Dear Mr. Pakpahan:

Re: Loan No. 7940-ID (Indonesia: Power Transmission Development Project)
Second Amendment

I refer to the loan agreement ("Loan Agreement"), dated November 18, 2010, between the Republic of Indonesia (the "Borrower") and the International Bank for Reconstruction and Development (the "Bank") for the Power Transmission Development Project (the "Project").

I refer also to your letters, dated June 24, 2015 and June 6, 2016, requesting: (i) an amendment to the Loan Agreement; (ii) an extension of the Project's Closing Date; and (iii) cancellation of Loan proceeds in the amount of US$ 20,000,000. After due consideration, the Bank concurs with this request, and accordingly the Bank proposes to amend the Loan Agreement, extend the Closing Date and cancel the Loan proceeds as set out below.

A. Amendment to Loan Agreement

1. The objective of the Project in Schedule 1 to the Loan Agreement is amended as follows:

"The objectives of the Project are to assist the Project Implementing Entity to meet growing electricity demand, improve the reliability of electricity supply, strengthen the power transmission system, and support the preparation of hydropower projects."

2. The description of activities in Schedule 1 to the Loan Agreement is amended to include a new activity as follows:

"3. Preparation of hydro power projects."
B. Extension of the Closing Date and Reallocation of Loan Proceeds

The Closing Date in Paragraph 2 of Section IV.B of Schedule 2 to the Loan Agreement is hereby extended to June 30, 2018.

C. Cancellation

Pursuant to Section 7.01 of the General Conditions for Loans, the Bank hereby confirms the cancellation of the Unwithdrawn Loan Balance, as of June 6, 2016, the amount of twenty million United States Dollars (US$ 20,000,000). As a result of the cancellation, the Amortization Schedule of Schedule 3 is being revised by the Bank and the revised figures will be sent to you shortly.

Except as specifically set out in this letter, all terms and conditions in the Loan Agreement remain unchanged.

The Bank will disclose this letter agreement and related information on this Loan in accordance with the World Bank Policy on Access to Information. By entering into this agreement, the Borrower consents to disclosure of this agreement and related information on this Loan.

Please confirm your agreement to the foregoing by signing and dating both enclosed copies of this letter in the space provided and returning one signed copy to us. The above amendment will become effective as of the date of the later date of countersignature of this letter by the Borrower.

Sincerely yours,

Rodrigo A. Chaves
Country Director, Indonesia

CONFIRMED AND AGREED:
REPUBLIC OF INDONESIA

By:
Name: ROBERT PAKPAHAN
Title: DIRECTOR GENERAL OF BUDGET FINANCING & RISK MANAGEMENT
Date: JULY 20, 2016