

Media Update

Freeport Smelter Officially Launches Operation

Gresik, East Java, 27 June 2024 – Coordinating Minister of Economy Airlangga Hartarto and Investment Minister/ Head of Investment Coordination Agency BKPM Bahlil Lahadalia, accompanied by PT Freeport Indonesia (PTFI) President Director Tony Wenas, formally launched commencement of PTFI smelter’s operation in the Java Integrated Industrial and Port Estate (JIPE) Special Economic Zone (SEZ) in Gresik, East Java.

“I can only describe this plant as extraordinary. In the span of just 30 months from the project’s groundbreaking by the President, its construction was (able to be completed) on time. This is indeed extraordinary,” Airlangga said in his address.

He said Freeport’s smelter development is part of agreement reached over the IUPK special mining operation permit awarded to the company. The construction process has been completed on time, and the smelter is now operating, with production commencing in August and full capacity to be achieved in December 2024.

“So this (smelter) is indeed very timely, with renewable energy currently trending, along with demand for critical minerals, one of which is copper,” the Coordinating Minister said.

He said with the PTFI smelter’s presence, mining activity and the refining process are now able to be conducted domestically. This is expected to positively impact the nation’s economy, with value added minerals now available for utilization in the country.

Investment Minister Bahlil Lahadalia in his address conveyed thanksgiving and happiness on the Freeport smelter’s commencing operation, bearing in mind the challenges the development process had encountered.

“Today I am happy and thankful as this was a long journey. I am very well aware this smelter development was not an easy undertaking, and at one point was facing jettisoning, the dynamics involved were truly excruciating. In 2021, just as we reached the decision to begin development immediately, the COVID-19 pandemic hit us. But now today we are together witnessing this (commencement of smelter operation). This substantiates Freeport management’s commitment to implementing IUPK requirements,” Bahlil said.

Acting Director General of Minerals and Coal Bambang Suswanto who was representing the

Energy and Mineral Resources (ESDM) Minister said the ESDM Ministry monitored and closely followed the Freeport smelter development.

“This launching of Freeport smelter operation in Gresik marks commencement of the minerals downstreaming drive directed by the President (Joko Widodo). *Alhamdulillah* (Praise be to God), Freeport, the Gresik Regency and East Java Province governments, have supported timely completion of the Freeport smelter development that marks the beginning of minerals downstreaming in the country,” Bambang stated.

PTFI President Director Tony Wenas said development of this new smelter was a consequence of PT Freeport Indonesia commitment to support the copper mineral downstreaming policy launched by the government.

He said going ahead, vast amounts of copper will be in high demand globally. Other countries are racing to take part in energy transition, and will need vast amounts of copper. “The President’s calling for the IUPK to require new smelter development was an unerring intuitive judgment. Global demand for copper will continue to rise, accelerating establishment of an ecosystem for electric vehicles, accelerating Indonesian gold,” he said.

The official launching of PTFI smelter’s operation took place in the area across from the Sulfuric Acid Tank. The launching was marked by the pushing of a siren button, followed by monument inscription signing. Also attending the event were Acting East Java Province Secretary Bobby Soemiarsono, on behalf of the Acting Governor of East Java, and Gresik Regent Fandi Akhmad Yani.

For the record, PTFI’s new smelter can refine copper concentrate at a production capacity of 1.7 million tons. In addition to producing copper cathode, the smelter will produce anode slime that will subsequently undergo refining in the Precious Metals Refinery (PMR) to turn out gold and silver bullion, as well as Platinum Group Metals (PGM).

As of the end of May 2024, PTFI investment in development of the world’s biggest copper smelter with a single line design amounted to 3.67 billion US dollars or approximately Rp 58 trillion.

PHOTO	CAPTION
	<p>Coordinating Minister of Economy Airlangga Hartarto, together with Investment Minister Bahliil Lahadalia, PT Freeport Indonesia President Director Tony Wenas, Acting Director General of Minerals and Coal Bambang Suswanto, Acting East Java Province Secretary Bobby Soemiarsono, and Gresik Regent pose for a photograph with the PTFI smelter in the background, on Thursday (27/6)</p>
	<p>Coordinating Minister of Economy Airlangga Hartarto, together with Investment Minister Bahliil Lahadalia, PT Freeport Indonesia President Director Tony Wenas, and their entourages touring the Smelter Port, on Thursday (27/6).</p>
	<p>Coordinating Minister of Economy Airlangga Hartarto, together with Investment Minister Bahliil Lahadalia, PT Freeport Indonesia President Director Tony Wenas, and their entourages observing Anode Casting.</p>



Coordinating Minister of Economy Airlangga Hartarto delivering an address at the Launching of PTFI Smelter Operation, on Thursday (27/6)



Coordinating Minister of Economy Airlangga Hartarto, together with Investment Minister Bahliil Lahadalia, and attended by PT Freeport Indonesia President Director Tony Wenas, Acting Director General of Minerals and Coal Bambang Suswanto, Acting East Java Province Secretary Bobby Soemiarsono, and Gresik Regent Fandi Akhmad Yani pushing the siren button to mark commencement of operation at the PTFI smelter.

About PT Freeport Indonesia (PTFI)

PT Freeport Indonesia (PTFI) is a mineral mining company affiliated with Freeport-McMoRan (FCX) and Mining Industry Indonesia (MIND ID). PTFI mines and processes copper ore to produce copper concentrate, which also contains gold and silver.

PTFI markets concentrate to all parts of the world, and primarily to the first domestic copper smelter in the country, which is operated by PT Smelting. PTFI's mining operation is located in the Grasberg mineral district in Papua – Indonesia. PTFI is currently conducting an underground mining operation that is the world's biggest using the block caving method. In conducting its operation, PTFI promotes and implements responsible and sustainable business practices.