

From West End Theaters to the Jungles of Kalimantan

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Danantara Indonesia Investor Relations Team



Photo credit: Danantara Indonesia Investor Relations Team

"To the world we dream about, and the one
we live in now."

ORPHEUS IN HADESTOWN, a musical from American
musician and playwright Anaïs Mitchell

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Last week, I had the pleasure of watching Desmonda Cathabel.

The 29-year-old Jakarta native is one of the most captivating rising starlets in the West End, London's theater scene. It is where she stars in *Hadestown*, a Tony-winning modern reimagining of the tragic Greek romance between Orpheus and Eurydice.

The entire performance was spellbinding. But it was Desmonda's name that I heard in whispers left and right.

Her stage presence was magnetic. Her voice, crystalline.

And then came the moment that struck me most. When she called out, mid-song, "*Nyanyiin dong!*"

"Come on, sing!"

The line, a secret war cry for her fellow Indonesians in the crowd, caught me completely off guard. It was quick, playful, and utterly ours.



Dylan Wood and Desmonda Cathabel / Photo credit: Hadestown

Because I went alone, I had no one to share my excitement with during intermission. But I could not help myself. I turned to the stranger next to me and said, "Did you know the girl who plays Eurydice is Indonesian? Like me!"

It felt good to share that joy, that quiet thrill of recognition in a London theater thousands of miles from home.

Later that night, I wandered through Piccadilly Circus, still dazed by it all. I was in London for only half a week, and it had been less than 24 hours since landing.

Yet, even amid the glow of theater lights, my mind had not drifted far from Jakarta. Back to one topic that had occupied my thoughts for weeks: carbon credits.

Hadestown, in many ways, is a fable about the cost of survival.

Eurydice sells her soul for warmth. Hades builds walls to protect his empire. Orpheus takes a chance on himself to escape hell with his beloved.

It is about love, yes. But also about temptation and the economics of desperation.

And in that way, it feels eerily relevant to what is happening back home.

This year's Presidential Regulation No. 110 (Perpres 110), which legalized the sale of foreign carbon credits, kept echoing in my head. Strangely or not, its ideas overlap with the play's themes of industrialization and capitalism.

Anaïs Mitchell, author of the original *Hadestown* musical, calls it a "love story." But, she adds, "politics really is romantic."

Maybe carbon credits could be romantic too.

Perpres 110 has positioned the nation as both guardian and trader of nature. We have a chance to lead in the global carbon market, helping the world escape from the carbon-festered underworld.

And at their best, carbon markets are a love story. A fragile belief that redemption is still possible. That with the proper conviction, we can trade harm for healing.

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Turning Carbon into Catalyst

Indonesia sits on a natural fortune.

Home to the world's third-largest tropical forest, vast peatlands, and more than 17,000 islands, our landscapes store an estimated 30 billion tons of carbon.

In the carbon credit sector, that is a jackpot.

Often, carbon markets are misunderstood as purely a financial mechanism. In actuality, they are a development tool. A way to align prosperity with preservation.

Because let's be honest: putting a real monetary value on protecting and restoring what is green and blue, helps. A lot.

Every ton of avoided or removed CO₂, whether from safeguarding a hectare of rainforest or capturing emissions from a factory stack, now carries value. Each verified carbon project is not just a tradeable asset, but a biodiversity sanctuary in disguise.

Unfortunately, in today's system, many negative environmental and social externalities are not priced into goods and services. Hence, the carbon credit concept came as a partial solution to putting a price on the non-monetary costs of traditional development.

