

**Media Update**

29 July 2022

## **ESDM Minister Arifin Tasrif Satisfied With Freeport Smelter Development Achievement**

On Friday (29/07), Minister of Energy and Mineral Resources (ESDM) Arifin Tasrif conducted a working tour of PT Freeport Indonesia's (PTFI's) new smelter project in the JIPE Special Economic Zone (KEK) in Gresik, East Java.

Arifin expressed his satisfaction over progress achieved in PTFI smelter development. "This development progress is very different from the last observation at the groundbreaking officiated by the President, when there were only a few pilings, now there are 12,000 (pilings) with a target set for 15,000 erected in September. This is good progress, and hopefully this acceleration can be maintained," Arifin said.

When queried about the form of assistance the Government (the ESDM Ministry) was providing for the PTFI smelter development project, Arifin said support was accorded in the form of mining regulation, specifically on the downstream activity obligation, and progress monitoring.

PTFI is building a new smelter with a capacity of 1.7 million DMT copper concentrate per year for an investment of approximately US\$ 3 billion (around Rp 43 trillion. This is PTFI's second smelter, with the first smelter built in 1996 in conjunction with Mitsubishi to establish the company PT Smelting. PT Smelting is currently undergoing capacity expansion with an addition of 300 thousand DMT copper concentrate per year.

PTFI Tony Wenas who was reached while accompanying Arifin said as of June 2022, smelter development progress stood at 34.9%, with US\$ 1,15 billion spent so far. "Construction is scheduled for completion by the end of 2023, and this will be followed with the pre-commissioning and commissioning activities. Smelter operations will start up and ramp up at the end of the second quarter of 2024. Together with the government we are applying an S-curve model as reference for completion under the smelter development plan. To date as of the end of June 2022, we have succeeded in following the determined plan and we remain on track to meet the year's end target as planned according to the S-curve model," Tony informed.

Tony added, the smelter currently being built will have a production rate of around 600 thousand tons of copper cathode per year in addition to around 35 tons of gold per year.

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<b>Photo</b>	<b>Caption</b>

	<p>Minister of Energy and Mineral Resources Arifin Tasrif (second from right) is accompanied by PT Freeport Indonesia President Director Tony Wenas during a working tour of PTFI's new smelter project in the JIPE Special Economic Zone (KEK) in Gresik, East Java, on Friday (29/07). Arifin voiced his appreciation over the progress achieved in PTFI smelter development in the field.</p>
	<p>Minister of Energy and Mineral Resources Arifin Tasrif (right) chatting with PT Freeport Indonesia President Director Tony Wenas during a working tour of PTFI's new smelter project in the JIPE Special Economic Zone (KEK) in Gresik, East Java, on Friday (29/07).</p>
	<p>An aerial view of PTFI's new smelter development at the end of June 2022. The smelter will have a capacity of 1.7 million DMT copper concentrate per year for an investment of up to US\$ 3 billion.</p>

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