:

Determination of Functional Currency

The functional currency is the currency of the primary economic environment in which the Company operates. The management considered the currency that mainly influences the revenue and cost of rendering services and other indicators in determining the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. Based on the economic substance of the relevant underlying circumstances, the management determines that the functional currency of the Company is the US Dollar.

Contractual Arrangement Assessment

On August 29, 2014, the Company and PLN signed a PPA in which the Company agreed to, among others, construct, own and operate geothermal steam field facility and power plant, then sell the generated electricity to PLN.

Management exercises its judgment in determining whether the contractual arrangement with PLN falls within the scope of IFRIC 12, *Service Concession Arrangements*. Based on management evaluation of the terms of the arrangement, management determined that the arrangement is not within the scope of service concession arrangements on the basis that PLN does not control-through ownership, beneficial entitlement or otherwise-any significant residual interest in the infrastructure at the end of the term of the arrangement.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgments (continued)

Contractual Arrangement Assessment (continued)

Further, management also exercises its judgment in determining whether the arrangement contains a lease and the classification of lease. Based on such evaluation, management determined that the arrangement contains a lease as fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. Management classifies power generating facilities and field facilities as operating lease based on management's evaluation that the arrangement does not transfer substantially all the risks and rewards incidental to ownership while the management classifies the transmission lines as finance lease based on management's evaluation, the arrangement transfers substantially all the risks and rewards incidental to ownerships.

Uncertain Tax Exposure

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income, could necessitate future adjustments to tax income and expense already recorded. Judgment is also involved in determining the provision for corporate income tax. There are certain transactions and computation for which the ultimate tax determination is uncertain during the ordinary course of business.

The Company recognizes liabilities for expected corporate income tax issues based on estimates of whether additional corporate income tax will be due. The Company makes an analysis of all tax positions related to income taxes to determine if a tax liability for unrecognized tax liability should be recognized. The net carrying amount of corporate income tax payables for the three-month periods ended March 31, 2024 and 2023 and the years ended December 31, 2023, 2022 and 2021 are disclosed in Note 16.

Revenue from contracts with customers

The Company applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- *Identifying performance obligations in the Company's contract with customers and determining the transaction price and the amount to be allocated to performance obligation.*

  As discussed in Note 2q, the contract with PLN contains a lease and should be accounted for as an operating lease in accordance with PSAK 116, *Leases*. However, the electricity tariff as stipulated in the contract with PLN is not allocated between the payment consideration to cover for the use of the electricity generating facility by PLN and the payment consideration for the electrical output delivered to PLN. Therefore, management allocated the revenue from contract with PLN between electricity revenue and lease revenue based on the relative fair value of each revenue components. Management concluded that the reasonable representation of the value of the electricity revenue is based on the expected cost to operate the electricity generating facility to generate electricity, including the expected maintenance cost of the electricity generating facility. These costs are the primary associated costs in generating electricity, while the residual value of the revenue is considered to be the lease revenue to be recognized by the Company representing the payment by PLN to the Company for the use of the electricity generating facility.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgments (continued)

Revenue from contracts with customers (continued)

The Company applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers: (continued)

- *Determining the timing of satisfaction of performance obligation.*

  Management concluded that electricity revenue is to be recognized at a point in time when the electrical output is delivered to PLN, because upon delivery, PLN obtains control over the electrical output, has the ability to direct the use of the electrical output, and obtain substantially all the benefits from the electrical output.

Impairment of exploration and evaluation assets

Exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Company considers such facts and circumstances in determining the possible amount of impairment loss, which requires management's judgment. Different interpretation of such facts and circumstances may result to different outcomes.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company's control. Such changes are reflected in the assumptions when they occur.

Exploration and evaluation expenditures

The Company's accounting policy for exploration and evaluation expenditures results in costs being capitalized where it is considered likely to be recoverable by future exploitation. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalized the costs, a judgment is made that recovery of the costs is unlikely, the relevant capitalized costs will be written-off and charged to profit or loss.

Depreciation and estimated useful lives of property on operating lease and fixed assets

The costs of certain property on operating lease and fixed assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property on operating lease and fixed assets to be within 2 to 32 years, which are common life expectancies applied in the industries where the Company conducts its businesses. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised. The carrying amount of the Company's property on operating lease and fixed assets are disclosed in Notes 6 and 7, respectively.

(Expressed in United States Dollar, unless otherwise stated)

4. CASH ON HAND AND IN BANKS

	March 31, (Unaudited)	December 31,		
	2024	2023	2022	2021
Cash in banks	12,615,155	10,007,841	1,812,684	1,761,928
Cash on hand	70,243	76,766	25,119	48,710
Total	**12,685,398**	**10,084,607**	**1,837,803**	**1,810,638**

Cash on hand and in banks are denominated in the following currencies:

	March 31, (Unaudited)	December 31,		
	2024	2023	2022	2021
US Dollar	10,594,781	9,833,218	1,624,376	1,711,565
Yuan Renminbi	1,436,924	4,272	6,818	7,472
Rupiah	653,693	247,117	206,609	91,601
Total	**12,685,398**	**10,084,607**	**1,837,803**	**1,810,638**

Cash in banks earn interest at floating rates based on the offered rate from each bank.

5. TRADE RECEIVABLES

Trade receivables represent receivables from PLN. Trade receivables are non-interest bearing and generally on 30-days term. These are recognized based on the original invoice amounts which represent the fair value on initial recognition. As of the reporting dates, the Company does not have any trade receivables that are past due nor impaired. Therefore, the management believes that no allowance for expected credit losses is necessary, because the credit risk of the financial instrument did not increase significantly since initial recognition and it has a low credit risk at the reporting dates.

6. PROPERTY ON OPERATING LEASE

	March 31, 2024 (unaudited)			
	Beginning Balances	Additions	Disposals	Ending Balances
Cost				
Power generating facilities	631,072,924	-	-	631,072,924
Field facilities	342,557,982	-	-	342,557,982
	973,630,906	-	-	973,630,906
Accumulated depreciation				
Power generating facilities	(39,444,941)	(5,330,008)	-	(44,774,949)
Field facilities	(23,258,755)	(2,877,690)	-	(26,136,445)
	(62,703,696)	(8,207,698)	-	(70,911,394)
Carrying amount	**910,927,210**			**902,719,512**

(Expressed in United States Dollar, unless otherwise stated)

6. PROPERTY ON OPERATING LEASE (continued)

	December 31, 2023			
	Beginning Balances	Additions	Disposals	Ending Balances
Cost				
Power generating facilities	516,780,331	114,292,593	-	631,072,924
Field facilities	292,072,846	50,485,136	-	342,557,982
	808,853,177	164,777,729	-	973,630,906
Accumulated depreciation				
Power generating facilities	(22,243,688)	(17,201,253)	-	(39,444,941)
Field facilities	(13,516,426)	(9,742,329)	-	(23,258,755)
	(35,760,114)	(26,943,582)	-	(62,703,696)
Carrying amount	**773,093,063**			**910,927,210**

	December 31, 2022			
	Beginning Balances	Additions	Disposals	Ending Balances
Cost				
Power generating facilities	284,731,913	232,048,418	-	516,780,331
Field facilities	217,008,724	75,064,122	-	292,072,846
	501,740,637	307,112,540	-	808,853,177
Accumulated depreciation				
Power generating facilities	(11,043,653)	(11,200,035)	-	(22,243,688)
Field facilities	(7,500,786)	(6,015,640)	-	(13,516,426)
	(18,544,439)	(17,215,675)	-	(35,760,114)
Carrying amount	**483,196,198**			**773,093,063**

	December 31, 2021			
	Beginning Balances	Additions	Disposals	Ending Balances
Cost				
Power generating facilities	125,855,839	158,876,074	-	284,731,913
Field facilities	90,530,636	126,478,088	-	217,008,724
	216,386,475	285,354,162	-	501,740,637
Accumulated depreciation				
Power generating facilities	(4,916,246)	(6,127,407)	-	(11,043,653)
Field facilities	(3,536,350)	(3,964,436)	-	(7,500,786)
	(8,452,596)	(10,091,843)	-	(18,544,439)
Carrying amount	**207,933,879**			**483,196,198**

(Expressed in United States Dollar, unless otherwise stated)

6. PROPERTY ON OPERATING LEASE (continued)

Depreciation charged to the statements of profit or loss and other comprehensive income for the three-month periods ended March 31, 2024 and 2023 and the years ended December 31, 2023, 2022, and 2021 amounted to US$9 million and US$6.2 million and US$26.1 million, US$17.2 million, and US$10.1 million, respectively. As of the reporting dates, management is of the opinion that the carrying values of the property on operating lease do not exceed their recoverable amounts.

Future minimum lease receivables as set forth in PPA are as follows:

	March 31, (Unaudited)	December 31,		
	2024	2023	2022	2021
Minimum lease payments due:				
Not later than one year	78,075,125	77,234,014	64,385,165	41,355,609
Later than one year but not later than five years	312,300,501	312,300,500	257,540,662	165,422,438
Later than five years	1,756,690,318	1,776,209,099	1,529,147,678	1,023,551,333
Total future minimum lease payments	**2,147,065,944**	**2,165,743,613**	**1,851,073,505**	**1,230,329,380**

On October 1, 2019, July 27, 2021, October 7, 2022 and December 16, 2023, the Company had its Commercial Operation Date ("COD") for the first, second, third and fourth for Phase I power plant units, respectively, with total capacity of 167 MW (unaudited). The receivable is to be collected in monthly installments until the end of PPA term. Lease revenues earned are recognized in the statements of profit or loss and other comprehensive income for the three-month periods ended March 31, 2024 and 2023 and the years ended December 31, 2023, 2022, and 2021 amounted to US$18.7 million and US$16.1 million and US$64.4 million, US$47.4 million and US$29 million, respectively.

