

ANTAM

A SOLID BRIGHT FUTURE



PT Antam Tbk

Quarterly Report to Shareholders (ASX: ATM, JSX: ANTM)

For the three months ending 30th September, 2006

ARBN - 087 423 998

FURTHER INFORMATION:

Ashur Wasif (Corporate Secretary)

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PRODUCTION

- Antam produced 3,064 tonnes of contained nickel in ferronickel, a 141% increase over the same quarter last year.
- Production of saprolite nickel ore increased 27% to 828,894 wmt compared to the same quarter last year.
- Limonite production includes low grade ore and low grade saprolite ore (LGSO), decreased slightly over the same quarter last year to 239,252 wmt.
- Due to the implementation of the redesign of the Pongkor gold mine, production of gold improved to 874 kg, from 757 kg in 3Q05.

DEVELOPMENT

- Antam contractors shut down new FeNi III smelter for repairs to metal hole.
- JP Morgan Asia Pacific Conference 2006 and US-UK Road Show.
- Antam signed Heads of Agreement with a Chinese company to build smelter grade alumina plant

EXPLORATION

- In 3Q06, Antam continued exploration on lateritic nickel, gold and bauxite in Indonesia.
- Total exploration cost in 3Q06 reached Rp25.6 billion, 92% higher than Rp13.3 billion spent in the same quarter last year.
- **Please note: Antam's financial results for the nine months of 2006 will be released by October 31st, 2006.**

Ashur Wasif
Corporate Secretary
20th October, 2006

• **Shareholder Sum-Up: 3Q06 Relative Share Price Performance over the Quarter (Arrow indicates comparison to previous quarter).**

During 3Q06 Antam's share price increased **17%** from Rp4,700 to Rp5,500

Source: Bloomberg and Antam

VS. PEERS...

PT Timah	17	▼
PT Inco	-1	▲
Inco Ltd	-4	▲
Falconbridge	5	▲
BHP-B Ltd	34	▲
Rio Tinto Plc	34	▲
AngloAmerican	18	▲
Harmony	32	▲
Barrick Gold	8	▲
Newcrest	10	▼
Alumina Ltd	30	▲
Freeport	18	▲

VS. INDICES...

LQ45	-2	▼
JSE Composite	1	▼
JSE Mining Index	13	▲
ASX All Ordinaries	10	▲
Dow Jones	6	▲
TS Composite	10	▼
NASDAQ	14	▲
Hang Seng	3	▲
S&P 500	6	▼
DAX	5	▼
FTSE	9	▼
FTSE All Share Mine	15	▼

VS.

COMMODITIES...

Gold	15	▲
Nickel	-16	▲

Price at end of
Quarter on the ASX:
AUD0.30/CDI

Analyst Recommendations (Released in 3Q06):

NC	Sell	9/28	DBS Vickers	Hold	8/30
Danareksa	Hold	9/25	BNP Paribas	Hold	8/11
Mega Capital	Buy	9/22	UBS	Buy 2	7/21
Merrill Lynch	Neural	9/11	Bahana	Buy	7/20
Mandiri	Sell	9/1	CLSA	Sell	7/6
UBS	Buy 2	8/31	Credit Suisse	Neutral	7/4

Shares in Issue	1,907,691,950
Market Capitalization	Rp10.49tn (USD1.14bn)
Price Range	Rp4,300 – Rp5,900
Average Price	Rp5,160
Trading Volume	328.42 mn
Average Daily Volume	5,297,444

Major Shareholder:

Government of Indonesia (65%)

Substantial Shareholders:

OppenheimerFunds, Inc. USA (8.85%)

Final Dividend Payment Date:

July 7th, 2006

Final Dividend Amount:

Rp150.05/share,

AUD0.108999 per CDI

Nickel Price on 09/30/06	US\$14.20/lb
Nickel Price Range	US\$10.31/lb (07/03/06) - US\$15.96/lb (08/22/06)
Gold Price on 09/30/06	US\$598.30/oz
Gold Price Range	US\$573.65/oz (09/19/06) - US\$664.15/oz (07/14/06)
Rupiah on 09/30/06	Rp9,223/US\$
Rupiah Range	Rp9,045/US\$ (07/11/06) – Rp9,295/US\$ (07/17/06)

COMMISSIONERS AND DIRECTORS

Board of Commissioners

Wisnu Askari Marantika	President Commissioner
Supriatna Suhala	Commissioner
S. Suryantoro	Commissioner
Yap Tjay Soen	Independent Commissioner
Irwandy Arif	Independent Commissioner