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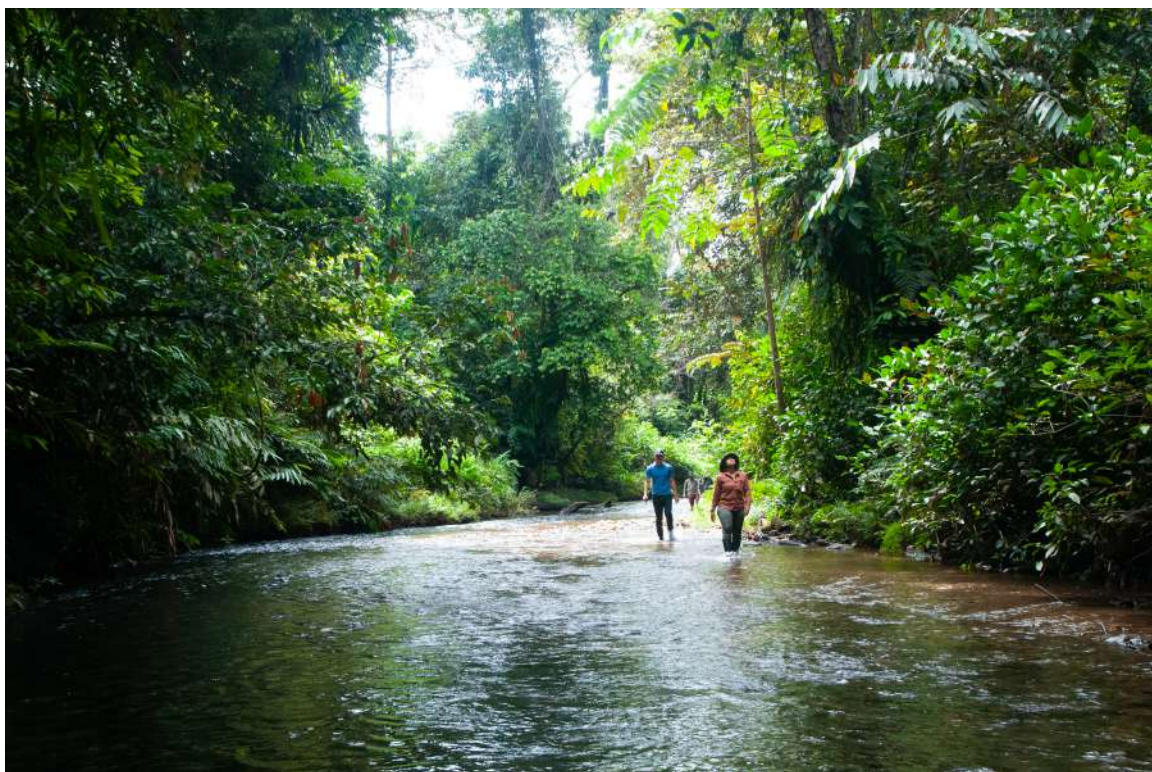


Photo credit: Danantara Indonesia Investor Relations Team

And the ripple effects reach far beyond the trees.

When private and public project developers succeed in creating high-integrity credits, green jobs, community-led enterprises, and long-term livelihood programs will emerge around conservation sites. New tech clusters, from geothermal and hydrogen corridors to carbon-capture hubs, will anchor high-skill employment and innovation ecosystems across the archipelago.

When technology-based credits, biochar, direct-air capture, mineralization, as well as carbon capture, utilization, and storage (CCUS) join forces with nature-based ones (like carbon), Indonesia moves closer to its Nationally Determined Contribution (NDC) and its goal of net zero by 2060.

Or sooner.

Building a New Framework

Perpres 110, which came into effect on 10 October 2025, marks a major shift in Indonesia's climate policy.

It introduces a national carbon allocation system, a new digital registry for carbon units, and allows carbon trading even before domestic emission targets are met. It opens access to international carbon markets, enabling cross-border trading and foreign investment in Indonesia's carbon credits.

Most importantly, the new regulation decentralizes the carbon movement. No longer a top-down system, carbon credits now flow from the ground up: empowering communities to take part directly. Farmers, for instance, can now boost their income by earning credits from lower-carbon practices on their own land.



Photo credit: Danantara Indonesia Investor Relations Team

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Seeing that it helps position Indonesia as a more active player in global climate finance, expect:

1. High-integrity, high-quality nature-based projects. Certified under internationally recognized standards such as Verra and Gold Standard, they proudly carry Indonesia's name on the world stage.
2. A new generation of technology-based solutions: carbon-capture and utilization, direct-air removal, methane abatement, biochar, and low-carbon materials.
3. Transparent, technology-enabled Monitoring, Reporting, and Verification (MRV) systems, from satellites and sensors to blockchain, will ensure every ton of emission reduction and removal is credible, traceable, and trusted.
4. Public-private collaboration driving forest conservation, renewable energy, blue carbon, sustainable agriculture, and CCUS.
5. The rise of a new generation of Indonesian leaders and entrepreneurs, building businesses that regenerate nature, decarbonize industry, and redefine what it means to grow responsibly.
6. A stronger, grassroots carbon movement, unlocking new opportunities for communities and social impact projects to thrive.

