



ANTAM AND INALUM HAVE AGREED TO SET UP A JOINT VENTURE COMPANY TO DEVELOP SMELTER GRADE ALUMINA (SGA) REFINERY

Jakarta, 15 October 2015 – PT ANTAM (Persero) Tbk (ASX: ATM; IDX: ANTM; ANTAM) and PT Indonesia Asahan Aluminium (Persero) (INALUM) are pleased to announce that they have agreed to set up a joint venture company with strategic partner to develop and operate Smelter Grade Alumina Refinery (SGAR). The SGAR is to be located in West Kalimantan with construction to start in 2016. The SGAR is planned to commence operations in 2019.

ANTAM's President Director, Tedy Badrujaman, said,

"The agreement with INALUM to set up a joint venture company with strategic partner is the next step following the signing of MoU between the two companies in July this year. The development of SGAR Mempawah will add value to our vast bauxite reserves through downstream processing."

INALUM's President Director, Winardi Sunoto, said,

"Our synergy with ANTAM is part of our sustainable development initiatives to create an integrated downstream aluminium industry in Indonesia. The initiative also aims to enhance corporate added value and competitiveness."

Following the agreement, ANTAM and INALUM will sign a shareholder agreement which will be followed with the establishment of a joint venture with strategic partner. ANTAM and INALUM are currently reviewing potential strategic partner. The candidates of potential partner are leading international companies with experiences in aluminium and alumina processing industry including, amongst others, candidates from China, Russia and United Arab Emirates.

The production capacity of SGAR is estimated at 2 million tons of SGA per year which will be developed in stages and will require bauxite ore feed of 6 million wet metric tons (wmt) per year. The capacity of the first stage of the SGAR is estimated at 1 million tons of SGA per year. ANTAM expects to process its vast bauxite reserves whilst INALUM expects to acquire alumina feed for aluminium processing from a domestic source, translating into lower dependency of alumina imports through the development of SGAR.

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 capacity to 500,000 tons of aluminium per year requiring 1 million tons of alumina feed per year in 2020. As part of its downstream strategy, in 2016 INALUM plans to produce the new products of aluminium billets and aluminium alloys, besides the existing aluminium ingot product.

About ANTAM

ANTAM is a diversified, vertically integrated natural resources based company with nickel ore, ferronickel, gold, silver, bauxite, coal, alumina and precious metals 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, gold and bauxite. ANTAM is 65% government held and listed on Indonesia and Australia securities exchanges.

About INALUM

INALUM is the pioneer and first Indonesian 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 a leading global company based on integrated aluminium business with environmentally friendly operations.

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