7. FIXED ASSETS

	March 31, 2024 (unaudited)			
	Beginning Balances	Additions	Disposals	Ending Balances
Cost				
Land	15,156,686	50,432	-	15,207,118
Field equipment	11,395,177	-	-	11,395,177
Office equipment	398,534	-	-	398,534
Vehicles	2,391,274	-	-	2,391,274
Medical equipment	1,421	-	-	1,421
Office furniture and fixtures	289,824	-	-	289,824
	29,632,916	50,432	-	29,683,348
Accumulated depreciation				
Field equipment	(5,373,487)	(462,496)	-	(5,835,983)
Office equipment	(373,371)	(3,126)	-	(376,497)
Vehicles	(1,147,021)	(73,080)	-	(1,220,101)
Medical equipment	(1,421)	-	-	(1,421)
Office furniture and fixtures	(244,204)	(4,002)	-	(248,206)
	(7,139,504)	(542,704)	-	(7,682,208)
Carrying amount	**22,493,412**			**22,001,140**

(Expressed in United States Dollar, unless otherwise stated)

7. FIXED ASSETS (continued)

	December 31, 2023			
	Beginning Balances	Additions	Disposals	Ending Balances
Cost				
Land	13,924,284	1,232,402	-	15,156,686
Field equipment	11,395,177	-	-	11,395,177
Office equipment	398,534	-	-	398,534
Vehicles	2,391,274	-	-	2,391,274
Medical equipment	1,421	-	-	1,421
Office furniture and fixtures	289,824	-	-	289,824
	28,400,514	1,232,402	-	29,632,916
Accumulated depreciation				
Field equipment	(3,537,985)	(1,835,502)	-	(5,373,487)
Office equipment	(360,203)	(13,168)	-	(373,371)
Vehicles	(850,386)	(296,635)	-	(1,147,021)
Medical equipment	(1,421)	-	-	(1,421)
Office furniture and fixtures	(218,416)	(25,788)	-	(244,204)
	(4,968,411)	(2,171,093)	-	(7,139,504)
Carrying amount	**23,432,103**			**22,493,412**

	December 31, 2022			
	Beginning Balances	Additions	Disposals	Ending Balances
Cost				
Land	12,828,037	1,096,247	-	13,924,284
Field equipment	11,284,166	111,011	-	11,395,177
Office equipment	398,534	-	-	398,534
Vehicles	2,391,274	-	-	2,391,274
Medical equipment	1,262	159	-	1,421
Office furniture and fixtures	289,824	-	-	289,824
	27,193,097	1,207,417	-	28,400,514
Accumulated depreciation				
Field equipment	(1,761,208)	(1,776,777)	-	(3,537,985)
Office equipment	(344,391)	(15,812)	-	(360,203)
Vehicles	(551,595)	(298,791)	-	(850,386)
Medical equipment	(1,319)	(102)	-	(1,421)
Office furniture and fixtures	(191,939)	(26,477)	-	(218,416)
	(2,850,452)	(2,117,959)	-	(4,968,411)
Carrying amount	**24,342,645**			**23,432,103**

(Expressed in United States Dollar, unless otherwise stated)

7. FIXED ASSETS (continued)

	December 31, 2021			
	Beginning Balances	Additions	Disposals	Ending Balances
Cost				
Land	10,638,882	2,189,155	-	12,828,037
Field equipment	6,210,781	5,073,385	-	11,284,166
Office equipment	372,405	26,129	-	398,534
Vehicles	946,776	1,444,498	-	2,391,274
Medical equipment	1,262	-	-	1,262
Office furniture and fixtures	289,824	-	-	289,824
	18,459,930	8,733,167	-	27,193,097
Accumulated depreciation				
Field equipment	(683,087)	(1,078,121)	-	(1,761,208)
Office equipment	(325,213)	(19,178)	-	(344,391)
Vehicles	(314,324)	(237,271)	-	(551,595)
Medical equipment	(1,193)	(126)	-	(1,319)
Office furniture and fixtures	(164,693)	(27,246)	-	(191,939)
	(1,488,510)	(1,361,942)	-	(2,850,452)
Carrying amount	**16,971,420**			**24,342,645**

Depreciation capitalized as part of exploration and evaluation assets and construction in progress each totaling to US$0.5 million and US$0.5 million and US$1.8 million, US$1.9 million, and US$1.3 million as of March 31, 2024 and 2023, and December 31, 2023, 2022, and 2021, respectively. For the three-month periods ended March 31, 2024 and 2023, depreciation of assets used for operation were recorded as part of plant and operation maintenance amounted to US$28,594 and US$28,594, respectively, and recorded as part of administrative expense amounted to US$55,812 and US$52,193, respectively. For the years ended December 31, 2023, 2022, and 2021, depreciation of assets used for operation were recorded as part of plant and operation maintenance amounted to US$114,375, US$28,594, and US$Nil, respectively, and recorded as part of administrative expense amounted to US$186,022, US$146,042, and US$83,570, respectively.

As of the March 31, 2024, the Company had acquired land plots in Mandailing Natal Regency, North Sumatera with carrying amount of US$15.2 million, which include fees of the contractors to perform land clearing and legal consultants amounting to US$1.7 million. The Company has obtained land certificates in the form of Building Usage Rights (“HGB”), which will expire between the year 2028 - 2052, while the remaining land area is still in the process of title transfer from the previous owners to the Company. Management is of the opinion that the land rights can be extendable.

As of the reporting dates, management is of the opinion that the carrying values of fixed assets do not exceed their recoverable amounts.

8. EXPLORATION AND EVALUATION ASSETS

	March 31, (Unaudited)	December 31,		
	2024	2023	2022	2021
Beginning balance	73,753,951	32,440,609	26,817,368	145,586,052
Additions	12,614,094	119,988,677	118,765,419	247,649,489
Transfer to construction in progress (Note 9)	(10,144,090)	(78,675,335)	(113,142,178)	(366,418,173)
Total	**76,223,955**	**73,753,951**	**32,440,609**	**26,817,368**

(Expressed in United States Dollar, unless otherwise stated)

8. EXPLORATION AND EVALUATION ASSETS (continued)

As of the reporting dates, management is of the opinion that there is no indication of impairment on the Company's exploration and evaluation assets.

For the three-month periods ended March 31, 2024 and 2023 and the years ended December 31, 2023, 2022 and 2021, total borrowing costs capitalized to exploration and evaluation assets each amounted to US$1.7 million and US$2 million, US$8.4 million, US$8.4 million and US$10 million, respectively (Note 15).

9. CONSTRUCTION IN PROGRESS

	March 31, (Unaudited)	December 31,		
	2024	2023	2022	2021
Beginning balance	116,531,665	202,634,059	396,604,421	315,540,410
Transfer from exploration and evaluation assets (Note 8)	10,144,090	78,675,335	113,142,178	366,418,173
Transfer to property on operating lease (Note 6)	-	(164,777,729)	(307,112,540)	(285,354,162)
Ending Balance	**126,675,755**	**116,531,665**	**202,634,059**	**396,604,421**

For the three-month periods ended March 31, 2024 and 2023 and the years ended December 31, 2023, 2022 and 2021, total borrowing cost capitalized to construction in progress amounted to US$0.4 million and US$1.2 million and US$4.2 million, US$3.9 million, and US$3.7 million, respectively.

This account represents accumulated costs wherein the geothermal area is determined to have commercial reserves for further development. Such costs include the accumulated costs for the drilling, construction and testing of wells, and costs related to the on-going construction of power plants.

10. ADVANCES

This account represents advance payment to contractors for the design, procurement and construction of the on-going power plant project and the advance payment for purchase of drilling equipment.

11. FINANCE LEASE RECEIVABLES

Referring to the PPA, the Company is required to carry-out a special facility activity which is to design, construct, commission and hand-over to PLN a 150 kv transmission lines, including its equipment and facilities, that interconnect with the Company's power plant to PLN's nearest substation (the "Special Facility"). In return, PLN is required to pay a monthly transmission payment charge ("TPC") to the Company starting from the time the Special Facility has been handed-over to PLN on April 8, 2022.

The future minimum lease payments under finance lease with the present value of the net minimum lease payments are as follows:

	March 31, (Unaudited)	December 31,		
	2024	2023	2022	2021
Minimum lease payments				
Within 1 year	940,235	887,747	694,737	500,951
More than 1 year but not more than 5 years	3,900,908	3,900,908	3,811,211	3,595,940
More than 5 years	21,942,608	22,186,415	23,148,478	24,523,267
Gross amount of finance lease receivable	26,783,751	26,975,070	27,654,426	28,620,158
Unearned finance income	(13,593,370)	(13,808,918)	(14,705,971)	(15,936,593)
Carrying amount of finance lease receivable	**13,190,381**	**13,166,152**	**12,948,455**	**12,683,565**
Less current maturities	(126,106)	(123,519)	(90,514)	-
Long-term maturities	**13,064,275**	**13,042,633**	**12,857,941**	**12,683,565**

(Expressed in United States Dollar, unless otherwise stated)

11. FINANCE LEASE RECEIVABLES (continued)

For the three-month periods ended March 31, 2024 and 2023, and for the years ended December 2023, 2022, and 2021, interest income from finance lease receivables is recorded as part of "Interest Income" in the statements of profit or loss and other comprehensive income amounted to US$184,354 and US$191,483, and US$727,844, US$674,410, and US$1,562,253, respectively.

Based on the review of finance lease receivables as of March 31, 2024, December 31, 2023, 2022, and 2021, management is of the opinion that all finance lease receivables are realizable and no provision for impairment is necessary to be provided.

12. OTHER NON-CURRENT ASSETS

This account mainly consists of spare parts. Spare parts mainly consist of casings, well head and other drilling related items totaling US$4.8 million, US$6 million, US$8 million, and US$7.3 million as of March 31, 2024, December 31, 2023, 2022, and 2021, respectively. The management is of the opinion that the spare parts are in good condition as such no provision for obsolescence is considered necessary.