Board of Directors

D. Aditya Sumanagara	President Director
Alwin Syah Loebis	Operations Director
Kurniadi Atmosasmito	Finance Director
Syahrir Ika	General Affairs and Human Resources Director
Darma Ambiar	Development Director

- Currently our largest shareholder aside from the Government is Oppenheimer Developing Market Fund with 8.85% interest.
- Antam has 206 foreign and foreign institutional shareholders, which account for 80% of the shares trading on the JSX.
- Antam is held by 165 foreign institutions, which together have 27.9% of Antam's shares.
- The top 5 countries of origin for our foreign shareholders in terms of shares held:
 1. USA
 2. UK
 3. Netherlands
 4. Luxembourg
 5. Switzerland

Top 20 Shareholders (90% are foreign investors):

1. Government of the Republic of Indonesia	11. Caceis Bank
2. JP Morgan Chase Bank US Resident (Norbax Inc)	12. Gov. of Singapore Inv. Corp. Pte Ltd
3. Investor Bank and Trust Company (West)	13. GS LND SEG AC
4. MS + Co Inc. Client AC	14. MS + Co Int Ltd Client AC
5. SSB PS10 Pacific Select Fund Emerging Mkt.	15. Pictet and Cie
6. CB Intl Plc (Lux Branch) S/A Pioneer Asset Mgt	16. Mellon S/A CTC Emg. Mkt.
7. Pertamina Pension Fund	17. The Northern Trust S/A AVFC
8. CB London S/A Hauck and Aufhaeuser	18. BBH Luxembourg S/A Fidelity Funds Emg. Mkt.
9. JP Morgan Chase Bank UK Residents	19. SSB ZV96 Daily Active Emerging Market
10. CB London S/A Pioneer Investment Manager	20. JPM Chase Bank NA Re Stichting Pensioenfonds

PRODUCTION & SALES (please refer to accompanying tables)

Antam's consolidated third quarter sales revenue was 44% higher compared to the same period last year, increasing to Rp1,297 billion inline with higher commodity prices as well as higher sales volume of ferronickel. The sales volume of ferronickel was higher compared to the same quarter last year as Antam began sales from its new FeNi III smelter. However, on July 1st Antam was informed by the Engineering, Procurement and Construction (EPC) contractors that built Antam's new FeNi III smelter that a leak from the metal tap hole of the smelter will require a shutdown for repairs. The repairs are the full responsibility of the EPC contractor. Ferronickel sales revenue contributed 56% compared with 33% in the September quarter last year. The nickel segment remained the biggest contributor of Antam's sales, earning Rp1,058 billion or 82% of the company's top line. Inline with lower gold sales, sales revenues only decreased slightly to Rp156 billion due to a higher gold price. Revenue from the gold segment amounted to Rp191 billion, a 2% increase compared to the September quarter last year. During the first nine months of 2006, Antam's revenue rose 53% higher to Rp3,401 billion.

NICKEL

In 3Q06, production of ferronickel jumped 141% to 3,064 tonnes of contained nickel in ferronickel, compared to the same quarter last year as FeNi I and FeNi II operated above normal production levels to compensate for the shutdown of FeNi III. Antam began to produce from its new FeNi III smelter, during its trial period, starting from the second quarter 2006. However, a leak formed at the metal tap hole on July 1, and normal operation is not expected until mid-November. As such, Antam only produced 80 tonnes of contained nickel in ferronickel from its FeNi III smelter during the September quarter. Ferronickel production from FeNi I and FeNi II reached 1,332 tonnes and 1,653 tonnes respectively. Although Antam has an agreement to toll smelt 200 tonnes of ferronickel with Pamco in order to guarantee on-time product deliveries, Antam has not conducted any toll smelting as yet. During the first nine months of 2006, ferronickel production from FeNi I and FeNi II smelter amounted to 3,524 tonnes and 4,515 tonnes respectively. Ferronickel production in the first nine months of 2006 increased 148% to 9,923 tonnes. Inline with the repair of FeNi III, Antam expects to produce between 13,000-15,000 tonnes of contained nickel in ferronickel in 2006.

Aligned with higher production, ferronickel sales, which were all exports, increased 79% to 3,387 tonnes of contained nickel in ferronickel. Coupled with a 53% higher sales price of US\$10.54 per pound, ferronickel revenues increased to Rp715 billion, a 146% increase over the September quarter of 2005. During the first nine months of 2006, revenue from ferronickel sales increased 172% to Rp1,682 billion, due to higher production and sales price. Antam sold 9,716 tonnes of contained nickel in ferronickel in 9M06, a 131% increase compared to the same period last year.

