

**PRESS RELEASE**  
**For immediate dissemination**  
**12 July 2018**

**Signed Heads of Agreement Guarantees Continuity and Stability of PT Freeport Indonesia's Operations**

**Jakarta** – The government of Indonesia and Freeport-McMoRan Inc. (NYSE: FCX), the parent company of PT Freeport Indonesia, have reached a heads of agreement (HoA) in relation to the transitional ownership of PT Freeport Indonesia. The agreement is part of a process that allows the government to own 51% of shares in PT Freeport Indonesia.

The two companies that will become shareholders of PT Freeport Indonesia, namely PT Indonesia Asahan Alumunium (Inalum) and Freeport-McMoRan Inc., have agreed to continue the long-term program that PT Freeport Indonesia has been and remains working on. As an Indonesian business entity, PT Freeport Indonesia believes that the HoA will benefit all parties.

Under the agreement, the two parties agree on the continued operation of PT Freeport Indonesia until 2041 with a mechanism that will be detailed further. This agreement represents a significant achievement in long-term cooperation between the government of Indonesia and Freeport-McMoRan Inc., as a stakeholder of PT Freeport Indonesia.

PT Freeport Indonesia believes that an extension of PT Freeport Indonesia's operating license will preserve the multi-billion-dollar investment program and provide reassurance to all of PT Freeport Indonesia's shareholders, its workers, the people of Papua, its suppliers and contractors, as well as all stakeholders.

"Freeport-McMoRan remains committed to PTFI's success," said Richard Adkerson, President and Chief Executive Officer of Freeport-McMoRan Inc. "We are proud of what we have achieved in more than 50 years of our history, and we look forward to the future."

The extension of PT Freeport Indonesia's operations will significantly increase the benefits the government of Indonesia will receive in the future. With investment and operating certainty until 2041, we estimate the direct benefits to the central and regional governments, as well as dividends to Inalum, may exceed USD 60 billion.

Over the past 15 years, PT Freeport Indonesia has started the transition process from open-pit mining to underground mining operations. In the process, we have invested up to USD 6 billion for developing underground mines and plan to further invest billions of dollars as part of our commitment to providing value to all shareholders.

PT Freeport Indonesia welcomes this new partnership. This agreement has no impact on the employment status of PT Freeport Indonesia's employees. The company will continue to operate with reference to the work plan that has been set.

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Over the past 50 years, PT Freeport Indonesia has established a good partnership with the Indonesian government. It will continue to operate to the highest standards possible and to undertake its operations responsibly, to support sustainable development in local communities, and to provide maximum value for the people of Indonesia.

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