13. ACCOUNTS PAYABLES AND OTHER LIABILITIES

	March 31, (Unaudited)	December 31,		
	2024	2023	2022	2021
Related parties (Note 14)	221,915,337	219,309,790	175,777,048	135,684,936
Third parties				
The Greatwall Drilling Asia Pacific	8,360,096	8,360,096	8,360,096	8,360,096
PT Baker Hughes Indonesia	1,806,594	711,429	338,926	2,778,528
PT Banawa Cipta Jaya	1,528,836	1,368,525	863,453	1,355,592
PT Transcon Indonesia	1,106,011	1,495,063	2,196,843	3,292,957
PT Halliburton Logging Services	1,105,738	474,113	2,112,444	4,076,176
PT Berkat Karunia Phala	1,100,960	1,177,074	819,969	510,680
PT Petra Oleo Nusa	1,049,777	402,940	184,398	315,657
China Taiping Insurance Indonesia	1,020,000	-	184,275	-
PT Ecolab International Indonesia	704,516	913,918	826,984	389,223
Powerchina Huadong Engineering Corporation Limited	690,322	220,733	-	380,649
PT Supraco Indonesia	563,106	550,038	348,057	1,011,621
PT Citra Bintang Familindo	524,863	407,839	672,868	1,144,060
Geologica Geothermal Group	329,645	277,990	551,473	517,943
PT Nurman Mitra Sentosa	9,267	-	-	1,537,495
PT Vadhana International	7,842	8,116	-	507,311
PT National Oilwell Varco	-	-	-	813,747
PT Tiger Energy Services ROI	-	-	-	732,504
PT Cipta Bangun Nusantara	-	-	124,943	714,103
PT Plumpang Raya Anugrah	-	-	118,887	4,896,493
Others (each below US$500,000)	5,820,657	4,608,795	4,552,159	8,399,130
Total	**247,643,567**	**240,286,459**	**198,032,823**	**177,418,901**

14. SIGNIFICANT BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a. Relationship with related parties

The nature of transactions and relationship with related parties are as follows:

Related parties	Nature of the relationship	Nature of transactions
Kaishan Holding Group Co., Ltd.	Ultimate parent	Pledge of shares as collateral to the Company's loan
Kaishan Group Co., Ltd. ("Kaishan")	Entity under common control of the ultimate parent	Loans and purchase of materials
PT Sokoria Geothermal Indonesia ("SGI")	Entity under common control of the ultimate parent	Intercompany advances
Zhejiang Kaishan Energy Equipment Co. Ltd. ("ZKEE")	Entity under common control of the ultimate parent	Loans and purchase of materials and intercompany advances
Shanghai Kaishan Energy Equipment Co. Ltd. ("SKEE")	Entity under common control of the ultimate parent	Purchase of materials
Kaishan Compressor (Hong Kong) Co. Ltd. ("KHK")	Entity under common control of the ultimate parent	Loans and purchase of materials
Zhejiang Kaishan Geothermal Power Plant Operation & Maintenance Service Co. Ltd. ("ZKG")	Entity under common control of the ultimate parent	Services and purchase of materials
KS Orka Renewables Pte. Ltd. ("KS Orka")	Entity under common control of the ultimate parent	Loans
Kaishan Renewables Energy Development Pte. Ltd. ("KRED")	Entity under common control of the ultimate parent	Loans
Shanghai Kaishan Drilling Technical Service Co., Ltd. ("SKDT")	Entity under common control	Purchase of materials

(Expressed in United States Dollar, unless otherwise stated)

14. SIGNIFICANT BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

a. Relationship with related parties (continued)

Related parties	Nature of the relationship	Nature of transactions
Leobersdorfer Maschinenfabrik GmbH ("LMF")	Entity under common control	Purchase of materials
Zhejiang Kaishan Kevin Screw Machinery Co., Ltd ("ZKSM")	Entity under common control	Purchase of materials
Jersey N.A Develoment Center Corp. ("JNDC")	Entity under common control	Purchase of materials
PT Kaishan Orka Indonesia ("KOI")	Entity under common control	Intercompany advances
PT Kaishan Group Geothermal Indonesia ("KGGI")	Entity under common control	Intercompany advances

b. Significant balances with related parties

Other current assets

	March 31, (Unaudited)	December 31,		
	2024	2023	2022	2021
PT Sokoria Geothermal Indonesia	2,422,014	2,432,856	862,176	116,028
Zhejiang Kaishan Energy Equipment Co. Ltd.	1,119,432	213,755	211,865	240,490
PT Kaishan Orka Indonesia	212,563	155,044	-	-
PT Kaishan Group Geothermal Indonesia	2,505	1,145	-	-

Accounts payables and other liabilities (Note 13)

	March 31, (Unaudited)	December 31,		
	2024	2023	2022	2021
Zhejiang Kaishan Energy Equipment Co. Ltd.	153,626,392	152,086,925	130,586,185	96,996,298
Shanghai Kaishan Energy Equipment Co. Ltd.	35,151,061	35,170,308	25,149,362	30,733,708
Kaishan Compressor (Hong Kong) Co. Ltd.	20,473,679	20,473,679	12,564,093	2,100,000
Zhejiang Kaishan Geothermal Power Plant Operation & Maintenance Service Co. Ltd.	5,678,797	4,614,942	3,380,188	2,631,772
Leobersdorfer Maschinenfabrik GmbH	4,751,775	4,751,775	2,580,151	2,660,882
Jersey N.A Develoment Center Corp.	1,651,926	1,625,126	546,235	-
Zhejiang Kaishan Kevin Screw Machinery Co. Ltd.	378,447	378,447	740,730	-
Kaishan Group Co., Ltd.	201,350	201,350	201,350	170,812
Shanghai Kaishan Drilling Technical Service Co. Ltd.	1,910	7,238	28,754	391,464
Total	**221,915,337**	**219,309,790**	**175,777,048**	**135,684,936**

(Expressed in United States Dollar, unless otherwise stated)

14. SIGNIFICANT BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

b. Significant balances with related parties (continued)

Purchase

Construction in progress

	March 31, (Unaudited)		December 31,		
	2024	2023	2023	2022	2021
Zhejiang Kaishan Energy Equipment Co. Ltd.	1,728,602	15,041,366	40,043,185	44,538,703	104,681,015
Shanghai Kaishan Drilling Technical Service Co. Ltd.	44,460	3,576	87,406	32,241	604,294
Shanghai Kaishan Energy Equipment Co. Ltd.	-	7,187,780	10,057,863	232,968	31,631,866
Jersey N.A Develoment Center Corp.	-	1,051,649	1,078,891	546,235	-
Kaishan Compressor (Hong Kong) Co. Ltd.	-	-	8,159,586	16,114,093	-
Leobersdorfer Maschinenfabrik GmbH	-	-	2,171,624	767,157	-
Kaishan Group Co., Ltd.	-	-	3,197	68,600	38,062
Zhejiang Kaishan Kevin Screw Machinery Co. Ltd.	-	-	378,447	740,730	-
Zhejiang Kaishan Geothermal Power Plant Operation & Maintenance Service Co. Ltd.	-	-	-	103,818	982,552

Plant operation and maintenance

	March 31, (Unaudited)		December 31,		
	2024	2023	2023	2022	2021
Zhejiang Kaishan Geothermal Power Plant Operation & Maintenance Service Co. Ltd.	1,161,159	779,724	2,945,530	2,527,277	1,603,674
Zhejiang Kaishan Energy Equipment Co. Ltd.	28,395	-	104,333	-	-
Jersey N.A Develoment Center Corp.	26,800	-	-	-	-
Leobersdorfer Maschinenfabrik GmbH	-	-	-	40,642	-

14. SIGNIFICANT BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

b. Significant balances with related parties (continued)

Loans payable to related parties (continued)

Kaishan Group Co., Ltd. (continued)

On July 1, 2019, the Company (the "Borrower") entered into a US$25 million loan agreement with Kaishan Group Co., Ltd. ("Kaishan"). This loan bears interest rate at LIBOR plus three (3) percent interest per annum. Repayment is anytime, subject to five (5) business days prior written notice to Kaishan and not later than the termination date, which is on July 4, 2024 for the three-month period ended March 31, 2024 and for the years ended December 31, 2023 and 2022 and July 4, 2022 for the year ended December 31, 2021. While the payment of the interest shall be made at the termination date. Subsequently on May 6, 2024, both parties agreed to extend the facility up to July 4, 2026. The aforementioned loan agreement has been amended several times on November 10, 2023 and January 11, 2023 to amend the interest rate to 4.5% and 3.5% per annum effective retrospectively since January 1, 2023 and January 1, 2022, respectively. As of March 31, 2024, December 31, 2023, 2022, and 2021, total outstanding balance of this loan amounted to US$29,789,788, US$29,511,101, US$28,393,288, and US$27,523,878 respectively, and the finance charges on this loan, which is capitalized as part of principal, amounted to US$5,289,788, US$5,011,101, US$3,893,288, and US$3,023,878, respectively.

On November 1, 2019, the Company entered into another US$15 million loan agreement with Kaishan. This loan bears interest rate at LIBOR plus three (3) percent interest per annum. Repayment is anytime, subject to five (5) business days prior written notice to Kaishan and not later than the termination date, which is on October 31, 2024 for the three-month period ended March 31, 2024 and for the years ended December 31, 2023 and 2022 and October 31, 2022 for the year ended December 31, 2021. While the payment of the interest shall be made at the termination date. The aforementioned loan agreement has been amended several times on November 10, 2023 and January 11, 2023 to amend the interest rate to 4.5% and 3.5% per annum effective retrospectively since January 1, 2023 and January 1, 2022, respectively. As of March 31, 2024, December 31, 2023, 2022, and 2021, total outstanding balance of this loan amounted to US$17,909,313, US$17,738,688, US$17,054,313, and US$16,522,022 respectively, and the finance charges on this loan, which is capitalized as part of principal, amounted to US$2,909,313, US$2,738,688, US$2,054,313, and US$1,522,022, respectively.

On January 20, 2020, the Company entered into another US$15 million loan agreement with Kaishan. This loan bears interest rate at LIBOR plus three (3) percent interest per annum. Repayment is anytime, subject to five (5) business days prior written notice to Kaishan and not later than the termination date, which is on January 20, 2026 for the three-month period ended March 31, 2024, January 20, 2024 for the years ended December 31, 2023 and 2022, and January 20, 2022 for the year ended December 31, 2021. While the payment of the interest shall be made at the termination date. The aforementioned loan agreement has been amended several times on November 9, 2023 and January 11, 2023 to amend the interest rate to 4.5% and 3.5% per annum effective retrospectively since January 1, 2023 and January 1, 2022, respectively. As of March 31, 2024, December 31, 2023, 2022, and 2021, total outstanding balance of this loan amounted to US$16,610,253, US$16,448,728, US$15,800,853, and US$15,296,950 and the finance charges on this loan, which is capitalized as part of principal, amounted to US$2,410,253, US$2,248,728, US$1,600,853, and US$1,096,950, respectively.