Saprolite production increased 27% to 828,894 wmt. Production at Pomalaa increased by 64% to 200,669 wmt as Antam ramped up production to offset lower production at Gee which decreased 44% to 154,490 wmt. Production of saprolite in 9M06 of 2,461,905 wmt was 75% of Antam's 2006 target.

Despite higher production, saprolite sales decreased by 3% to 640,737 wmt. Despite an 18% higher sales price of US\$56.75 per wmt, revenue decreased 6% to Rp300 billion due to lower sales volumes. In the

first nine months of 2006, revenue from saprolite amounted to Rp1,020 billion, a 13% increase compared to the same period last year.

Production of limonite, which includes low grade ore and low grade saprolite ore (LGSO), decreased slightly over the same quarter last year to 239,252 wmt. In the first nine months of 2006, Antam did not produce limonite as limonite inventory from Gebe was sufficient to cover the customer's demand. As at the end of September, Antam held approximately 800,000 wmt of limonite in inventory. LGSO production from Pomalaa was 22% higher at 239,252 wmt. Production of limonite during the first nine months of 2006 decreased 13% to 616,097 wmt.

Inline with lower demand, sales volumes of limonite decreased 54% to 128,882 wmt. Sales revenue decreased by 21% to Rp42 billion despite a higher weighted average price, which increased 81% to US\$35.97 per wmt. Antam, however, booked a 15% increase in limonite sales revenue in 9M06 to Rp134 billion inline with a 71% higher sales price of US\$30.33 per wmt.

The provisional cash cost of production of ferronickel rose from US\$3.80 per pound (lb) at the end of the first nine months of 2005 to US\$4.20 per lb at the end of the first nine months of 2006. The 11% increase is largely attributed to largely attributed to higher fuel prices, which rose 78% from Rp1,762 per litre to Rp3,130 per litre at the end of the first nine months of 2006. During the first half of 2005, Antam still benefited from national fuel subsidies. Fuel accounts for nearly half of the cash cost of producing ferronickel. As well, Antam had to pay higher prices for saprolite ore bought from a PT Inco's East Pomalaa reserves, which are used to feed the FeNi III smelter. Meanwhile, the cash cost of saprolite amounted to US\$16.38 per wmt and the limonite cash cost amounted to US\$7.21 per wmt. Antam is currently planning to reduce the cash cost of its energy-intensive ferronickel operations to \$3.50/lb by converting from the more costly diesel fired power plant to natural gas, coal or hydropower by 2009. Recently, SNC Lavalin, a Canadian engineering firm, advised Antam that its plan to become an offtaker of a proposed hydropower plant at Poso Lake was feasible.

GOLD

The successful implementation of the redesign of the Pongkor gold mine increased gold production to 874 kg, from 757 kg in 3Q05. Antam produced 107,807 wmt of gold ore in 3Q06. Antam has optimized the design of the Pongkor mine in order to improve safety and the extraction rate. Meanwhile, inline with higher gold production, production of silver, a by-product of gold, increased 6% to 7,067 kg. However, gold production in the first nine months of 2006 of 2,154 kg decreased 8% and silver production decreased 9% to 17,698 kg. Antam is optimistic it will exceed its 2006 revised gold production of 2,591 kg.

Despite higher production, gold sales volumes decreased 22% to 859 kg as substantially all of the mine output (production) was still being processed for sale at the Logam Mulia refinery. Revenues from gold decreased slightly to Rp156 billion although the average realized selling price of gold rose 40% to US\$621.23 per t.oz. Following a 157% higher average selling price, revenues from silver rose 18% to Rp30 billion despite a 49% decrease in silver sales volume. During the first nine months of 2006, revenues from gold amounted to Rp363 billion, contributing 11% of Antam's 9M06 revenue.

BAUXITE

Antam's export revenues from bauxite, decreased 7% to Rp47 billion, despite a 34% higher average sales price of US\$14.11 per wmt. Bauxite sales volumes decreased 25% to 363,943 wmt due to the depletion of reserves at the Kijang mine. Revenues from bauxite contributed 4% to total 9M06 revenues.

HEDGE BOOK

Antam's Corporate Policy Manual states that healthy financial management drives growth and value creation and must reflect good risk management practices and balanced management of assets and liabilities. Antam's diverse portfolio of commodities provides a natural hedge against commodity price fluctuations. However, Antam will conduct selective and prudent hedging activities in nickel, gold and foreign exchange, if necessary, primarily to protect revenues and budget.

