

Indika Energy secures US\$ 108m service agreement with Exxon

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JAKARTA, Publicly listed coal miner PT Indika Energy, through subsidiary PT Kariangau Gapura Terminal Energi (KGTE), has signed a service agreement worth US\$108 million with PT ExxonMobil Lubricants Indonesia (EMLI) to help the latter develop a new fuel terminal Kalimantan.

EMLI, one of the local arms of United States-based oil and gas giant ExxonMobil, markets lubricants under the Mobil brand with an annual sales volume of 150,000 barrels in 2016.

“Through the agreement, KGTE will develop, own and operate a terminal to store and distribute fuel as well as conduct other services in Kariangau, East Kalimantan, exclusively for EMLI,” Indika Energy director Azis Armand said in a statement on Thursday, adding that the agreement would last 20 years and had an extension option 10 years.

Azis expected the agreement would enable Indika Energy to generate higher revenue. Indika Energy saw its revenue soar 41.73 percent year-on-year to \$1.09 billion in 2017. The same time, its cost of contracts and goods sold jumped 42.14 percent annually to \$975.84 million.

However, the company also gained \$384.2 million on revaluation last year. Subsequently, it recorded a net profit of \$335.4 million, reversing a net loss of \$67.59 million it booked 2016.

Source:

The Jakarta Post, <http://www.thejakartapost.com/news/2018/04/13/indika-energy-secures-us108m-service-agreement-with-exxon.html>