14. SIGNIFICANT BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

b. Significant balances with related parties (continued)

Loans payable to related parties (continued)

Kaishan Group Co., Ltd. (continued)

On April 13, 2020, the Company entered into another US$20 million loan agreement with Kaishan. This loan bears interest rate at LIBOR plus three (3) percent interest per annum. Repayment is anytime, subject to five (5) business days prior written notice to Kaishan and not later than the termination date, which is on April 13, 2026 for the three-month period ended March 31, 2024, April 13, 2024 for the years ended December 31, 2023 and 2022, and April 13, 2022 for the year ended December 31, 2021. While the payment of the interest shall be made at the termination date. The aforementioned loan agreement has been amended several times on November 9, 2023 and January 11, 2023 to amend the interest rate to 4.5% and 3.5% per annum effective retrospectively since January 1, 2023 and January 1, 2022, respectively. As of March 31, 2024, December 31, 2023, 2022, and 2021, total outstanding balance of this loan amounted to US$23,178,965, US$22,951,465, US$22,038,965, and US$21,329,242 respectively, and the finance charges on this loan, which is capitalized as part of principal, amounted to US$3,178,965, US$2,951,465, US$2,038,965, and US$1,329,242, respectively.

On June 23, 2020, the Company entered into another US$10 million loan agreement with Kaishan. This loan bears interest rate at LIBOR plus three (3) percent interest per annum. Repayment is anytime, subject to five (5) business days prior written notice to Kaishan and not later than the termination date, which is on June 23, 2024 for the three-month period ended March 31, 2024 and for the years ended December 31, 2023 and 2022 and June 23, 2022 for the year ended December 31, 2021. Subsequently on May 6, 2024, both parties agreed to extend the facility up to June 23, 2026. While the payment of the interest shall be made at the termination date. The aforementioned loan agreement has been amended several times on November 9, 2023 and January 11, 2023 to amend the interest rate to 4.5% and 3.5% per annum effective retrospectively since January 1, 2023 and January 1, 2022, respectively. As of March 31, 2024, December 31, 2023, 2022, and 2021, total outstanding balance of this loan amounted to US$10,451,467, US$10,347,044, US$9,928,207, and US$9,602,444 respectively, and the finance charges on this loan, which is capitalized as part of principal, amounted to US$1,271,467, US$1,167,044, US$748,207, and US$422,444, respectively.

On September 13, 2020, the Company entered into another US$20 million loan agreement with Kaishan. This loan bears interest rate at LIBOR plus three (3) percent interest per annum. Repayment is anytime, subject to five (5) business days prior written notice to Kaishan and not later than the termination date, which is on September 13, 2024 for the three-month period ended March 31, 2024 and for the years ended December 31, 2023 and 2022 and September 13, 2022 for the year ended December 31, 2021. While the payment of the interest shall be made at the termination date. The aforementioned loan agreement has been amended several times on November 9, 2023 and January 11, 2023 to amend the interest rate to 4.5% and 3.5% per annum effective retrospectively since January 1, 2023 and January 1, 2022, respectively. As of March 31, 2024, December 31, 2023, 2022, and 2021, total outstanding balance of this loan amounted to US$21,857,156, US$21,637,618, US$20,757,056, and US$20,072,174 respectively, and the finance charges on this loan, which is capitalized as part of principal, amounted to US$2,557,156, US$2,337,618, US$1,457,056, and US$772,174, respectively.

14. SIGNIFICANT BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

b. Significant balances with related parties (continued)

Loans payable to related parties (continued)

Kaishan Group Co., Ltd. (continued)

On October 10, 2020, the Company entered into another US$20 million loan agreement with Kaishan. This loan bears interest rate at LIBOR plus three (3) percent interest per annum. Repayment is anytime, subject to five (5) business days prior written notice to Kaishan and not later than the termination date, which is on October 9, 2024 for the three-month period ended March 31, 2024 and for the years ended December 31, 2023 and 2022 and October 9, 2022 for the year ended December 31, 2021. While the payment of the interest shall be made at the termination date. The aforementioned loan agreement has been amended with latest on November 9, 2023 and January 11, 2023 to amend the interest rate to 4.5% and 3.5% per annum effective retrospectively since January 1, 2023 and January 1, 2022, respectively. As of March 31, 2024, December 31, 2023, 2022, and 2021, total outstanding balance of this loan amounted to US$11,318,277, US$11,203,959, US$10,745,427, and US$10,388,792 respectively, and the finance charges on this loan, which is capitalized as part of principal, amounted to US$1,268,277, US$1,153,959, US$695,427, and US$338,792, respectively.

Kaishan Renewable Energy Development Pte. Ltd.

On August 25, 2020, the Company (the "Borrower") entered into a US$6.5 million loan agreement with Kaishan Renewables Energy Development Pte. Ltd ("KRED"). This loan bears interest rate at LIBOR plus three (3) percent interest per annum. Repayment is anytime, subject to five (5) business days prior written notice to KRED and not later than the termination date, which is on August 25, 2024 for the three-month period ended March 31, 2024 and for the years ended December 31, 2023 and 2022 and August 25, 2022 for the year ended December 31, 2021. While the payment of the interest shall be made at the termination date. The aforementioned loan agreement has been amended with latest on November 10, 2023 to amend the interest rate to 4.5% per annum effective retrospectively since January 1, 2023. As of March 31, 2024, December 31, 2023, 2022, and 2021, total outstanding balance of this loan amounted to US$5,135,855, US$7,084,668, US$6,788,105, and US$6,788,105 respectively, and the finance charges on this loan, which is capitalized as part of principal, amounted to US$635,855, US$584,668, US$288,105, and US$288,105, respectively. During 2022, KRED agreed to waive the interest payable borne by the Company for the period of January to December.

14. SIGNIFICANT BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

b. Significant balances with related parties (continued)

Loans payable to related parties (continued)

KS Orka Renewables Pte. Ltd.

On October 12, 2020, the Company (the "Borrower") entered into a CN¥79.5 million and US$0.4 million loan agreements with KS Orka Renewables Pte. Ltd. ("KS Orka"). The rate of interest on CN¥ loan for each interest period is loan prime rate ("LPR") and the rate of interest on USD loan for each interest period is LIBOR plus three (3) percent interest per annum. Repayment is anytime, subject to five (5) business days prior written notice to KS Orka and not later than the termination date, which is on October 12, 2024 for the three-month period ended March 31, 2024 and for the years ended December 31, 2023 and 2022 and October 12, 2022 for the year ended December 31, 2021. The aforementioned loan agreement has been amended with latest on November 9, 2023 and January 1, 2023 to amend the interest rate to 4.5% and 3.5% per annum effective retrospectively since January 1, 2023 and January 1, 2022 for USD, respectively. As of March 31, 2024, December 31, 2023, 2022 and 2021, total outstanding balance of this loan amounted to US$ 12,569,045, US$12,609,541, US$12,458,729, and US$13,453,204 respectively, and the finance charges on this loan, which is capitalized as part of principal, amounted to US$1,473,691, US$1,386,746, US$991,514, and US$595,161, respectively.

On April 1, 2021, the Company (the "Borrower") entered into another CN¥71.5 million and US$16.8 million loan agreements with KS Orka. The rate of interest on CN¥ loan for each interest period is LPR and the rate of interest on USD loan for each interest period is LIBOR plus three (3) percent interest per annum. Repayment is anytime, subject to five (5) business days prior written notice to KS Orka and not later than the termination date. While the payment of the interest shall be made at the termination date, which is on March 31, 2025 for the three-month period ended March 31, 2024 and for the year ended December 31, 2023 and March 31, 2023 for the years ended December 31, 2022 and 2021. The aforementioned loan agreement has been amended several times on November 9, 2023 and January 11, 2023 to extend the term up to and the interest rate of USD was amended to 4.5% and 3.5% per annum effective retrospectively since January 1, 2023 and January 1, 2022, respectively. As of March 31, 2024, December 31, 2023, 2022, and 2021, total outstanding balance of this loan amounted to US$29,142,589, US$28,992,265, US$27,818,374, and US$28,636,578 respectively, and the finance charges on this loan, which is capitalized as part of principal, amounted to US$2,974,005, US$2,709,307, US$1,616,746, and US$655,975, respectively.

On July 30, 2021, the Company (the "Borrower") entered into another US$16 million loan agreement with KS Orka. The rate of interest on USD loan for each interest period is LIBOR plus three (3) percent interest per annum. Repayment is anytime, subject to five (5) business days prior written notice to KS Orka and not later than the termination date, which is on July 30, 2025 for the three-month period ended March 31, 2024 and for the year ended December 31, 2023 and July 30, 2023 for the years ended December 31, 2022 and 2021. While the payment of the interest shall be made at the termination date. The aforementioned loan agreement has been amended several times on November 9, 2023 and January 11, 2023 to extend the term up to and the interest rate was amended to 4.5% and 3.5% per annum effective retrospectively since January 1, 2023 and January 1, 2022, respectively. As of March 31, 2024, December 31, 2023, 2022, and 2021, total outstanding balance of this loan amounted to US$17,644,375, US$17,462,375, US$16,736,086, and US$16,163,042 respectively, and the finance charges on this loan, which is capitalized as part of principal, amounted to US$1,644,375, US$1,462,375, US$736,086, and US$163,042, respectively.

14. SIGNIFICANT BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

b. Significant balances with related parties (continued)

Loans payable to related parties (continued)

KS Orka Renewables Pte. Ltd. (continued)

On October 1, 2021, the Company (the "Borrower") entered into another US$20 million loan agreement with KS Orka. The rate of interest on USD loan for each interest period is LIBOR plus three (3) percent interest per annum. Repayment is anytime, subject to five (5) business days prior written notice to KS Orka and not later than the termination date, which is on November 1, 2024 for the three-month period ended March 31, 2024 and for the years ended December 31, 2023, 2022, and 2021. While the payment of the interest shall be made at the termination date. The aforementioned loan agreement has been amended several times on November 9, 2023 and January 11, 2023 to amend the interest rate to 4.5% and 3.5% per annum effective retrospectively since January 1, 2023 and January 1, 2022, respectively. As of March 31, 2024, December 31, 2023, 2022, and 2021, total outstanding balance of this loan amounted to US$21,745,331, US$21,518,035 and US$20,539,701, and US$10,764,084 respectively, and the finance charges on this loan, which is capitalized as part of principal, amounted to US$1,763,261, US$1,535,965, US$626,839, and US$64,084, respectively.