Indonesia's carbon market will not be limited to selling credits. It will create value through stewardship, innovation, and community empowerment: a model for the Global South.

PGEO: A Champion in the Making

Among the companies poised to lead this transformation is Pertamina Geothermal Energy (PGEO).

A total installed capacity exceeding 1,932 megawatts, 1,205 from joint operating contracts and 727 from owned operations. A target of 1.8 gigawatts in owned capacity by 2034. PGEO is not only a renewable energy powerhouse. It is emerging as a key player in Indonesia's carbon credit ecosystem.

PGEO's geothermal operations contribute approximately 1.6 million tons of CO₂ emission reductions annually. Carbon credits sourced from its Lahendong site are currently traded domestically at modest rates (around US\$1.50/ton CO₂).

Along with those generated from Ulubelu and Karaha, these carbon credits are being marketed internationally through South Pole, the global climate solutions firm, as the designated off-taker.



Photo credit: Pertamina Geothermal Energy

In parallel, PGE's flagship Kamojang geothermal asset participates in the Renewable Energy Certificates (RECs) mechanism for 35 out of 235 megawatts of total installed capacity. This reinforces the company's commitment to strengthen its renewable energy value proposition in global markets.

But the potential is far greater. With the new regulation enabling international trading, PGEO could tap into voluntary markets where prices range from US\$4–6 per ton. This significantly improves project economics and internal rate of return (IRR).

Kamojang alone operates at over 90% capacity factor, and its absorption rate with PLN allows for flexible pricing once grid thresholds are met. PGEO's ability to track carbon intensity and avoidance, with emissions far below coal and even EU standards, positions it as a credible supplier of high-integrity credits.

PGEO is continuing efforts to secure carbon certificates from additional power plant sites within its portfolio: these offer more competitive pricing compared to RECs. With technical expertise, verified data, and scalable infrastructure, PGEO is well-placed to ride Indonesia's carbon market ambitions.

Energy for the Future Economy

Through Indonesia's new carbon market framework, a new kind of economy is beginning to take shape. One that does not just extract, but restores. Does not just grow, but regenerates.

If done right, this could transform the nation.

It could attract billions in climate investment into forestry, renewable energy, hydrogen, CCUS, and sustainable manufacturing.

It could restore millions of hectares of degraded land, from Sumatra's peatlands to Papua's mangroves.

It could reinvent industries, turning cement, shipping, and steel into contributors to the carbon economy rather than casualties of it.

It could empower local governments and Indigenous communities to become true co-owners of national climate progress.

And it could position Indonesia as a trusted global supplier of high-integrity carbon credits.

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President Prabowo Subianto's vision of a "strong, sovereign, and prosperous Indonesia" finds new meaning here. Our path to leading in the carbon and low-carbon economy is not about finding the perfect solution. It is about daring to keep trying, even when the road ahead feels uncertain.

Conservation is never neat or guaranteed. Yet progress is the tune we keep singing, even when the world feels dark. What matters is that we keep stepping forward, day after day, believing, as Orpheus did with his song, that hope itself can bring us closer to redemption.

We build trust through transparency and science.

We welcome private capital, but only on terms that protect national interest.

We empower local players, from provincial leaders to Indigenous stewards, to share in both the responsibility and the reward.

And we diversify. We blend the wisdom of our landscapes with the ingenuity of our people, so that our road to net zero draws strength from every island in the archipelago.

When climate policy evolves into economic statecraft, Indonesia steps in not as a follower, but a global leader in the new low-carbon age.