In 3Q06, Antam hedged nickel sales using a product known as a zero cost collar, whereby Antam sells a call option (giving buyer the right to buy nickel at a pre-determined price) and buys a put option (giving Antam right to sell at a pre-determined price). The contracts mature each month, and no transaction will occur provided the spot price of nickel does not exceed the price on the call option or fall below the price on the put option. It is called a zero cost collar as the cost of both options is the same. Antam had nearly closed its gold positions, arranged in 2005. Antam is not currently considering further gold hedging.

GOLD HEDGING

GOLD HEDGE BOOK

As of September 30, 2006, the following contract were outstanding

Description	Period	t.oz	kg	Avg Rate (USD)	Amount (USD)
Gold/USD Forward	Calendar'05	0	0.00	0.00	0
Gold/USD Forward	Calendar'06	3,000	93.31	441.00	1,323,000
		3,000	93.31	441.00	1,323,000
Production of year 2005 (revised budget)		119,536	3,717.99		
% hedging 2005		0%	0%		
Production of year 2006		96,902	3,014.00		
% hedging 2006		3%	3%		

The following profit/ loss were realized in 3Q06:

PROFIT AND LOSS

The following profits/loss were realized in 3Q06

Description	Value Date	t.oz	Avg.Sales Price/t.oz (US\$)	Avg.Buyback Price/t.oz (US\$)	ITM/OTM (-) in US\$
Gold/USD Forward	July'06	1,000	441.00	641.00	-200,000
Gold/USD Forward	August'06	1,000	441.00	632.50	-191,500
Gold/USD Forward	September'06	1,000	441.00	635.50	-194,500

NICKEL HEDGING

HEDGE BOOK: Hedging Contract outstanding as of September 30, 2006

Description	Counter-party	Trade Date	Period	Ton Ni	Strike Price (ZCC Option)			
					Bought Put		Sold Call	
					USD/t	USD/lbs	USD/t	USD/lbs
bought put /sold call	Standard Chartered Bank	14-07-06	Oct - Dec'06	300	20,500	9.30	28,000	12.70
bought put /sold call	Barclays Capital	31-07-06	Oct - Dec'06	300	20,500	9.30	28,750	13.04
bought put /sold call	Standard Chartered Bank	31-07-06	Oct - Nov'06	200	20,500	9.30	28,500	12.93
bought put /sold call	Barclays Capital	1-Aug-06	Oct - Dec'06	300	21,500	9.75	29,250	13.27
bought put /sold call	ABN Amro Bank	2-Aug-06	Oct - Dec'06	300	21,600	9.80	29,250	13.27
bought put /sold call	Barclays Capital	7-Aug-06	Oct - Dec'06	300	21,750	9.87	29,750	13.49
bought put /sold call	Barclays Capital	11-Aug-06	Oct - Dec'06	300	22,500	10.21	30,000	13.61
				2,000	21,264	9.65	29,071	13.19

DESCRIPTION		2005		2006			3Q06/ 2Q06 (%)	3Q06/ 3Q05 (%)	9M06/ 9M05 (%)
		3 rd Quarter	9 Months	2 nd Quarter	3 rd Quarter	9 Months			
SALES VOLUME									
Ferronickel	Ton Ni	1,892	4,197	4,753	3,387	9,716	(29)	79	131
Nickel Ore:									
Saprolite									
- Pomalaa	Wmt	176,190	443,835	197,419	47,358	331,181	(76)	(73)	(25)
- Gebe	Wmt	-	181,293	-	-	-	-	-	-
- Gee	Wmt	231,030	734,096	255,184	154,490	604,596	(39)	(33)	(18)
- Buli	Wmt	253,162	669,688	381,107	274,808	869,688	(28)	9	30
- Mornopo	Wmt	-	-	177,366	164,081	408,159	(7)		
<i>Total Saprolite</i>	<i>Wmt</i>	<i>660,382</i>	<i>2,028,912</i>	<i>1,011,076</i>	<i>640,737</i>	<i>2,213,624</i>	<i>(37)</i>	<i>(3)</i>	<i>9</i>
Limonite									
- LGSO Pomalaa	Wmt	150,804	396,602	102,520	128,882	283,164	26	(15)	(29)
- Gebe	Wmt	79,996	187,472	104,362	-	203,629	(100)	(100)	9
- Buli	Wmt	47,755	107,569	-	-	-		(100)	(100)
<i>Total Limonite</i>	<i>Wmt</i>	<i>278,555</i>	<i>691,643</i>	<i>206,882</i>	<i>128,882</i>	<i>486,793</i>	<i>(38)</i>	<i>(54)</i>	<i>(30)</i>
Total Nickel Ore	Wmt	938,937	2,720,555	1,217,958	769,619	2,700,417	(37)	(18)	(1)
Gold	Kg	1,103	2,933	766	859	2,037	12	(22)	(31)
Silver	Kg	11,311	22,543	4,343	5,772	16,008	33	(49)	(29)
Bauxite	Wmt	482,904	1,219,152	335,841	363,943	1,071,779	8	(25)	(12)
Iron Sands	Wmt	52	23,268	-	-	-		(100)	(100)