On March 16, 2022, the Company (the "Borrower") entered into another CN¥80 million loan agreement with KS Orka. The rate of interest on CN¥ loan for each interest period is LPR. Repayment is anytime, subject to five (5) business days prior written notice to KS Orka and not later than the termination date, which is on March 31, 2025 for the three-month period ended March 31, 2024 and for the year ended December 31, 2023 and March 31, 2023 for the year ended December 31, 2022. While the payment of the interest shall be made at the termination date. The aforementioned loan agreement has been amended with latest on July 18, 2023 to amended the interest rate to 4.5% per annum effective retrospectively since January 1, 2023. As of March 31, 2024, December 31, 2023, and 2022, total outstanding balance of this loan amounted to US$11,329,339, US$11,362,109 and US$11,207,847, respectively, and the finance charges on this loan, which is capitalized as part of principal, amounted to US$771,167, US$681,562, and US$292,600, respectively.

On April 14, 2022, the Company (the "Borrower") entered into another US$20 million loan agreement with KS Orka. The rate of interest on USD loan for each interest period is LIBOR plus three (3) percent interest per annum. Repayment is anytime, subject to five (5) business days prior written notice to KS Orka and not later than the termination date, which is on April 14, 2026 for the three-month period ended March 31, 2024 and for the year ended December 31, 2023 and April 14, 2024 for the year ended December 31, 2022. While the payment of the interest shall be made at the termination date. The aforementioned loan agreement has been amended several times on November 9, 2023 and January 11, 2023 to extend the term up to and amend the interest rate of USD loan to 4.5% and 3.5% per annum effective retrospectively since January 1, 2023 and January 1, 2022, respectively. As of March 31, 2024, December 31, 2023, and 2022, total outstanding balance of this loan amounted to US$ 21,475,269, US$21,306,731, and US$18,886,244 respectively, and the finance charges on this loan, which is capitalized as part of principal, amounted to US$1,475,269, US$1,246,731, and US$386,244, respectively.

14. SIGNIFICANT BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

b. Significant balances with related parties (continued)

Loans payable to related parties (continued)

KS Orka Renewables Pte. Ltd. (continued)

On October 13, 2022, the Company (the "Borrower") entered into another CN¥65.2 million and US$10 million loan agreements with KS Orka. The rate of interest on CN¥ loan for each interest period is LPR and the rate of interest on USD loan for each interest period is LIBOR plus three (3) percent. Repayment is anytime, subject to five (5) business days prior written notice to KS Orka and not later than the termination date, which is on October 12, 2024 for the three-month period ended March 31, 2024 and for the years ended December 31, 2023 and 2022. While the payment of the interest shall be made at the termination date. The aforementioned loan agreement has been amended with latest on November 9, 2023 and January 11, 2023 to amend the interest rate of USD loan to 4.5% and 3.5% per annum effective retrospectively since January 1, 2023 and January 1, 2022, respectively. As of March 31, 2024, December 31, 2023 and 2022, total outstanding balance of this loan amounted to US$20,057,336, US$19,909,717, and US$17,067,614 respectively, and the finance charges on this loan, which is capitalized as part of principal, amounted to US$1,061,921, US$870,042, and US$136,269, respectively.

On November 22, 2022, the Company (the "Borrower") entered into another US$20 million loan agreements with KS Orka which effective starting from November 22, 2022. The rate of interest on USD loan for each interest period is 3.5 percent. Repayment is anytime, subject to five (5) business days prior written notice to KS Orka and not later than the termination date, which is on November 22, 2024 for the three-month period ended March 31, 2024 and for the years ended December 31, 2023 and 2022. The aforementioned loan agreement has been amended with latest on November 9, 2023 to amend the interest rate to 4.5% per annum effective retrospectively since January 1, 2023. As of March 31, 2024, December 31, 2023 and 2022, total outstanding balance of this loan amounted to US$19,680,021, US$19,463,818, and US$5,018,472 respectively, and the finance charges on this loan, which is capitalized as part of principal, amounted to US$789,782, US$573,579, and US$18,472, respectively.

On July 18, 2023 the Company (the "Borrower") entered into another CN¥70 million and US$10 million loan agreements with KS Orka which effective starting from April 13, 2023. The rate of interest on CN¥ loan for each interest period is LPR and the rate of interest on USD loan for each interest period is 4.5% interest per annum. Repayment is anytime, subject to five (5) business days prior written notice to KS Orka and not later than the termination date. While the payment of the interest shall be made at the termination date, which is on June 13, 2025 for three-month period ended March 31, 2024 and for the year ended December 31, 2023. As of March 31, 2024 and December 31, 2023, total outstanding balance of this loan amounted to US$9,799,829 and US$9,825,053 respectively, and the finance charges on this loan, which is capitalized as part of principal, amounted to US$332,659 and US$248,154, respectively.

14. SIGNIFICANT BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

b. Significant balances with related parties (continued)

Loans payable to related parties (continued)

KS Orka Renewables Pte. Ltd. (continued)

On November 8, 2023, the Company (the "Borrower") entered into another US$17.6 million loan agreements with KS Orka which effective starting from November 8, 2023. The rate of interest on USD loan for each interest period is 4.5% per annum. Repayment is anytime, subject to five (5) business days prior written notice to KS Orka and not later than the termination date, which is on November 7, 2024 for three-month period ended March 31, 2024 and for the year ended December 31, 2023. As of March 31, 2024 and December 31, 2023, total outstanding balance of this loan amounted to US$17,896,238 and US$17,723,875 respectively, and the finance charges on this loan, which is capitalized as part of principal, amounted to US$296,238 and US$123,875, respectively.

On November 9, 2023, the Company (the "Borrower") entered into another CN¥150 million and US$17 million loan agreements with KS Orka which effective starting from November 9, 2023. The rate of interest on CN¥ loan for each interest period is LPR and the rate of interest on USD loan for each interest period is 4.5% interest per annum. Repayment is anytime, subject to five (5) business days prior written notice to KS Orka and not later than the termination date. While the payment of the interest shall be made at the termination date, which is on November 8, 2025 for three-month period ended March 31, 2024 and for the year ended December 31, 2023. As of March 31, 2024 and December 31, 2023, total outstanding balance of this loan amounted to US$8,783,959, and US$8,805,167 respectively, and the finance charges on this loan, which is capitalized as part of principal, amounted to US$148,212 and US$69,329, respectively.

Kaishan Compressor (Hong Kong) Co. Ltd.

On March 10, 2021, the Company (the "Borrower") entered into a US$20 million loan agreement with Kaishan Compressor (Hong Kong) Co. Ltd. ("KHK"). The rate of interest on USD loan for each interest period is LIBOR plus three (3) percent interest per annum. Repayment is anytime, subject to five (5) business days prior written notice to KHK and not later than the termination date, which is on March 10, 2026 for the three-month period ended March 31, 2024 and for the year December 31, 2023 and 2022 and March 9, 2022 for the year ended December 31, 2021. The aforementioned loan agreement has been amended on November 9, 2023 to amend the interest rate to 4.5% per annum effective retrospectively since January 1, 2023. As of March 31, 2024, December 31, 2023, 2022, and 2021, total outstanding balance of this loan amounted to US$2,997,300, US$2,967,725, US$7,166,900, and US$6,666,900 respectively, and the finance charges on this loan, which is capitalized as part of principal, amounted to US$397,300, US$367,725, US$166,900, and US$166,900, respectively. During 2022, KHK agreed to waive the interest payable borne by the Company for the period of January to December.

On October 1, 2021, the Company (the "Borrower") entered into another CN¥62.4 million loan agreement with KHK. The rate of interest on CN¥ loan for each interest period is LPR interest per annum. Repayment is anytime, subject to five (5) business days prior written notice to KHK and not later than the termination date, which is on November 1, 2024 for the three-month period ended March 31, 2024 and for the years ended December 31, 2023, 2022, and 2021. While the payment of the interest shall be made at the termination date. As of March 31, 2024, December 31, 2023, 2022 and 2021, total outstanding balance of this loan amounted to US$9,127,073, US$9,148,777, US$9,001,324, and US$9,865,113 respectively, and the finance charges on this loan, which is capitalized as part of principal, amounted to US$491,326, US$412,938, US$80,573, and US$80,573, respectively. During 2022, KHK agreed to waive the interest payable borne by the Company for the period of January to December.

14. SIGNIFICANT BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

b. Significant balances with related parties (continued)

Loans payable to related parties (continued)

Zhejiang Kaishan Energy Equipment Co., Ltd.

On December 13, 2021, the Company (the "Borrower") entered into a US$5 million loan agreement with Zhejiang Kaishan Energy Equipment Co., Ltd. ("ZKEE"). The rate of interest on USD loan for each interest period is LIBOR plus three (3) percent interest per annum. Repayment is anytime, subject to five (5) business days prior written notice to ZKEE and not later than the termination date, which is on December 13, 2025 for the three-month period ended March 31, 2024 and for the year ended December 31, 2023 and December 13, 2023 for the years ended December 31, 2022 and 2021. The aforementioned loan agreement has been amended with latest on November 10, 2023 and January 11, 2023 to amend the interest rate to 4.5% and 3.5% per annum effective retrospectively since January 1, 2023 and January 1, 2022, respectively. As of March 31, 2024, December 31, 2023, 2022, and 2021, total outstanding balance of this loan amounted to US$1,290,669, US$1,277,247, US$1,223,557, and US$1,181,683 respectively, and the finance charges on this loan, which is capitalized as part of principal, amounted to US$110,669, US$97,247, US$43,557, and US$1,683, respectively.

On January 7, 2022, the Company (the "Borrower") entered into another US$5 million loan agreement with ZKEE. The rate of interest on USD loan for each interest period is LIBOR plus three (3) percent interest per annum. Repayment is anytime, subject to five (5) business days prior written notice to ZKEE and not later than the termination date, which is on January 7, 2026 for the three-month period ended March 31, 2024 and January 7, 2024 for the years ended December 31, 2023 and 2022. While the payment of the interest shall be made at the termination date. The aforementioned loan agreement has been amended several times on November 10, 2023 and January 11, 2023 to amend the interest rate to 4.5% and 3.5% per annum effective retrospectively since January 1, 2023 and January 1, 2022, respectively. As of March 31, 2024, December 31, 2023 and 2022, total outstanding balance of this loan amounted to US$1,089,639, US$1,078,264, and US$1,032,763 respectively, and the finance charges on this loan, which is capitalized as part of principal, amounted to US$89,639, US$78,264, and US$32,763, respectively.

