



# PT SAPTA BORNEO UTAMA

Integrated Sugar, Ethanol, Biomass & Plantation Project

Jl Sultan Alauddin Rt.01 No.11  
Kelurahan Mekarsari, Balikpapan  
East Kalimantan 76122. Indonesia

## EPC Contract Final Version 1.0

### ENGINEERING, PROCUREMENT AND CONSTRUCTION (EPC) CONTRACT

FOR THE DEVELOPMENT OF THE INTEGRATED SUGAR, ETHANOL, BIOMASS &  
PLANTATION PROJECT

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#### PROJECT

**Integrated Sugar, Ethanol, Biomass & Plantation Project**

**Project Capacity:**

- Sugar Mill: 10,000 TCD
- Ethanol Plant: 60 KLPD
- Biomass Power Plant: 30 MW
- Plantation Development: 500 Ha Core + Plasma Expansion

**Project Location:** Jatitujuh District, Majalengka Regency, West Java, Indonesia

**Contract Value:** USD 442,500,000

**Contract Type:** Lump Sum Turnkey (LSTK) EPC Contract

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## PARTIES

### Employer

PT SAPTA BORNEO UTAMA

Registered Address:

Jl Sultan Alauddin RT.01 No.11  
Kelurahan Mekarsari  
Balikpapan 76122  
East Kalimantan  
Indonesia

Represented By:

**Sapta Riswandy** President Director

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### EPC Contractor

PT

Represented By:

Authorized Director

(Hereinafter referred to as the “Contractor”)

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## ARTICLE 1

### DEFINITIONS

"Project" means the Integrated Sugar, Ethanol, Biomass & Plantation Project.

"Facility" means all plant, machinery, equipment, infrastructure and related assets required for commercial operation.

"Contract Price" means USD 442,500,000.

"Commercial Operation Date (COD)" means the date on which performance tests have been successfully completed.

"Performance Guarantee" means the guaranteed operational performance parameters specified herein.

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## ARTICLE 2

### SCOPE OF WORK

The Contractor shall provide complete:

#### Engineering

- FEED validation
- Detailed Engineering Design
- Civil Design
- Structural Design
- Mechanical Design
- Electrical Design



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- Instrumentation Design
- Utility Design
- Environmental Design

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## Procurement

Supply of:

- Sugar Mill Equipment
- Milling Tandems
- Boilers
- Turbines
- Generators
- Ethanol Equipment
- Distillation Columns
- Storage Tanks
- Process Piping
- Electrical Systems
- SCADA Systems
- Laboratory Equipment
- Utilities Equipment

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## Construction

- Site Preparation
- Earthworks
- Civil Works
- Buildings
- Roads
- Drainage
- Process Installation



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- Electrical Installation
- Utilities Installation
- Fire Protection Systems

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### Testing & Commissioning

- Mechanical Completion
- Pre-Commissioning
- Commissioning
- Performance Testing
- Reliability Testing
- Commercial Operation

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## ARTICLE 3

### CONTRACT PRICE

Total EPC Contract Price:

**USD 442,500,000**

Breakdown:

Item	USD
Engineering	18,500,000
Civil Works	82,000,000



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Item	USD
Sugar Mill Equipment	175,000,000
Ethanol Plant	58,000,000
Biomass Power Plant	62,000,000
Utilities	22,000,000
Commissioning	10,000,000
Contingency	15,000,000
TOTAL	442,500,000

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## ARTICLE 4

### CONTRACT PERIOD

Notice to Proceed (NTP)

Month 0

Construction Completion

Month 24

Commissioning

Month 27

Commercial Operation Date (COD)



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Month 30

Total Duration:

30 Months

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## ARTICLE 5

### PAYMENT TERMS

#### Payment Method

100% Irrevocable SKBDN / Project Finance Controlled Account

Currency:

USD

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#### Payment Milestones

Milestone	Percentage
Contract Signing	10%
Engineering Completion	10%
Procurement Completion	20%
Civil Works Completion	20%



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Milestone	Percentage
Mechanical Completion	20%
Commissioning	10%
COD	10%

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## ARTICLE 6

### PERFORMANCE GUARANTEES

Contractor guarantees:

#### Sugar Mill

Capacity: 10,000 TCD

Sugar Recovery: Minimum 10.0%

Availability: Minimum 92%

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#### Ethanol Plant

Capacity: 60 KLPD

Availability: Minimum 90%

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### Biomass Power Plant

Installed Capacity: 30 MW

Availability: Minimum 92%

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## ARTICLE 7

### LIQUIDATED DAMAGES

#### Delay Liquidated Damages

0.10% of Contract Price per day

Maximum:

10% of Contract Price

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#### Performance Liquidated Damages

Applicable for:

- Capacity Deficiency
- Efficiency Deficiency
- Availability Deficiency

Maximum:

10% of Contract Price



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## ARTICLE 8

### PERFORMANCE SECURITY

Contractor shall provide:

#### On-Demand Bank Guarantee

Amount:

USD 200,000,000

Validity:

Until Final Acceptance Certificate

Acceptable Issuing Banks:

Top 50 International Banks

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## ARTICLE 9

### INSURANCE

Contractor shall maintain:

- CAR Insurance
- EAR Insurance



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- Marine Cargo Insurance
- Third Party Liability
- Workmen Compensation
- Professional Indemnity

Coverage shall remain in force throughout project execution.

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## ARTICLE 10

### WARRANTIES

Defects Liability Period:

24 Months from COD

Contractor shall repair or replace defective works at its own cost.

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## ARTICLE 11

### FORCE MAJEURE

Includes:

- Natural disasters
- War
- Government actions
- Epidemics
- Civil disturbances



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Affected obligations shall be suspended during force majeure events.

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## ARTICLE 12

### TERMINATION

Employer may terminate for:

- Contractor Default
- Insolvency
- Material Breach
- Abandonment of Work

Contractor may terminate for:

- Persistent Non-Payment
  - Employer Default
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## ARTICLE 13

### GOVERNING LAW

Republic of Indonesia

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### ARTICLE 14

#### DISPUTE RESOLUTION

Any dispute shall first be resolved through amicable negotiation.

If unresolved:

Singapore International Arbitration Centre (SIAC)

Seat of Arbitration: Singapore

Language: English

Decision: Final and Binding

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### ARTICLE 15

#### LENDER STEP-IN RIGHTS

Project Finance Lenders shall have:

- Cure Rights
- Step-In Rights
- Assignment Rights
- Security Enforcement Rights

Contractor agrees to recognize lender direct agreements.

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**EPC Contract Final Version 1.0**

## SIGNATURE PAGE

### EMPLOYER

PT SAPTA BORNEO UTAMA

By:

**SAPTA RISWANDY** President Director

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

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### CONTRACTOR

PT

By:

Authorized Director

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

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