

# Press Release



## **PT Vale and Partners Signed Project Cooperation Framework Agreement for the Bahodopi Nickel Processing Facility**

**Jakarta, June 24, 2021** – PT Vale Indonesia Tbk (“PTVI”) together with two partners (“Partners”), Taiyuan Iron & Steel (Group) Co., Ltd (“TISCO”) and Shandong Xinhai Technology Co., Ltd (“Xinhai”), today has signed a Project Cooperation Framework Agreement document (“Agreement”) for the Bahodopi Nickel Processing Facility Project (“Project”).

The Agreement was signed by Mrs. Febriany Eddy, CEO of PTVI in Jakarta, Mr. Wei Chengwen, President of TISCO and Mr. Wang Wenlong Chairman of Xinhai Technology in Shanghai, and was witnessed, either onsite or online, by Mr. Eduardo Bartolomeo, CEO of Vale, Mr. Chen Derong, Chairman of China Baowu, Mr. Wang Wenguang, Chairman of the Board of Xinhai Technology and Mr. Mark Travers, President Commissioner of PTVI, and Executive Vice President for Base Metals with Vale.

PTVI, TISCO and Xinhai (“All Parties”) have agreed in principle on the main subjects related to the Project, which include:

- PTVI, TISCO and Xinhai will establish a joint venture company (“JV Co”) to develop a nickel processing facility at Xinhai Industrial Park, Morowali, Central Sulawesi
- The JV Co will build a facility with eight lines of rotary kiln-electric furnace ferronickel processing capacity and estimated annual production of 73,000 metric tons of nickel, together with supporting facilities
- All Parties agree that PTVI will own 49% of the JV Co equity with the Partners owning 51%
- All Parties agree that a gas fired power plant will supply electricity, supporting PTVI’s commitment to reduce carbon emissions

All Parties also agreed that within six months of signing the Agreement, all technical and financial requirements needed to make a final investment decision are to be completed.

Mrs. Febriany said, “We appreciate that our partners have joined us in our low carbon agenda, agreeing to switch from coal to gas-fired power plant. We believe this agreement is evidence of alignment of our sustainability commitments, which is extremely important for PT Vale. We are confident that the three parties will serve as good complement for each other.”

“This Agreement represents a significant opportunity for Vale and for Indonesia,” said Mark Travers, President Commissioner of PTVI.



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PT Vale is proud of its history as a long-term investor and partner in Indonesia. This commitment to expanding our operations in Indonesia builds on that past to support a sustainable future for both our business and for the country. We believe Indonesia will play a leading role in the future of the nickel industry and we are committed to being a trusted and responsible player, creating value and opportunities in the communities where we operate.

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