



News Release

CONSTRUCTION OF TAYAN CHEMICAL GRADE ALUMINA PROJECT BEGINS

For Immediate Release

Jakarta, April 11, 2011– PT ANTAM (Persero) Tbk (Antam; ASX – ATM, IDX – ANTM) is pleased to announce that the construction of the US\$450 million Tayan Chemical Grade Alumina (CGA) project has begun at Tayan, Sanggau Regency, West Kalimantan (Tayan CGA Project). Minister of Industry of the Republic of Indonesia, M.S. Hidayat has officially set the ground breaking ceremony for the Tayan CGA Project. Gita Wirjawan, the Head of Indonesia Investment Coordinating Board, Cornelis M. H., Governor of West Kalimantan, and other government officials also attended the ceremony.

The Tayan CGA Project will be developed by PT Indonesia Chemical Alumina (ICA), a joint venture company between Antam and Showa Denko K.K. (SDK) of Japan. Antam owns 80% shares of ICA and SDK holds the remaining 20%. The project cost will be financed by the two parent companies' equity investments in ICA, a loan from the Japan Bank for International Cooperation (JBIC), and bank loans with debt guarantee provided by the Japan Oil, Gas and Metals National Corporation (JOGMEC). The Tayan CGA Project is to be built by a construction consortium of PT Wijaya Karya (Persero) Tbk, Tsukishima Kikai Co. Ltd. Japan, and PT Nusantara Energi Abadi (Nusea).

Construction of the project is expected to take 32 months and commercial production is expected to commence in January of 2014.

The Tayan CGA Project will process Antam's bauxite reserves to produce 300,000 tonnes of CGA per annum to be exported as well as sold to the Indonesian domestic market. The term of Chemical Grade Alumina (CGA) refers collectively to aluminum hydroxide and alumina for applications other than aluminum smelting. As an example, aluminum hydroxide, an intermediate product in alumina production, is used as coagulant for water purification. While alumina is widely used for the smelting of aluminum metal, alumina is also used in the production of functional materials and electronic materials. Applications include refractories, abrasives, building materials, IC packaging, and materials for LCD glass.

The construction of the Tayan CGA Project signifies the execution of Antam's long term growth strategy. Antam expects this project will generate optimal returns for its shareholders through the processing of its vast, high quality bauxite reserves as the Tayan CGA Project would have a potential revenue of US\$200 million annually at the project level. The Tayan CGA Project, part of Indonesia's Master Plan of Development Acceleration and Extension 2011-2015 for the Kalimantan Corridor, is also expected to bring positive impact and add value not only to both Antam and SDK but also for the local stakeholders, including local economic development, job creation, contribution to local government's income and other

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multiplier effects, to benefit the people of West Kalimantan province, specifically to the communities of Sanggau Regency.

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