



ANTAM & INALUM SIGN JOINT VENTURE AGREEMENT ON THE DEVELOPMENT OF SMELTER GRADE ALUMINA REFINERY (SGAR) PLANT

Jakarta, April 14, 2016 – PT ANTAM (Persero) Tbk (ASX: ATM; IDX: ANTM; ANTAM) and PT Indonesia Asahan Alumunium (Persero) (INALUM) are pleased to announce the signing of the Joint Venture Agreement (JVA) on the development of Smelter Grade Alumina Refinery (SGAR) Plant. Following the signing of the agreement, ANTAM and INALUM will form a joint venture company, PT INALUM ANTAM ALUMINA. The signing of the JVA follows the Memorandum of Understanding (MoU) and the Principles of Agreement (Heads of Agreement) between ANTAM and INALUM which were signed in 2015. The JVA was signed by ANTAM's President Director, Tedy Badrujaman and INALUM's President Director, Winardi Sunoto today in Jakarta.

ANTAM's President Director, Tedy Badrujaman, said:

“The cooperation between ANTAM and INALUM is an important step in our effort to enhance the value of Indonesia's vast bauxite reserves as well as supporting the synergy among SOEs. In the joint operations of the SGAR plant, ANTAM will provide bauxite ore feed from our bauxite mine.”

INALUM's President Director, Winardi Sunoto, said:

“Our partnership with ANTAM will support the development of bauxite ore processing to produce Smelter Grade Alumina, the main raw material for INALUM's aluminium smelting plant. Smelter Grade Alumina Refinery is one of the development projects in our list.”

The cooperation between ANTAM and INALUM includes the investment and equity participation in the SGAR joint venture company which will be formed by the ANTAM, INALUM and strategic partner. The joint venture company line of business includes smelter grade alumina refinery and other agreed business activities.

The production capacity of SGAR is estimated at 2 million tons of SGA per year which will be built in stages with the first stage capacity of 1 million tons of SGA per year. Through the project ANTAM expects to process its vast bauxite reserves while INALUM expects to acquire alumina feed for aluminium processing from a domestic source, translating into lower dependency of alumina imports as well as benefiting from foreign exchange savings.

INALUM currently has an aluminium smelting capacity of 250,000 tons of aluminium ingots per year requiring a minimum of 500,000 tons of alumina feed per year. INALUM plans to increase its annual capacity to 500,000 tons of aluminium requiring 1 million tons of alumina feed per year in 2020 (twice the current consumption).

In the long term INALUM will continue to increase its capacity to meet the growing demand of domestic aluminium market. In developing a competitive and integrated aluminium industry, the new aluminium plant will be built close to the energy source as well as the SGAR plant. In phase 2 of the development of the smelter, the capacity is expected to reach 1 million tons of aluminium, requiring 2 million tons of SGA per year.

About ANTAM

ANTAM is a diversified, vertically integrated natural resources based company with nickel ore, ferronickel, gold, silver, bauxite, coal, alumina and precious metal processing and refinery services as its main business. It is one of Indonesia's leading companies with more than 47 years of experience and has abundant reserves of high quality nickel and Bauxite. ANTAM's Precious Metal Processing and Refinery Business Unit is Indonesia's only precious metal processing and refinery entity with London Bullion Market Association (LBMA) certification. ANTAM is 65% government held and listed on the Indonesia and Australia securities exchanges.

About INALUM

INALUM is the pioneer and first in South East Asia company in the aluminium smelting business. It was established on 6 January 1976 as a joint venture company between the Indonesian Government and Nippon Asahan Aluminium Co. Ltd. On 19 December 2013, the Indonesian Government took over the Japanese consortium shares in INALUM and the company is currently wholly owned by the Indonesian government. INALUM's 2025 vision is to become an environmentally friendly foremost global integrated aluminium-based company.

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