

PRESS RELEASE

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SOCIETE GENERALE FINANCES MILESTONE POWER PROJECT IN INDONESIA

Societe Generale Corporate & Investment Banking (SG CIB) announces that it has closed the USD 1.17 billion senior project financing for the Sarulla Geothermal Project ("Sarulla") in Northern Sumatra, Indonesia. Sarulla will be the world's largest "greenfield" geothermal power generation project and involves the construction of a 351 gross megawatt geothermal power station, commercial production of which is expected to begin in 2016. Project completion is scheduled for 2018.

SG CIB served as the "technical bank," coordinating both reserves and technical consultants and conducting due diligence. The bank also played a critical role in structuring the deal. The transaction achieved financial close in May 2014.

Several factors contributed to the success of this project. For one, the project sponsor group – which includes Itochu Corporation, Kyushu Electric Power Company, PT Medco Power Indonesia, and Ormat International – brings significant power project development experience. The project team accounted for residual construction and geothermal resource risks. Also, the Sarulla project is based on abundant and high-quality geothermal reserves in the region. Due to these factors Sarulla successfully attracted strong interest from banks that are keen to support green energy.

Geothermal power is expected to play an important role in Indonesia's future energy mix. Sarulla stands out for its size as well as the fact that it provides a continuous supply of energy, whereas most renewable energy sources entail intermittent gaps in supply.

"SG CIB is one of the few banks with expertise in geothermal projects," said Stephanie Clement de Givry, Head of Natural Resources & Energy Project Finance & Metals and Mining Finance, Asia-Pacific at Societe Generale. "Sarulla marks another milestone in our efforts to support a wide array of energy projects regionally in Asia as well as globally. Geothermal power plants are seen as key assets for Indonesia's continued development as they will play a key role in facilitating energy resource development in Northern Sumatra."

In addition, Sarulla provides an important precedent for future projects in Asia given the diversity of its financing mix. The full lender group includes the Asian Development Bank and Japan Bank International Corporation as well as six major commercial banks: Societe Generale, Bank of Tokyo-Mitsubishi UFJ, ING Bank NV, Mizuho Bank, National Australia Bank and Sumitomo Mitsui Banking Corporation.

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"Given the importance of this project to Indonesia, it was critical for us to have a strong partner like SG CIB with both the technical understanding and the financial experience to secure the capital needed to ensure its completion," said Jumpei Sakaue, Project Finance Manager of Sarulla Operations Ltd, the entity that will build, own and operate Sarulla. "The financial side of this project was in many ways as complex as the engineering. With the closing of financing, we are starting off project development on very secure footing."

Over the past 15 years, SG CIB has supported the financing of a range of wind, natural gas, coal and geothermal power generation facilities across several Asia-Pacific countries, including China, Australia, Indonesia, Papua New Guinea, the Philippines and Vietnam. These projects are playing a key role in contributing to sustainable development in local economies.

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Societe Generale: 150 years

In 2014, Societe Generale Group celebrates its 150th anniversary with a focus on entrepreneurial spirit, innovation and team spirit. Founded by a group of industrialists and financiers, the bank's very name illustrated their ambition: "Société Générale pour favoriser le développement du commerce et de l'industrie en France" ("**Societe Generale to support the development of trade and industry in France**"), as written into the Imperial decree signed by Napoléon III on 4 May 1864.

Societe Generale has always served economic development, contributing to the financing of infrastructures that symbolised the modern world and of leading French groups. Societe Generale was among the first French banks to open branches in London and in Russia in the 1870s, before expanding into the Maghreb, New York and Africa and to set up operations in Central European countries.

Societe Generale has always been at the cutting edge of financial innovation, and takes strength from its origins to assert its banking vision for the future, reinvent its businesses to serve its clients and become the reference bank of the 21st century.

Societe Generale Corporate & Investment Banking

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