On January 28, 2022, the Company (the "Borrower") entered into another US$20 million loan agreement with ZKEE. The rate of interest on USD loan for each interest period LIBOR plus three (3) percent interest per annum. Repayment is anytime, subject to five (5) business days prior written notice to ZKEE and not later than the termination date, which is on January 28, 2026 for the three-month period ended March 31, 2024 and January 28, 2024 for the years ended December 2023 and 2022. While the payment of the interest shall be made at the termination date. The aforementioned loan agreement has been amended with latest on November 10, 2023 and January 11, 2023 to amend the interest rate to 4.5% and 3.5% per annum effective retrospectively since January 1, 2023 and January 1, 2022, respectively. As of March 31, 2024, December 31, 2023 and 2022, total outstanding balance of this loan amounted to US$16,178,326, US$16,008,839, and US$15,330,889 respectively, and the finance charges on this loan, which is capitalized as part of principal, amounted to US$1,278,326, US$1,108,839, and US$430,889, respectively.

As of March 31, 2024, December 31, 2023, 2022 and 2021, the total outstanding balance of the loan to related parties amounted to US$357 million, US$356 million, US$295 million and US$214 million, respectively.

(Expressed in United States Dollar, unless otherwise stated)

14. SIGNIFICANT BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

c. Significant transactions with related parties

Compensation expenses to Board of Directors and Commissioners of the Company for the year ended December 31, 2022 were US$199,166, while for the three-month periods ended March 31, 2024 and 2023 and for the years ended December 31, 2023 and 2021, were paid by the Parent Entity and are not charged to the Company.

15. LOANS PAYABLE

	March 31, (Unaudited)	December 31,		
	2024	2023	2022	2021
Third parties	106,131,986	106,828,807	139,037,911	179,045,000
Related parties (Note 14)	357,057,412	356,382,809	294,994,714	214,254,211
Total	463,189,398	463,211,616	434,032,625	393,299,211
Less current portion	(268,402,047)	(288,001,473)	(88,022,048)	(180,127,834)
Total non-current portion	**194,787,351**	**175,210,143**	**346,010,577**	**213,171,377**

Loans payables are denominated in the following currencies:

	March 31, (Unaudited)	December 31,		
	2024	2023	2022	2021
US Dollar	330,731,378	329,848,613	301,706,316	251,456,301
Yuan Renminbi	132,458,020	133,363,003	132,326,309	141,842,910
Total	**463,189,398**	**463,211,616**	**434,032,625**	**393,299,211**

The interest expense on the above loans are as follows:

	March 31, (Unaudited)		December 31,		
	2024	2023	2023	2022	2021
Total interest of the loans	5,175,590	4,967,225	20,256,794	15,040,229	14,159,516
Less: capitalized to exploration and evaluation assets (Note 8)	(1,704,842)	(2,012,485)	(8,398,240)	(8,435,916)	(10,063,206)
Finance expenses	**3,470,748**	**2,954,740**	**11,858,554**	**6,604,313**	**4,096,310**

Loans payable to third parties

On July 3, 2017, the Company entered into a Syndicated Loan Facility agreement with Export Import Bank of China (“Leading Bank”), Bank of China Limited, Quzhou Branch (“Participating Bank A”), and Bank of China, Jakarta Branch (“Participating Bank B”) for a loan facility in an aggregate principal amount up to US$100 million and ¥960 million, which will be due on April 18, 2027, payable in accordance with the repayment schedule in the agreement. The purpose of such loan is to support the Company’s geothermal project.

15. LOANS PAYABLE (continued)

Loans payable to third parties (continued)

On July 3, 2017, the Company entered into a Syndicated Loan Facility agreement with Export Import Bank of China ("Leading Bank"), Bank of China Limited, Quzhou Branch ("Participating Bank A"), and Bank of China, Jakarta Branch ("Participating Bank B") for a loan facility in an aggregate principal amount up to US$100 million and ¥960 million, which will be due on April 18, 2027, payable in accordance with the repayment schedule in the agreement. The purpose of such loan is to support the Company's geothermal project.

Under the agreement, the loan bears interest at the respective rates:

Applicable Interest Rate for the Leading Bank

For the periods prior to June 30, 2023, the interest rate for Yuan Renminbi ("RMB") loan shall be determined on whether or not the People's Bank of China approves the Leading Bank's pledged supplemental lending ("PSL") funds application or extension application.

(i) Interest Rate A using PSL Funds:
The Leading Bank shall determine the interest rate within the upper limit of PSL interest rate in the applying month of PSL fund plus 1.25%. The interest rate shall be the floating rate and determined once every year.

(ii) Interest Rate A not using PSL Funds:
The Leading Bank shall apply interest rate of 2.65% p.a based on the fixed interest rate of the loan.

The interest rate for US Dollar ("US$") loan shall be determined by the sum of six months the London Inter-Bank Offered Rate ("LIBOR") plus 2.7% or plus 5% if the Leading Bank fails to use PSL funds for the RMB loan.

On June 28, 2023 the Company and the Leading Bank, the Participating Bank A and B agreed to amended the Loan Agreement to amend the interest rate benchmark to Secured Overnight Financing Rate ("SOFR") plus credit adjustment spread plus margin 2.7%, the benchmark switch date effective since June 30, 2023.

The interest rate for the RMB loans shall be 5% lower than the business lending benchmark rate for RMB loans applied by financial organizations of the same level released by the People's Bank of China and is determined once every year. The annual interest rate for the first year is determined with reference to the commercial loan interest rate on the disbursement date of the first loan. After that, the annual interest rate shall be determined with reference to the People's Bank of China issued on the same grade of commercial lending rates on the day, every one year following the disbursement date of the first loan.

As for the US$ loan, the interest rate shall be determined by the sum of six months SOFR plus credit adjustment spread plus margin 2.7% and shall be determined on a 6-month basis. The interest on the loan is payable on the next day of the interest determination date, i.e., March 20th, June 20th, September 20th and December 20th.

As of March 31, 2024, December 31, 2023, 2022, and 2021, the Company has outstanding loan balance amounting to US$106.1 million, US$106.8 million, US$139 million, and US$179 million, respectively. The Company, under its loan agreement, is subject to various covenants, among others the Company's own funds should not be less than 30% of the total project investment, to provide its latest financial statements quarterly, to provide its audited financial statement by end of April of the following year, to provide quarterly and annual loan and capital utilization report to confirm loan statement within 5 days of receipt, and to maintain asset-liability ratio of not more than 80%. As of March 31, 2024, December 31, 2023, 2022, and 2021, the Company has complied with such loan covenants.

(Expressed in United States Dollar, unless otherwise stated)

15. LOANS PAYABLE (continued)

Loans payable to third parties (continued)

The loan is secured by the following security documents:
(i) Joint liability guarantee, with full responsibility, provided by Zhejiang Kaishan Compressor Co. Ltd. (now Kaishan Group Co. Ltd.) ("Zhejiang Kaishan Guarantee Contract" No. 3-005).
(ii) Share pledged by Kaishan Holding Group Limited, a related party ("Kaishan Holding Pledge of Shares" No. 3-007).

Each lender shall have the above security interests based on its percentage of the loan.

16. TAXATION

a. Taxes payable

	March 31, (Unaudited)	December 31,		
	2024	2023	2022	2021
Value added tax	2,273,792	2,657,056	6,504,869	6,068,794
Article 21	123,255	77,936	48,456	91,806
Article 23/26	246,468	437,272	213,408	654,608
Article 4(2)	81,704	93,988	130,432	258,785
Total	**2,725,219**	**3,266,252**	**6,897,165**	**7,073,993**

b. Income tax expense

The reconciliation between profit before income tax expense multiplied by the applicable tax rate and income tax expense is as follows:

	March 31, (Unaudited)		December 31,		
	2024	2023	2023	2022	2021
Profit before income tax expense per statements of profit or loss and other comprehensive income	7,697,034	4,384,423	26,165,022	27,475,117	12,559,361
Tax at the applicable tax rate	1,693,348	964,573	5,756,305	6,044,526	2,763,059
Effect of Corporate Income Tax reduction facility	(1,693,348)	(964,573)	(5,756,305)	(6,044,526)	(2,763,059)
Income tax expense	-	-	-	-	-

The Company submits tax returns on the basis of self-assessment. Under the taxation laws of Indonesia, the Directorate General of Taxes ("DGT") may assess or amend taxes within five years of the time the tax becomes due.

The Company has obtained approval from the Ministry of Finance of the Republic of Indonesia - DGT in its decision letter No. KEP-235/WPJ.07/2017 dated September 25, 2017, to use US Dollar for tax reporting purpose which was effective from fiscal year 2018 and onwards.

(Expressed in United States Dollar, unless otherwise stated)

16. TAXATION (continued)

b. Income tax expense (continued)

The Ministry of Finance of Republic of Indonesia has granted Corporate Income Tax reduction facility for the Company under the decree No. 266/KM.3.2019 dated May 8, 2019, in the form of:

- Reduction of 100% for the period of ten fiscal years, starting from the fiscal year of the commencement of Commercial Operation Date.
- Reduction of 50% from Income Tax Payable for the period of two fiscal years, starting from the ending of the first ten fiscal years.
- Exemption from withholding and collection of taxes from third parties on the income received by the Company for the period of ten fiscal years, starting from the fiscal year of the commencement of Commercial Operation Date.

As of December 31, 2020, the Company has complied with all of the procedures as required by the Tax Office in order to release its decree in determining the Company's initial commercial operation date. The Company is allowed to use the Corporate Income Tax Reduction Facility starting from fiscal year 2020. Thus, starting from fiscal year 2020, the Company no longer utilized its estimated fiscal losses carry forward and utilized the tax reduction facility.

As of March 31, 2024, December 31, 2023, 2022 and 2021, the Company did not recognize deferred tax assets from tax loss carry forward and deductible temporary differences since the Company has obtained tax reduction facility. As such, there will be no taxable income to which the deductible differences can be applied to within the next 10 years, from the first commencement of Commercial Operation Date.

