



Press Release

ANTAM WELCOMES AND FULLY SUPPORTS THE PLAN OF THE RELAXATION OF LIMITED MINERAL EXPORT PLAN

For immediate release

Jakarta, September 7, 2016 – PT ANTAM (Persero) Tbk (IDX: ANTM; ASX: ATM; ANTAM) announces that the Company welcomes and fully supports the plan of the relaxation of export plan. The plan is currently initiated by The Government through The Ministry of Energy and Mineral Resources (MEMR).

ANTAM's President Director, Tedy Badrujaman said, "As a State Owned Enterprise (SOE) in which we represent the Government's mineral resources management, we are committed to supporting the Government's mineral downstream policy. This is evidenced from the operations of our Ferronickel (FeNi) Plant I, II and III in Pomalaa, Southeast Sulawesi, the Chemical Grade Alumina Plant (CGA) in Tayan, West Kalimantan and the Precious Metal Processing & Refinery Plant in Pulogadung, Jakarta. Currently we have an unprocessed ore as a by-product from the mining activities which uneconomical to process in our plant or in another domestic smelter. But it has a valuable value in export market so it can generate additional value for National income and generate funding for smelter development if it can be exported, rather than become an unprocessed material without any economic value.

There has some characteristics of mineral ore which are not yet be processed entirely in domestic smelter due to the diversity of processing technology for a specific mineral characteristic and the economic level which is determined by the amount of fund investment and production cost. Otherwise, the unprocessed mineral ore can be utilized through ore export considering the limitation of domestic processing plant.

If ANTAM got a credential to export the nickel ore, we will allocate a high grade nickel ore to support domestic smelter with a more economical rate compared with today's market price. Whereas, the unprocessed nickel ore which cannot be consumed domestically will be exported. This unprocessed nickel ore have a better nickel grade compared with a nickel ore from the Philippines so it will be substitute the Philippine's ores if the ore can be exported.

ANTAM's nickel reserves and resources amounted to 988.30 million wmt, consisting of 580.20 million wmt of high grade nickel ore and 408.10 million wmt of low grade nickel ore. With that vast nickel reserves and resources, we can meet a demand from domestic nickel smelters.

So the nickel prices will remain stable and investor interest will keep remain high as it is today."

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In optimizing the value of the Company's nickel ore deposit, besides domestic nickel ore sales, ANTAM is currently developing a 13,500 tons of nickel contained in ferronickel (TNi) capacity ferronickel smelter in East Halmahera, North Maluku. ANTAM expects the smelter to be completed in 2018. In optimizing the value of ANTAM's bauxite ore deposit, ANTAM with PT Indonesia Asahan Aluminium (Persero) (INALUM) have agreed to set up a Smelter Grade Alumina Refinery (SGAR) which will be built in stages with the first stage capacity of 1 million tons of SGA per year in Mempawah, West Kalimantan that expect to be completed in 2019. 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.

On the Gold business, ANTAM's downstream activities have been completed up to produce a gold bar and sales the product. ANTAM have a gold mining and plant processing in Pongkor, West Java and Cibaliung, Banten as well as Precious Metal & Refinery Plant which is Indonesia's only London Bullion Market Association (LBMA) accredited facility to ensure the quality of ANTAM's purity gold products 99.99%.

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