DESCRIPTION		2005		2006					
		3 rd Quarter	9 Months	2 nd Quarter	3 rd Quarter	9 Months	3Q06/ 2Q06 (%)	3Q06/ 3Q05 (%)	9M06/ 9M05 (%)
SALES PRICE									
Ferronickel Nickel Ore	US\$/Lb	6.88	6.86	8.01	10.54	8.59	32	53	25
<i>Saprolite</i>	<i>US\$/Wmt</i>	<i>47.92</i>	<i>45.98</i>	<i>50.81</i>	<i>56.75</i>	<i>50.26</i>	<i>12</i>	<i>18</i>	<i>9</i>
- Pomalaa	US\$/Wmt	45.19	47.03	58.02	47.14	51.52	(19)	4	10
- Gebe	US\$/Wmt	-	43.39	-	-	-	-	-	(100)
- Gee	US\$/Wmt	51.25	49.88	55.71	53.89	51.37	(3)	5	3
- Buli	US\$/Wmt	46.78	41.72	46.88	61.50	50.21	31	31	20
- Mornopo	US\$/Wmt	-	-	44.16	54.27	47.71	23	-	-
<i>Limonite</i>	<i>US\$/Wmt</i>	<i>19.82</i>	<i>17.71</i>	<i>38.56</i>	<i>35.97</i>	<i>30.33</i>	<i>(7)</i>	<i>81</i>	<i>71</i>
- LGSO Pomalaa	US\$/Wmt	14.65	16.76	23.68	35.97	27.95	52	146	67
- Gebe	US\$/Wmt	34.89	23.17	53.17	-	33.62	(100)	(100)	45
- Buli	US\$/Wmt	10.93	11.69	-	-	-	-	(100)	(100)
Gold	US\$/T.oz	443.64	433.50	611.82	621.23	603.44	2	40	39
Silver	US\$/T.oz	6.95	7.00	12.48	17.84	11.55	43	157	65
Bauxite	US\$/Wmt	10.51	10.54	13.96	14.11	13.68	1	34	30
Iron Sands	IDR/Wmt	102,000	105,079	-	-	-	-	(100)	(100)
Exchange rate (for revenue)	IDR/US\$	10,006	9,619	9,107	9,121	9,177	0	(9)	(5)

DESCRIPTION	2005		2006			3Q06/ 2Q06 (%)	3Q06/ 3Q05 (%)	9M06/ 9M05 (%)
	3 rd Quarter	9 Months	2 nd Quarter	3 rd Quarter	9 Months			
SALES REVENUE (Rp million)								
EXPORT SALES:								
Ferronickel	290,668	617,601	769,800	715,554	1,682,381	(7)	146	172
Nickel Ore								
Saprolite								
- Pomalaa	80,903	203,151	114,094	12,831	158,837	(89)	(84)	(22)
- Gebe	-	73,757	-	-	-			(100)
- Gee	119,534	353,195	141,153	64,589	284,548	(54)	(46)	(19)
- Buli	119,479	270,534	175,133	141,715	399,293	(19)	19	48
- Mornopo	-	-	71,330	80,726	177,220	13		
<i>Total Saprolite</i>	<i>319,916</i>	<i>900,636</i>	<i>501,710</i>	<i>299,861</i>	<i>1,019,898</i>	<i>(40)</i>	<i>(6)</i>	<i>13</i>
Limonite								
- Gebe	26,839	41,468	46,694	-	62,089	(100)	(100)	50
- Buli	5,119	12,011	-	-	-		(100)	(100)
- LGSO Pomalaa	22,015	63,845	21,892	42,388	72,273	94	93	13
<i>Total Limonite</i>	<i>53,973</i>	<i>117,324</i>	<i>68,586</i>	<i>42,388</i>	<i>134,361</i>	<i>(38)</i>	<i>(21)</i>	<i>15</i>
Gold	56,532	104,289	58,932	16,834	95,216	(71)	(70)	(9)
Bauxite	50,333	123,540	43,040	46,888	134,865	9	(7)	9
Silver	20,733	21,071	3,721	17,051	21,059	358	(18)	(0)
TOTAL EXPORT REVENUE	792,155	1,884,459	1,445,789	1,138,577	3,087,780	(21)	44	64
DOMESTIC SALES:								
Gold	100,741	290,049	79,505	139,563	267,505	76	39	(8)
Silver	4,658	28,146	12,048	13,015	33,073	8	179	18
Iron sands	5	2,445	-	-	-	-	(100)	(100)
Gold Refining Services	3,839	9,908	3,440	4,235	10,794	23	10	9
Other	817	1,240	439	1,400	2,103	219	71	70
TOTAL DOMESTIC REVENUE	110,059	331,789	95,432	158,213	313,475	66	44	(6)
TOTAL SALES REVENUE	902,214	2,216,248	1,541,221	1,296,790	3,401,256	(16)	44	53