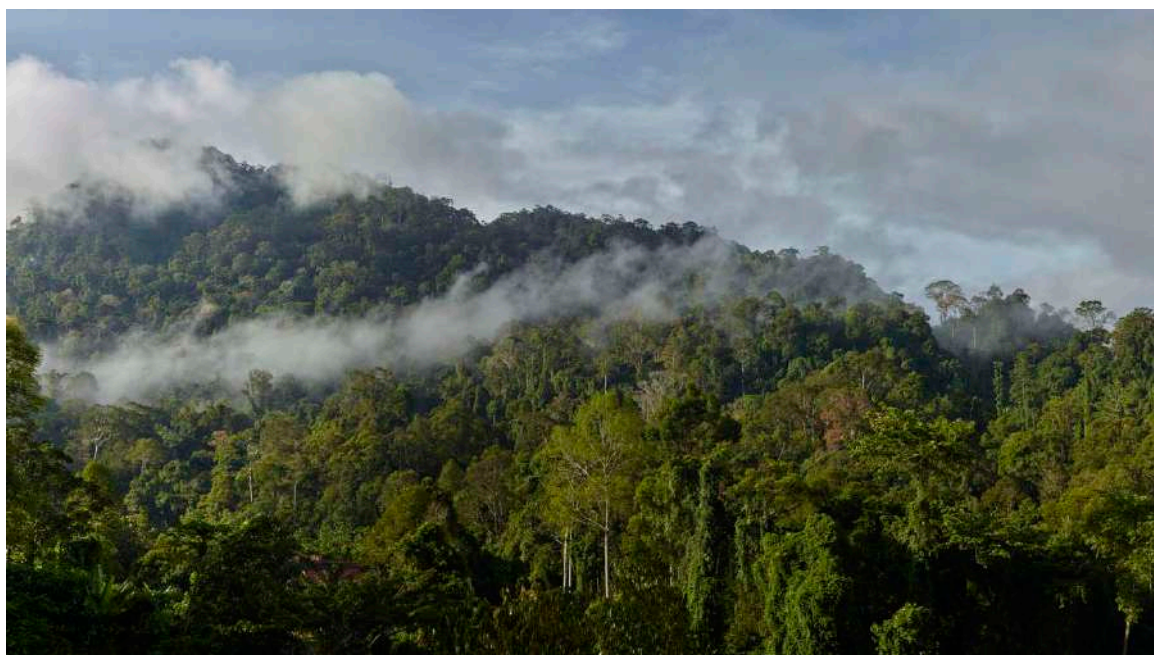


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Epilogue: The First to Stand

Because *Hadestown* was a last-minute decision, I did not get the best seats in the house.

But there is a perk to sitting in the back.

You get to see everything.

Every reaction. Every face lit up by the stage.

When the curtain fell, the applause was thunderous. The standing ovation began slowly, from the front rows. My section stayed seated.

So, I stood up, the first one to do so. Then, one by one, others followed.

Yes, it was a brilliant production. The cast deserved it. But truthfully, that first standing ovation was not just for *Hadestown*. It was for *her*. For Desmonda.

For one of our own, standing tall on a world stage. For the pride of seeing Indonesia, in all its quiet brilliance, finally being seen.

And maybe that is what leadership really is.

Someone has to stand first.

Because that is how movements begin. Not with certainty, but with conviction.

You stand, and others follow.

Carbon credits is only one market-based solution, an imperfect one at best. But finding the balance between conservation and economic development isn't about pursuing perfection. It's about pursuing progress.

Because carbon markets, at their best, are not just about finance or emissions. They are about faith: in nature's ability to heal, in humanity's capacity to change course, in our courage to look forward and not back.

In *Hadestown*, Orpheus turns too soon. Doubt makes him look behind, and love is lost.

Our challenge is the same: not to lose sight of what is ahead.

If we can keep walking, eyes fixed forward, heart steady, perhaps Indonesia's song won't end in tragedy, but triumph.

And maybe this time, when the world rises to its feet, it will be to follow *our* lead.

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Desmonda Cathabel (center) / Photo credit: Hadestown

Did You Know?

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Photo credit: Pertamina Geothermal Energy

In Kamojang's hills, where steam rises from the earth, coffee farmers are turning geothermal energy into the next chapter of sustainable agriculture.

Using the world's first patented geothermal drying method, Pertamina Geothermal Energy works with local farmers to craft beans so rich in flavor, they reached Asian and European markets in July 2025.

Indonesia's quiet leap into clean-energy agriculture.

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