



For Immediate Release

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PT Freport Indonesia confirms construction of Smelter in JIPE



Doc JIPE. Activities in Smelter Freeport Area

- PT Freport Indonesia (PTFI) and PT Chiyoda International Indonesia (PTCII) officially sign EPC contract.
- The Smelter will be a significant contributor to the recurring income for AKRA.
- Further investment in downstream industries to boost demand for land, utilities, and other services in JIPE

JAKARTA, July 16, 2021 – PTFI and PTCII have signed an estimated USD2.7bn EPC contract to build Copper Smelter and Precious Metal Refinery in Java Integrated Industrial and Port Estate (JIPE). The contract was signed in a ceremony attended by the top management of Free McMoran USA, Chiyoda Corporation Japan, Director General of the Ministry of Energy and Mineral Resources and MIND.

The Smelter will contribute significantly to the recurring income of PT AKR Corporindo (AKRA), the majority shareholder of JIPE. Lease income will be generated by 103ha of land for Smelter and another 40-50ha for Laydown area. Further recurring income will be generated by providing port facilities, electricity, gas, water, and waste-water treatment.

The EPC contract covers smelter with capacity of 1.7mn tons of concentrate per year and Precious Metal Refinery. This will be one of the world's largest smelting capacity in the world. It will attract investors to JIPE from related industry to build a Supply Chain Eco-System for Electric Vehicles batteries, motors, and cables.

JIPE is one of Indonesia's largest public-private infrastructure projects covering 3000ha. It was granted Special Economic Zone (KEK) status by President of Republic of Indonesia on June 28, 2021, with the objective of playing an integral role in the modernization of Indonesia's manufacturing and logistics capabilities (Industry 4.0).

The sheltered port and industrial city adjacent to Madura Island features one of the deepest ports in the region (-16 LWS) with four multifunction piers able to serve large vessels with more than 100,000 DWT. It is also uniquely self-sustainable with an independent utility supply and new energy generation facilities capable of supplying up to 1200MW of power. JIPE is also well served by connecting transportation links connected by road and rail links and is situated just one hour from Surabaya International Airport.

For more information on JIPE, please visit <https://www.jiipe.com/en>

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PT AKR Corporindo Tbk

PT AKR Corporindo Tbk (the Company) was formally established in Surabaya in 1977 and was listed on the Indonesian Stock Exchange in 1994. The Company is Indonesia's leading integrated supply chain solutions provider and largest private sector distributor of petroleum and basic chemicals. The Company is also the first private company appointed by the Government of Indonesia to distribute subsidized petroleum. The Company's joint venture with BP has opened non-subsidized gasoline stations under BP-AKR retail in various locations in Indonesia. The Company is a renowned provider of logistics and infrastructure with areas of operations encompassing Indonesia. Through a number of subsidiaries, it governs, the Company also operates in the areas of logistic services, manufacturing.

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