DESCRIPTION	2005		2006			3Q06/ 2Q06	3Q06/ 3Q05	9M06/ 9M05 (%)
	3 rd Quarter	9 Months	2 nd Quarter	3 rd Quarter	9 Months			
EXPORT SALES (Thousand US\$)								
Ferronickel Nickel Ore Saprolite	28,675	63,493	83,933	78,704	183,955	(6)	174	190
- Pomalaa	7,963	20,874	12,245	1,441	17,063	(88)	(82)	(18)
- Gebe	-	7,867	-	-	-	-	-	(100)
- Gee	11,840	36,618	15,408	7,133	31,056	(54)	(40)	(15)
- Buli	11,843	27,937	19,262	15,506	43,670	(19)	31	56
- Mornopo	-	-	7,833	8,905	19,473	14	-	-
<i>Total Saprolite</i>	<i>31,646</i>	<i>93,297</i>	<i>54,748</i>	<i>32,985</i>	<i>111,262</i>	<i>(40)</i>	<i>4</i>	<i>19</i>
Limonite								
- LGSO Pomalaa	2,210	6,648	2,428	4,636	7,915	91	110	19
- Gebe	2,791	4,344	5,160	-	6,847	(100)	(100)	58
- Buli	521	1,257	-	-	-	-	(100)	(100)
<i>Total Limonite</i>	<i>5,522</i>	<i>12,249</i>	<i>7,588</i>	<i>4,636</i>	<i>14,762</i>	<i>(39)</i>	<i>(16)</i>	<i>21</i>
Gold	5,610	10,687	6,414	1,858	10,385	(71)	(67)	(3)
Bauxite	5,074	12,851	4,687	5,136	14,659	10	1	14
Silver	2,060	2,096	418	1,883	2,333	350	(9)	11
TOTAL EXPORT REVENUES	78,587	194,673	157,788	125,202	337,357	(21)	59	73

A NOTE ON NICKEL PRICING:

Sometimes you'll notice slight changes in the nickel prices of the current and previous quarter, in the corresponding quarterly reports (i.e. the price of low grade nickel ore for 1Q02 as reported in the 1Q02 quarterly report is different from as reported in the 2Q02 quarterly report). This is because the latest figures reflect the prices of our nickel products as invoiced to customers in a professional invoice. Later, after the shipment arrives the cargo is re-analyzed for moisture content and nickel grade and the price may increase or decrease in the final invoice.

FOR YOUR REFERENCE:

The nickel ore price is calculated as follows:

- 1 WMT X Ni Content (2.24% to 2.28%) X MC (100-35%) X 2204.62 X LME price/lb X payable nickel (ave. 24%).
- The nickel payable is the discount to the nickel spot price, as the nickel must be extracted from the ore.
- For high-grade the LME price that is used is the average price from the previous quarter.

1 ton of nickel in ferronickel is equivalent to about 75 wmt of ore.

EXPLORATION*

COMPETENT PERSON

Where in the following report there are statements that relate to Antam's Mineral Resources or Ore Reserves, they are based on and accurately reflect information that has been compiled by Mr. Trenggono Sutioso. Mr. Sutioso is a member of the Australasian Institute of Mining and Metallurgy and has the appropriate experience to be considered a Competent Person as defined in the Australasian Code for Reporting on Identified Mineral Resources and Ore Reserves.

*) For detail exploration activities, please refer to Antam Monthly Exploration Report.