17. SHARE CAPITAL AND DEPOSIT FOR FUTURE STOCK SUBSCRIPTION

a. Share capital

The composition of the Company's shareholders as of March 31, 2024, December 31, 2023, 2022 and 2021 is as follows:

Shareholders	Number of shares	Amount	Percentage of ownership
OTP Geothermal Pte. Ltd.	7,082	141,640,000	95%
PT Supraco Indonesia	373	7,460,000	5%
	7,455	**149,100,000**	**100%**

The Company manages capital with the objective of being able to continue as a going concern and sustaining its ability to provide returns for shareholders and benefits for other stakeholders, as well as maintaining an optimal capital structure to minimize the effective cost of capital.

In order to maintain or adjust its capital structure, the Company may adjust its operating strategy as market conditions change. No changes were made in the objectives, policies or processes in 2024.

(Expressed in United States Dollar, unless otherwise stated)

17. SHARE CAPITAL AND DEPOSIT FOR FUTURE STOCK SUBSCRIPTION (continued)

b. Deposit for future stock subscription

This account represents deposit from the Company's shareholders for future stock subscription received through several capital injections received in 2018, 2019, 2021, 2022 and 2023 amounting to US$60.1 million, US$11.6 million, US$145.5 million, US$17.2 million, and US$0.5 million, respectively. The Company has to obtain approval from Head of Indonesia Investment Coordinating Board and Ministry of Law and Human Rights of the Republic of Indonesia to convert such deposit into share capital. Up to the completion date of the financial statements, the Company has yet to obtain such approvals.

18. ADMINISTRATIVE EXPENSES

	March 31, (Unaudited)		December 31,		
	2024	2023	2023	2022	2021
Salaries, employees' allowances and benefits	648,591	387,093	2,221,732	1,378,997	1,602,108
Security	602,945	148,864	595,455	-	496,182
Land and building tax	367,393	208,151	1,197,323	441,170	154,131
Telecommunication and office supplies	173,263	105,308	360,242	285,522	187,180
Transportation	120,286	91,153	415,453	365,876	220,633
Professional fees	102,792	67,614	281,425	85,306	65,430
Travelling and accommodation	80,911	66,958	299,769	149,906	92,308
Repairs and maintenance	55,920	105,362	202,152	214,564	186,845
Community develoment and community relation	55,625	21,543	201,786	194,112	363,331
Waste treatment and management	55,451	81,957	246,244	23,823	81,914
Donation and representations	11,493	-	115,606	190,207	136,241
Others	224,161	156,409	630,338	728,585	1,530,532
Total	**2,498,831**	**1,440,412**	**6,767,525**	**4,058,068**	**5,116,835**

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Company's financial instruments are market risk, credit risk and liquidity risk. The importance of managing these risks has significantly increased in light of the considerable change and volatility in both Indonesian and international financial markets.

The Company's Board of Directors reviews and agree policies for managing each of these risks which are described in more details as follows:

a. Market risk

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to exchange rate fluctuations results primarily from cash on hand and in banks, other current assets, loans payable, accounts payables and other liabilities in foreign currencies.

Management closely monitors the foreign exchange rate fluctuation and market expectation, so it can take necessary actions which benefit the Company in due time. Management currently does not consider the necessity to enter into any currency forward or swaps.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

a. Market risk (continued)

Sensitivity Analysis for Foreign Currency Risk

As of March 31, 2024 and 2023 and December 31, 2023, 2022, and 2021, if Indonesian Rupiah strengthened/weakened by 10% against the US Dollar, with all other variables held constant, profit before income tax expense would have been lower/higher in March 31, 2024 and 2023 and December 31, 2023, 2022, and 2021 by US$1,337,460 and US$1,144,223, and US$1,223,604, US$1,429,819, and US$1,917,979, respectively, mainly as a result of foreign exchange losses/gains on the translation of cash on hand and in banks, other current assets, accounts payables and other liabilities in Indonesian Rupiah.

As of March 31, 2024 and 2023 and December 31, 2023, 2022, and 2021, if Yuan Renminbi strengthened/weakened by 10% against the US Dollar, with all other variables held constant, profit before income tax expense would have been lower/higher in March 31, 2024 and 2023, and December 31, 2023, 2022, and 2021 by US$15,268,817 and US$15,898,442, and US$15,541,026, US$15,455,678, and US$16,630,219, respectively, mainly as a result of foreign exchange losses/gains on the translation of cash on hand and in banks and loans payable in Yuan Renminbi.

Interest Rate Risk

Under the loan from third parties and related parties, the Company is subject to interest risk against the fluctuation in SOFR and LIBOR rate and PSL fund rate. The following table shows the sensitivity to a reasonably possible change in interest rates on the borrowings which are not hedged.

	Change in SOFR/PSL fund rate	Effect on profit before income tax expense
March 31, 2024	+3%	(771,170)
	-3%	771,170

	Change in LIBOR/PSL fund rate	Effect on profit before income tax expense
March 31, 2023	+3%	(1,052,757)
	-3%	1,052,757

	Change in SOFR/PSL fund rate	Effect on profit before income tax expense
December 31, 2023	+3%	(3,546,699)
	-3%	3,546,699

	Change in SOFR/PSL fund rate	Effect on profit before income tax expense
December 31, 2022	+3%	(3,664,871)
	-3%	3,664,871

	Change in SOFR/PSL fund rate	Effect on profit before income tax expense
December 31, 2021	+3%	(2,076,756)
	-3%	2,076,756

(Expressed in United States Dollar, unless otherwise stated)

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

b. Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should counterparty default on its obligations. The Company's exposure to credit risk is primarily attributable to cash in banks. It is the Company's policy not to place investments in instruments that have a high credit risk and only put the investments in banks with high credit ratings. As of March 31, 2024, the Company is believes that there are no significant concentrations of credit risk involving cash in banks. As of December 31, 2023, 2022, and 2021, the Company is subject to concentration of credit risk on cash in bank placed in PT Bank ANZ Indonesia represent 97%, 66%, and 69% of total cash in banks, respectively. With respect to credit risk arising from trade receivables and finance lease receivables, the Company is subject to concentration of credit risk as the Company has only one customer, PLN. As of March 31, 2024, December 31, 2023, 2022, and 2021, the Company's maximum exposure to credit risk is represented by the carrying amounts as shown in Notes 4, 5, and 11.

c. Liquidity risk

The Company manages its liquidity profile to be able to finance its capital expenditure and service its maturing debts by maintaining sufficient cash, and the availability of funding through an adequate amount of committed credit facilities.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows as of March 31, 2024, December 31, 2023, 2022 and 2021:

	March 31, 2024			
	Below 1 year	1-5 years	5 years	Total
Accounts payables and other liabilities	247,643,567	-	-	247,643,567
Loans payable to third parties *)	34,409,473	80,208,661	-	114,618,134
Loans payable to related parties *)	247,320,834	127,129,636	-	374,450,470
Total	**529,373,874**	**207,338,297**	**-**	**736,712,171**

	December 31, 2023			
	Below 1 year	1-5 years	5 years	Total
Accounts payables and other liabilities	240,286,459	-	-	240,286,459
Loans payable to third parties *)	35,271,717	83,421,445	-	118,693,162
Loans payable to related parties *)	269,931,469	102,786,972	-	372,718,441
Total	**545,489,645**	**186,208,417**	**-**	**731,698,062**

	December 31, 2022			
	Below 1 year	1-5 years	5 years	Total
Accounts payables and other liabilities	198,032,823	-	-	198,032,823
Loans payable to third parties *)	36,423,926	117,849,126	-	154,273,052
Loans payable to related parties *)	60,185,728	251,384,984	-	311,570,712
Total	**294,642,477**	**369,234,110**	**-**	**663,876,587**

	December 31, 2021			
	Below 1 year	1-5 years	5 years	Total
Accounts payables and other liabilities	177,418,901	-	-	177,418,901
Loans payable to third parties *)	39,256,653	144,379,465	16,601,545	200,237,663
Loans payable to related parties *)	153,526,532	68,744,395	-	222,270,927
Total	**370,202,086**	**213,123,860**	**16,601,545**	**599,927,491**

*) Includes future interest payment

(Expressed in United States Dollar, unless otherwise stated)

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

d. Fair value of financial instruments

Liabilities not carried at fair value but for which fair value is disclosed

The following tables show an analysis of the Company's liabilities not measured at fair value as of March 31, 2024, December 31, 2023, 2022 and 2021, but for which fair value is disclosed:

	March 31, 2024				
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total	Carrying amount
Loans payable - related parties	-	364,076,820	-	364,076,820	357,057,412

	December 31, 2023				
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total	Carrying amount
Loans payable - related parties	-	360,014,694	-	360,014,694	356,382,809

	December 31, 2022				
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total	Carrying amount
Loans payable - related parties	-	299,020,921	-	299,020,921	294,994,714

Fair value of financial assets and financial liabilities

Cash on hand and in banks, trade receivables, other current assets, account payables and other liabilities have relatively short-term maturities, thus the carrying values of the financial instruments approximate their fair values.

For loans payable - third parties, the carrying amount approximates its fair value because they are adjusted with the movement of market interest rates.

As of March 31, 2024, the Company did not have financial instruments measured at fair value on a recurring basis and therefore did not present fair value hierarchy.

(Expressed in United States Dollar, unless otherwise stated)

20. NON-CASH TRANSACTION

	March 31, (Unaudited)		December 31,		
	2024	2023	2023	2022	2021
Reclassification of exploration and evaluation assets to construction in progress	10,144,090	18,328,521	78,675,335	113,142,178	366,418,173
Capitalization of finance expense to exploration and evaluation assets	1,663,380	1,619,916	7,858,528	7,939,086	10,063,206
Capitalization of depreciation and amortization expense to exploration and evaluation assets	458,298	438,949	2,178,827	2,138,836	1,373,986
Reclassification of advance to exploration and evaluation assets	63,667	18,628	381,706	2,186,363	-
Capitalization of remeasurement on defined benefit plan to exploration and evaluation assets	53,537	54,310	170,522	172,020	166,840
Addition of fixed assets through accounts payables	-	10,395	16,431	340,815	229,972
Reclassification of construction in progress to property on operating lease	-	-	164,777,729	307,112,540	285,354,162
Reclassification of advance to other non-current assets	-	-	-	599,942	329,074

21. CONTINGENCY

On October 31, 2023, a third party supplier ("Claimant") initiated an arbitration against the Company ("Respondent") at the Singapore International Arbitration Centre, demanding payment for a drilling service. The Company, represented by their lawyer, responded on November 14, 2023, disputing the claim and issuing a counterclaim for compensation for delays that resulted in financial losses.

