

PRESS RELEASE

PT Freeport Indonesia Announces Appointment of President Director

June 12, 2006 -- PT Freeport Indonesia (PTFI) has appointed **Mr. Armando Mahler** as President Director and General Manager. Mr. Mahler, a professional mining engineer, has for 23 years played a leading role in our mining operations and held positions of increasing managerial responsibility within the PTFI organization. His leadership role reflects PT-FI's ongoing commitment to operational excellence.

Concurrent with Mr. Mahler's appointment, PTFI has appointed two Deputy Presidents. **Mr. August Kafiar** and **Mr. Rusdian Lubis** have been appointed as Deputy Presidents to oversee the functions of Community Relations and Safety, Health, Environment respectively, in recognition of the equal importance of these functions to technical mining excellence.

Mr. Kafiar, the former rector of Cenderawasih University and a former member of the Indonesian Parliament, will continue to supervise our community relationships. As an Indonesian citizen from Papua, Mr. Kafiar brings his unique understanding of the issues to our multinational organization.

Mr. Lubis, a former senior staff member of the World Bank, and an advisor to the Indonesian government on environmental issues will supervise the Safety, Health and Environmental performance of PTFI, and lead the relationship with the government and the public on these, and other, important issues.

Mr. Mahler succeeds **Mr. Adrianto Machribie**, who has served as PTFI's President Director for over 10 years. Mr. Machribie will retire as President Director but will continue to serve as the key Senior Advisor to the Office of the Chairman of the parent company of PTFI, Freeport-McMoRan Copper & Gold Inc.

Today's announcement reflects the importance placed by our management and shareholders on the key stakeholder relationships with the public, the community and the Government.

PTFI is committed to continuous improvement in our sustainable development performance. Our mining operations impact the surrounding environment and neighboring communities. It is our responsibility and commitment to minimize and mitigate environmental impacts and to maximize the beneficial economic and social results of our operations for all stakeholders.

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