In 3Q06, Antam continued its exploration on lateritic nickel, gold and bauxite in Indonesia. Total cost for exploration reached Rp25.6 billion, 92% higher than Rp13.3 billion spent in the same quarter last year.

NICKEL

At a total cost of Rp17.6 billion, Antam conducted nickel exploration in Buli of Halmahera, Gee Island, Southeast Sulawesi and Obi Island.

Antam conducted nickel exploration in Buli and Gee Island including topography measurements, drilling grid measurement, tracking and drilling activities followed by core description and samples. Total cost reached Rp8 billion.

Antam spent Rp2.7 billion on nickel exploration in Southeast Sulawesi at Tapunopaka and Mandiodo with drilling followed by core descriptions, core samples and sample preparations. Other activities included mine design preparation for Tapunopaka.

Exploration activities to identify nickel resources were conducted at Kolaka Utara and Konawe including Regional Geological Mapping, Semi Detailed Geological Mapping, test pit, core samples, core drilling description followed by rock description, preparation and x-ray analysis. Antam indicated 3 prospect areas. Total cost reached Rp67.7 million. Exploration at Seram Island was conducted at cost of Rp152.1 million and Antam indicated 4 prospect areas.

Nickel exploration of Rp6.13 billion at Obi Island included drilling activities at Kawasi block using 50m spacing, core samples and description, preparations and analysis and grid measurements. Antam also conducted geotechnical activities, including geotechnical drilling static cone penetration drilling to support dock design and mining infrastructure at cost of Rp560.9 million.

GOLD EXPLORATION

Antam conducted gold exploration at Pongkor and Papandayan of West Java, Seblat of Bengkulu, Patah Tiga of Jambi, Tauro/ Toliwang of North Halmahera, Southeast Sulawesi and Mamuju of West Sulawesi at total cost of Rp6.8 billion.

Exploration activities at Pongkor included exploration drilling, core description and samples at Kubang Cicau and Ciguha vein below L.500. Antam indicated vein at L.300 at Kubang Cicau, 1.3 m wide with

grade of 9.3 gpt of Au at Ciguha vein and 1.9 m wide with grade of 2.3 gpt of Au at Kubang Cicau vein. Total cost reached Rp2.4 billion.

Exploration activities at Papandayan of Garut included geological mapping, drilling activities, logging core and collecting core description samples and track measurement at Bantarhuni vein. Antam indicated 294.10 – 297.33 m wide with grade 0.11 – 1.8 gpt of Au, 3.7 – 7 % of Pb and 7.9 – 29 % of Zn at Utara Bantarhuni vein. Antam also indicated grade of 5.6 gpt of Au at HW vein. Total cost reached Rp1.9 billion.

Exploration activities at Seblat of Bengkulu conducted particularly at Lebong Kandis, Gunung Husein vein and Air Main including Detailed Geological Mapping, Semi Detailed Geological Mapping, opening, rock samples and FI, drilling activities, logging core, track measurement, topography, magnet measurement and spots. Drilling activities still indicated no significant samples. Total cost reached Rp1.5 billion.

Antam conducted exploration at Muaramanderas of Jambi, including Regional Geological Mapping, Semi-Detailed Geological Mapping, Detailed Geological Mapping, SS samples, rock samples and opening. Total cost reached Rp357.5 million.

Antam conducted exploration at Mao Mamuju of West Sulawesi including Detailed Geological Mapping, rock samples, XRD, FI, petrography, collecting samples of mineragraphy, opening and track measurement. Total cost reached Rp96.3 million.

Antam also conducted gold exploration at Southeast Sulawesi and Buru Island, including Regional Geological Mapping, Semi-Detailed Geological Mapping, rock samples, collecting samples petrography and FI and SS samples. Antam indicated 1 prospect area. Total cost reached Rp320.5 million.

Antam also conducted exploration activities at Tauro/ Toliwang including Semi-Detailed Geological Mapping, Detailed Geological Mapping and rock samples at a cost of Rp174.1 million.

Total cost incurred in 3Q06 at Bulado of Gorontalo reached Rp13.7 million.

BAUXITE EXPLORATION

Bauxite exploration activities focused at Tayan and Munggu Pasir of West Kalimantan and Riau Archipelago at a cost of Rp1.2 billion.

Exploration activities using 25 m spacing were conducted at Tayan including grid measurement, topography, pitting volume followed by collecting channel samples and sample preparations. Total cost reached Rp603 million.

Antam conducted exploration at Munggu Pasir including polygon measurement, topography, test-pitting grid and collecting samples and preparations. Total cost reached Rp516 million.

