



## **Press Release**

### **For Immediate Disclosure**

#### **Antam and Jindal sign a Joint Venture Agreement to Develop Nickel Smelting and Stainless Steel Facility in South East Sulawesi**

**Jakarta, May, 12, 2008.** PT. Antam Tbk & Jindal Stainless Limited have today signed a Joint Venture Agreement to develop a nickel smelting and stainless steel facility in North Konawe, South East Sulawesi. Antam will have a 55% interest in the project with Jindal owning a 45% share.

Initially the project is planned to have a capacity of around 20,000 tonnes per annum (tpa) of contained nickel in ferronickel and around 250,000 tpa for stainless steel, mainly the high quality 300 Series. Based on a proposed market survey to be commissioned soon, the final end product may be stainless steel slabs or possibly stainless steel long products.

Antam will contribute its mining and nickel processing expertise as well as its local knowledge and experience while Jindal will contribute its stainless steel processing and marketing expertise as well as its global marketing network for the sales and distribution of the joint venture's products.

The integrated project shall process nickel ore from Antam's Mandiodo concession, which has an average nickel grade of about 1.5%. In addition to nickel smelting and stainless steel, the facility will also include its own coal-based captive power plant, water treatment plant, seaport and other necessary infrastructure including residential facilities for its employees. This project may be the first time any where in the world where a stainless

steel processing mill is located together with a nickel plant and mine. This arrangement may result in very significant cost savings and shall make the venture highly competitive. Total investment is estimated at about USD 700 Million which will be funded with an optimum mix of Debt and Equity.

A Joint Team between the Companies is getting formed to establish the Joint Venture Company which may be called as PT. Antam Jindal Stainless Indonesia. Construction activities of the Complex may start from early of 2009. The Complex is expected to be commissioned by middle of 2011.

For Antam, this project is part of its business strategy of product diversification to improve shareholders' value. This project also helps the industrial development of Indonesia as it involves the processing of natural resources within the country, creating maximum value compared to simply exporting ore.

As for Jindal, who already have a Stainless Steel Cold Rolling Complex in Indonesia for several years, the development of the project is part of their business strategy to become one of the leading player in the Stainless Steel industry globally.