

Withers KhattarWong acts for Indonesian energy company in a deal to build gas-fired power plant under the Belt and Road Initiative in Indonesia's Regional Comprehensive Economic Corridor

25 NOVEMBER 2019

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Withers KhattarWong LLP, the Singapore office of international law firm Withers, has acted for Indonesian power plant owner PT PLTG Celukan Bawang in the joint venture and cooperation with Chinese conglomerate Shanghai Electric Group Co., Ltd in developing, building and owning a gas-fired power plant in Indonesia valued at over US\$1.3 billion.

Signed on 14 November 2019, the Engineering, Procurement and Construction Contract involves the construction of 2×400MW gas-fired power plants in Celukan Bawang, Bali, Indonesia and is expected to commence in 2021. The project is developed in accordance with the latest regulations issued by the Governor of Bali. Upon completion, the power plant will not only future-proof Bali's rising energy needs but also supply the electricity in an environmentally friendly manner, due to the relatively lower emissions from PLTGs. This project is also part of China's multibillion-dollar Belt and Road Initiative (BRI) along Indonesia's Regional Comprehensive Economic Corridor.

The Withers KhattarWong team, led by partner Winston Seow and senior associate Yap Ling Man, will continue to advise PT PLTG Celukan Bawang on other aspects of the project, including project financing, gas supplies, power purchase agreement with local authorities and other commercial matters.

In April 2019, the team acted as lead counsel for several projects signed at the BRI conference held in Beijing.

Winston Seow comments, *"We are delighted to have acted for PT PLTG Celukan Bawang on this deal and to continue advising them throughout their entire project. This project is particularly meaningful as it contributes significantly to Bali's goal of strengthening its electricity supply using clean energy and is a positive step toward Bali's energy independence. The agreement also underscores our firm's capabilities in advising on complex, cross-border deals and keeps us well-placed to advise similar BRI projects."*

Mr. Hendriyanto, Director of PT PLTG Celukan Bawang, comments, *"We are proud to develop this project with Shanghai Electric Group Co., Ltd as we aim to provide Bali and Balinese with a stable, clean and reliable source of electricity. The project will also employ a significant local workforce. We are impressed with the insightful and efficient advice provided by Withers KhattarWong. They have a keen sense of Indonesian cross-border projects and combined with a strong understanding of Chinese parties, they provided pragmatic and well-thought-out solutions."*

Withers KhattarWong has extensive experience in representing companies in complex deals and transactions in Indonesia. The firm advised PT Bumi Resources Tbk. on one of the largest and most complex debt restructuring transactions in Southeast Asia. Additionally, the firm has been advising on other energy projects in Indonesia, including hydropower plant in North Kalimantan and coal-fired power plant in Bali. Withers KhattarWong also has strong experience advising Chinese State-owned Enterprises and corporations in their projects and transactions in various countries, including Vietnam and Indonesia.

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