Exploration activities at Bangka Belitung and Riau Archipelago still indicated no potential deposit. Total cost reached Rp62.3 million.

DEVELOPMENT – Corporate

Antam's contractors shut down new FeNi III smelter for repairs to metal hole

On July 5 Antam was informed by the turnkey or EPC contractors that built Antam's new FeNi III smelter that a leak from the metal tap hole of the smelter will require a shutdown for repairs. Because of the shutdown, Antam's 2006 production target for nickel contained in ferronickel will be lowered to around 13,000 – 15,000 tonnes from the target of 19,000 tonnes. Antam expects to switch on the FeNi III smelter in October with normal operation to occur in November following a 31-days ramp up period.

JP Morgan Asia Pacific Conference 2006 and US-Europe Roadshow

As part of Antam's ongoing efforts to build recognition within the financial community Antam met with investors during a 3-day conference in New York on September 25-27 hosted by JP Morgan. Following the forum, Antam made a two weeks roadshow in the United States and United Kingdom. During the roadshow, Antam met both debt and equity investors, visiting major financial centres such as London and New York.

Antam signed Heads of Agreement with a Chinese company to build smelter grade alumina plant

On August 10th, Antam signed a Heads of Agreement with a Chinese company to build a Smelter Grade Alumina plant at Bintan, Riau Islands, Indonesia. Following the signing, Antam and its partner will work towards completion of a bankable feasibility study and joint venture agreement. Antam expects the bankable feasibility study and the joint venture agreement to be completed by the end of 2006 or early 2007.

DEVELOPMENT – Joint Ventures

JV	Product	Antam (%)	Partner	Status
PT Nusa Halmahera Minerals	Gold	17.5%	Newcrest (ASX Listed)	Production/ Development
PT Cibaliung Sumber Daya	Gold	10.25%	Austindo (ASX Listed)	Development
PT Sorikmas Mining	Gold	20%	Oropa (ASX listed)	Development
PT Gag Nickel	Nickel	25%	BHP Billiton (LSE/ASX listed)	Development
PT Weda Bay Nickel	Nickel	10%	Weda Bay Minerals (TSE listed)	Development
PT Dairi Prima Minerals	Lead/Zinc	20%	Herald Resources (ASX Listed)	Development
PT Galuh Cempaka	Diamonds	20%	BDI Mining Corp (LSE/AIM Listed)	Production/ Development

PT GALUH CEMPAKA (Antam 20%)

-From BDI Mining Corp News Release August 15th, 2006-

BDI Mining Corp announced that the Company's Cempaka alluvial diamond mine in Indonesia has reached the production milestone of 50,000 carats of gem diamonds. Since commercial mining operations began in March 2005, a total of 50,066 carats of diamonds (comprising of 224,944 stones) have been recovered from the Danau Seran palaeochannel, a northern tributary of the main Cempaka palaeochannel.

PT CIBALIUNG SUMBER DAYA (Antam 10.25%)

-From Austindo Resources Corporation NL ASX Announcement on August 25th, 2006-

A review of The Cibaliung Gold Project cost to completion incorporating several project scope changes has identified substantial cost increases. The investigation conducted by Behre Dolbear Australia has been completed and has identified that additional expenditure of approximately US\$15.2 million (inclusive of new contingency of US\$2.0 million) will be necessary to complete the project.

The Company will be seeking additional debt finance and equity funding to meet these increased costs.

PT SORIKMAS MINING (Antam 25%)

-From Oropa Limited ASX Announcement on September 19th, 2006-

Highlights:

- Access gained to historical Dutch underground workings
- Channel sampling of access drives discovers high grade gold values in association with copper mineralisation:

- Sample 951270: 7.43g/t Au, 0.64% Cu
 - Sample 951271: 20.55 g/t Au, 0.49% Cu
 - Sample 951275: 19.85g/t Au, 0.85% Cu
 - Sample 951276: 13.6g/t Au, 1.29% Cu
- Ore body modelling indicates mineralization open down dip and plunge, plus possible parallel ore lenses.
 - Drilling to commence this quarter.

PT DAIRI PRIMA (Antam 20%)

-From Herald Resources Release on October 5th, 2006-

As previously advised, having already received environmental and mining construction approvals, application was made some time ago to the Ministry of Forestry for “Pinjam Pakai” (forestry) approval in order to allow onsite works to commence.

The Company has been advised that in order for the Ministry of Forestry to give its approval, it will require supporting letters from Commission IV (a sub-committee of the Indonesian Parliament dealing with forestry issues) and the Ministry of the Environment.

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