

PRESS RELEASE

ADDITIONAL GAS FROM JAMBARAN TIUNG BIRU FIELD SECURE RAW MATERIALS FOR PETROKIMIA GRESIK FERTILIZER PRODUCTION 2023

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<u>Petrokimia Gresik</u>, an Agro-industrial Solutions company and a holding member of the <u>Pupuk Indonesia</u>, received an additional natural gas supply of 15 to 17 Million Standard Cubic Feet per Day (MMSCFD) from the Jambaran Tiung Biru (JTB) Field in Bojonegoro, East Java. This additional gas will be used to secure fertilizer raw materials, for production in 2023 to meet national fertilizer needs so that it will run smoother.

"Along with the high national demand for fertilizer and food, the need for gas as a raw material for fertilizer is also increasing. The addition of gas supply from PT PGN (Pertamina Gas Negara) is very important for the continuity production of fertilizers in Petrokimia Gresik," said President Director of Petrokimia Gresik, Dwi Satriyo Annurogo in Gresik, East Java, on Friday (27/1).

The high demand for domestic fertilizers, one of which is marked by the increase in the government's allocation for the fulfillment of nationally subsidized fertilizers in 2023 by around 16 percent from the previous year. "With the addition of this gas supply, we are optimistic that Petrokimia Gresik will be better prepared to carry out the mandate of distributing subsidized fertilizers and meet national fertilizer needs through the commercial market properly," he said.

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The first distribution of natural gas from the JTB Field to Petrokimia Gresik was carried out on January 16, 2023. In its distribution, Petrokimia Gresik utilizes the Gresik-Semarang Charcoal Transmission Pipeline managed by Subholding Gas affiliate, PT Pertamina Gas (Pertagas).

Furthermore, Dwi Satriyo added, if the need for Petrokimia Gresik gas in the future is also increasing. This is because there are several development projects for the national fertilizer needs. Petrokimia Gresik plans to develop an Ammonia-Urea (Amurea) III Plant to increase urea production capacity.

To prepare for the plan, Petrokimia Gresik had also previously signed the Head of Agreement (HoA) of Lengo Blok Bulu Field between Petrokimia Gresik and Kris Energy Ltd. as the Cooperation Contract Contractor (KKKS). Through the cooperation, Petrokimia Gresik will get an additional gas supply of around 150 MMSCFD from the Lengo Field of the Bulu Working Area (WK) and Mustika Field and West Kepodang WK Sakti in Tuban Regency.

"Through the availability of natural gas at competitive prices, it will increase the competitiveness of Petrokimia Gresik in order to maintain national food security, increase domestic agricultural productivity, and encourage Pupuk Indonesia to go global," he said.

Previously, the President Director of Pupuk Indonesia, Bakir Pasaman, also welcomed the process of distributing the first natural gas from the JTB Field to Petrokimia Gresik. According to him, the additional gas for Petrokimia Gresik has a positive impact on the fertilizer production process.



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"We welcome with open hand of the gas process from Jambaran Tiung Biru to Petrokimia Gresik. This supply makes fertilizer production at the Petrokimia plant smoother and meets national fertilizer needs," said Bakir.

PT Petrokimia Gresik For Further Information Contact:

Corporate Secretary : Yusuf Wibisono Office : (031) 3981811

Ext. 2218

Yusuf Wibisono Email : wibisono@petrokimia-gresik.com

Corporate Secretary <u>yusufwibie@gmail.com</u>