



Press Release

ANTAM'S FENI III TO RESUME OPERATIONS IN SEPTEMBER

Cause of leak still unknown

Production target lowered to 16,000 tonnes

For Immediate Release

Jakarta, August 1, 2007 – PT Antam Tbk (ASX - ATM; JSX, SSX - ANTM) announces today the ongoing investigation into the metal leak from the furnace wall of FeNi III, which occurred on June 16th, 2007, has revealed repairs will be complete by the first week of September. Antam has decreased the 2007 production target, not including toll smelting, for nickel contained in ferronickel from 20,000 tonnes to 16,000 tonnes. Antam may be able to supplement the volume of production by 400 tonnes to 2,000 tonnes depending on the outcome of negotiations for third party toll smelting arrangements. The cause of the leak is at this point inconclusive as Antam, the designer, the contractor and other expert advisors continue to study the data.

On July 11th and July 12th, 2007 meetings were held at the offices of Hatch Ltd, in Mississauga, Canada, between individuals from the three parties connected to the building, designing and operating of FeNi III. Hatch, the designer of FeNi III and cooling system provider, Kawasaki Heavy Industries and PT Antam (together with its international expert) participated in the high-level meetings. The meetings were held to discuss the root causes and remedies of the metal leak. While much progress was made, it is clear more investigation is required. At this point, prior to receipt of the quantitative analysis from the designer, and as per the last public announcement on July 2nd, 2007, possible causes of the leak are linked to the de-

sign, construction, start-up and operator error.

Immediate repairs will be made so as to safely begin operating as soon as possible and reduce lost production. In order to avoid delivery delays for the refractory bricks, Antam will use bricks currently available from other operations and vendors in South Africa and Canada. As well, Antam has placed a large order for more refractory bricks from RHI, Austria, should the investigation reveal leaks could occur elsewhere and full repairs are needed. Antam does not normally keep large inventories of refractory bricks due to the high risk, in the tropics, of hydration, which renders the bricks useless, however all steps will be taken to keep the bricks dry. Although a pressure test determined there was no water leak from the waffle coolers, Antam will also replace the two slightly damaged waffle coolers and repair parts of the outer steel shell. In order to prevent a recurrence of the leak, immediately following the repairs, Antam will coat the walls of the furnace with a lower silica, high basicity material. Antam expects to switch on the furnace on or about the first week of September. Thereafter, Antam will carefully monitor the furnace, and if safely possible, ramp up to no higher than 34MW. Antam will then increase the load if the operation of the furnace is stable and running well.

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Regarding associated costs, Antam will assess its options, based upon the conclusions of the investigation, as regards filing claims under the warranty provided the engineering, construction and procurement (EPC) contractors and also under Antam's insurance policies.

Antam will make a more detailed announcement in mid-September to inform the repair progress of the FeNi III smelter.

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