As of the date of the financial statements were finalized, the Company was still waiting for the Singapore International Arbitration Centre's decision. Management has made a reasonable financial provision for this claim which has been recorded in the financial statements.

22. SUPPLEMENTARY CASH FLOW INFORMATION

Changes in liabilities arising from financing activities is as follows:

	January 1, 2024	Cash Flow	Others*)	March 31, 2024
Current maturities of loans payable	288,001,473	(1,668,272)	(17,931,154)	268,402,047
Loans payable - net of current maturities	175,210,143	(2,000,000)	21,577,208	194,787,351
Total	**463,211,616**	**(3,668,272)**	**3,646,054**	**463,189,398**

	January 1, 2023	Cash Flow	Others*)	December 31, 2023
Current maturities of loans payable	88,022,048	(38,086,699)	238,066,124	288,001,473
Loans payable - net of current maturities	346,010,577	49,766,369	(220,566,803)	175,210,143
Total	**434,032,625**	**11,679,670**	**17,499,321**	**463,211,616**

	January 1, 2022	Cash Flow	Others*)	December 31, 2022
Current maturities of loans payable	180,127,834	(38,791,762)	(53,314,024)	88,022,048
Loans payable - net of current maturities	213,171,377	76,731,147	56,108,053	346,010,577
Total	**393,299,211**	**37,939,385**	**2,794,029**	**434,032,625**

*) Represents the capitalization of interest as part of the principal and effect of the reclassification to current maturities of loans payable

(Expressed in United States Dollar, unless otherwise stated)

22. SUPPLEMENTARY CASH FLOW INFORMATION (continued)

Changes in liabilities arising from financing activities is as follows: (continued)

	January 1, 2021	Cash Flow	Others*)	December 31, 2021
Current maturities of loans payable	80,685,185	(39,890,100)	139,332,749	180,127,834
Loans payable - net of current maturities	259,745,002	75,406,224	(121,979,849)	213,171,377
Total	**340,430,187**	**35,516,124**	**17,352,900**	**393,299,211**

*) Represents the capitalization of interest as part of the principal and effect of the reclassification to current maturities of loans payable

23. MANAGEMENT PLAN ON BUSINESS CONTINUITY

As shown in the financial statements, the Company's current liabilities significantly exceeded its current assets by US$483 million as of March 31, 2024. In response to these conditions, the Company's management measurement and plans are as follows:

a. The Company's current loans are mainly from related parties. Therefore, there is flexibility over extension to the loan repayment schedule in order to match with the estimated cash inflow of the Company from the sale of electricity.
b. The Company's loan to third parties lender is secured by joint liability guarantee, with full responsibility, by Kaishan Group Co., Ltd., a related party and pledged of share of Kaishan Holding Group Limited, the ultimate parent.
c. The Company obtained full commitment from the shareholder and ultimate parent, which states that they undertake to provide financial and other support as necessary, including but not limited to the advances of loans and/or contribution of additional capital. The Company has received their commitment to provide the Company with continuous financial and operational support to enable it to continue as a going concern and to meet its obligations as they fall due, at least up to March 31, 2025.
d. The Company's plan for future actions to address the negative working capital is by achieving the Commercial Operation Date ("COD") for the fourth power plant unit for Phase II and the fifth power plant unit in August 2024 and January 2025, respectively and start to sell of electricity with maximum capacity to PLN, in which the receipt of payment from PLN will start in September 2024. Currently the Company is also actively seeking the new financing project to address the negative working capital.

The Company's management believes the construction of further units of power plant will increase its profit to improve the Company's future performance and its ability to repay the loan and finance its operations.

24. EVENTS AFTER THE REPORTING PERIOD

Based on Notarial Deed No. 4 by Shahreza Annaz, S.H., M.Kn., dated June 14, 2024, the shareholders have decided the following matters:

i. Changes of the Company's office address to Menara Sentraya 19th floor, unit A4-B4, Jalan Iskandarsyah Raya No. 1A, RT 3/RW 1, Melawai, Kebayoran Baru, Jakarta Selatan, 12160.

(Expressed in United States Dollar, unless otherwise stated)

24. EVENTS AFTER THE REPORTING PERIOD (continued)

Based on Notarial Deed No. 4 by Shahreza Annaz, S.H., M.Kn., dated June 14, 2024, the shareholders have decided the following matters: (continued)

ii. Changes in the composition of the Company's Board of Commissioners and Directors are as follows:

Board of Commissioners	
President Commissioner	Zhao Xiaowei
Commissioners	Yang Jianjun
	Ir. Bibin Busono
Board of Directors	
President Director	Yan Tang
Directors	Cao Kejian
	Runar Thor Jonsson
	Zhou Ming
	Muhammad Hamid

The amendment was approved by Ministry of Law and Human Rights of the Republic of Indonesia through its Decision Letter No. AHU-AH.01.09-0216464 year 2024 dated June 21, 2024. As the completion date of the financial statements, the publication in the State Gazette of the Republic Indonesia is still on process.

25. PURPOSE OF THE PREPARATION AND ISSUANCE OF THE FINANCIAL STATEMENTS

These financial statements have been prepared and issued solely for inclusion in the offering document in connection with the proposed offering of the debt securities of the Company's in the United States of America and outside of the United States of America in reliance on Rule 144A and Regulation S, respectively, under the United States Securities Act of 1933.

GLOSSARY OF TECHNICAL TERMS

Electricity generation facilities	Facilities, including the geothermal generator unit(s), required for the conversion of geothermal energy into electricity and for the delivery of such electricity to the point of interconnection where electricity from such geothermal generator unit is delivered for transmission.
Exploration well	Wells that are used for the exploration of geothermal resources. The size and objective of the development will determine the number and type of wells to be included in exploratory drilling programs that serve as exploration wells.
Flash	A single flash geothermal steam turbine/screw expander driving a generator. Flash refers to the essentially instantaneous conversion of hot geothermal fluid (brine) to steam as the pressure of the fluid is rapidly reduced.
Field facilities	Facilities required to capture, produce and process geothermal energy and transport and deliver geothermal energy to geothermal generator unit, which facilities shall include but not be limited to pumps, wells and wellsites, pipeline systems, separators, roads, structures, water disposal and water process facilities related to such purposes.
GDP	The total market value of all final goods and services produced in a country in a given year, equal to total consumer, investment and government spending, plus the value of exports, minus the value of imports.
Greenhouse gases	Greenhouse gases as defined in the Kyoto Protocol are those gases that absorb and emit radiation within the thermal infrared range. The Kyoto Protocol specifically commits to a reduction in four greenhouse (carbon dioxide, methane, nitrous oxide and sulphur hexafluoride) and two groups of gases (hydrofluorocarbons and perfluorocarbons) as being the most damaging to the environment.
GW	Gigawatt, or one billion watts, or one million kilowatts, or one thousand megawatts, a watt being of power, equal to one joule of energy per second.
GWh	Gigawatt-hour, or one million kilowatt-hours, or one thousand megawatt-hours, a watt-hour being the basic unit of energy. GWh is typically used as a measure for the annual energy production of large power plants.
Hectare	A metric unit of square measurement equal to 10,000 square meters, or approximately 2.471 acres.
Injection wellpad	The platform on which injection wells are drilled.

kV	Kilovolt, equal to a thousand volts, the volt being the basic unit of electrical potential.
kVA	Kilovolt-amperes (or kilovolt-amps), or a unit of apparent power, equal to 1,000 volt-amperes.
kW	Kilowatt, or one thousand watts, or 0.001 megawatts, or 0.000001 gigawatts.
kWh	Kilowatt-hour, the standard unit of energy used in the electric power industry. One kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour. One kilowatt-hour is 0.001 megawatt-hours, or 0.000001 gigawatt-hours.
Make-up well	A geothermal production well that is drilled during the operational period of a geothermal power station to maintain or "**make up**" the steam supply to ensure generation at full capacity of the power plant.
MVA	Megavolt amp, millions of volt amperes, which are a measure of apparent power.
MW	Megawatt, or one million watts, or one thousand kilowatts, or 0.001 gigawatts.
MWh	Megawatt-hour, or one thousand kilowatt-hours, or 0.001 gigawatt-hours.
Net electrical output	The net energy delivered by us to PLN from each geothermal generator unit, in kWh, as measured at the metering point at the end of each month.
Net electric power	Electric power less any energy used in its production.
Non-commercial well	A geothermal well that is not commercially viable either because it produces steam or brine at a pressure which is below that required by the turbine, or at a flow rate which does not economically justify its connection to the turbine.
Point of interconnection	With respect to each geothermal generator unit installed for delivery of electricity under the PPA, the transmission terminals on the main transformer of each geothermal generator unit where electricity from such geothermal generator unit is delivered for transmission.
Production well	A geothermal well that is used for the production to the surface of the earth of geothermal fluid from a geothermal reservoir. Geothermal fluids may be steam or hot water. Geothermal fluids that are hot enough may be used for electrical power generation.

TWh	Terawatt hour, or 1 billion kilowatt hours. The amount of energy that would be produced by a 1,000,000 MW generator over a period of one hour, or a 114 MW generator over a period of approximately one year.
Unit rated capacity	The average gross kilowatt generating capacity of a geothermal generator unit determined by operating the unit at its maximum attainable output for a continuous 72 hour test period, with all equipment operating within manufacturer's specifications. Such generating capacity shall be measured at the metering point, which means the generator terminals on the main transformer of each unit where electricity from such unit is measured. The generation and equipment data shall be recorded during the test, and unit generating capacity shall be corrected to design and operating conditions in accordance with test procedures submitted by the manufacturer and mutually agreed to by us and PLN (the "**Parties**"). Such test will be performed for each unit once per calendar year and once following each major overhaul of such unit; provided, however, that (i) such test may be performed more frequently by mutual agreement of the Parties, and (ii) upon request by PLN, such test shall be performed at any time at which such unit shall have failed to provide an average availability factor of at least 0.5 for the immediately preceding three months.
Wellpad	A platform prepared to allow a drilling rig to drill a well.
Wellhead	The piping and valve structure used at the top of a well.

ISSUER

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