

## **PRESS RELEASE**

**JANUARY 22, 2015**

# **PT Freeport Indonesia Advances Downstream Processing Plans**

**Jakarta** - As a part of PT Freeport Indonesia (PTFI)'s supports towards the spirit of domestic mineral processing, PTFI will continue to explore the possibility of developing downstream activities in Papua. In the meantime, while waiting for the planning and preparation of infrastructures in Papua, PTFI is preparing a location in Gresik, East Java.

President Director of PTFI Maroef Sjamsoeddin said, "One of the considerations in choosing Gresik, East Java, is the availability of supporting infrastructures needed and cooperation with State Owned Enterprise such as Petrokimia Gresik. PTFI will also continue to explore activities related to downstream activities in Papua. This is a part of our initiatives in supporting the development in Papua, in line with national aspiration."

Since 1999, PTFI has processed about 40% of its copper concentrate production in PT Smelting in Gresik, East Java, a world class copper smelter and refinery established by PTFI in 1996. In a response to the domestic down streaming policy, PTFI has conducted feasibility studies, due diligence, and explored the possibility to cooperate with other parties/institutions.

On July 2014, PTFI and Government signed a Memorandum of Understanding (MoU), where PTFI agreed to pay export duty according to the regulation issued on July 2014, to pay a smelter development guarantee bond in the amount of USD 115 million, and to increase royalty.

PTFI intends to invest 15 billion USD in the development of the underground mine over the life of mine (current to 2041). Maroef hopes that the partnership between PTFI and Government will always bring continuous benefits and added value to the Indonesian government, local community, our employees which big majorities are Indonesians, and our shareholders.

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