



News Release

ANTAM IS COMMITTED TO UNDERTAKING A PRUDENT AND CONSERVATIVE APPROACH WITH REGARDS TO ITS CAPITAL SPENDING

For Immediate Release

Jakarta, April 23rd, 2014 - PT ANTAM (Persero) Tbk (ANTAM; ASX - ATM; IDX - ANTM) today announces that the company is committed to undertaking a prudent and conservative approach with regards to its capital spending. ANTAM is also committed to maintaining its position as a key mining entity in the global mining space supported with its vast mineral reserves and resources. The release is published in response to the downgrade of ANTAM's corporate family rating from Ba3 to B2 and from B+ to B- from Moody's Investors Services and Standard and Poor's Ratings Services, respectively. The rating on ANTAM's Rupiah bonds was also lowered from idAA- to idA by a local rating agency, PT PEFINDO.

ANTAM's President Director Tato Miraza said:

"Although we regret to see the recent downgrading by the rating agencies, we would like to reiterate that ANTAM remains a key mining entity in the global mining space given its vast mineral reserves and resources. With more than 974 million wet metric tons (wmt) of high grade and low grade nickel reserves and resources as well as more than 699 million wmt of bauxite reserves and resources, the foundation of management's growth strategy is ANTAM's existing ore reserves and mineral resources.

As ANTAM controls a significant level of natural resources, including nickel, bauxite and gold, inline with the implementation of the new mining regulations, we believe that we are able to leverage and add value through development of these vast reserves and resources for enhancing shareholders value."

FOR MORE INFORMATION PLEASE CONTACT:

Tri Hartono

(Corporate Secretary)

Tel : (6221) 780 5119

Fax : (6221) 781 2822

Email :

corsec@antam.com

Website: www.antam.com

Inline with the implementation of the new mining regulations, ANTAM is confident that commodity prices will continue to improve as supply/demand dynamics determine the direction of the market going forward.

As ANTAM's balance sheet is currently being limited in terms of adding any unnecessary financial debt and further capital expenditure, ANTAM is evaluating its capital expenditure



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plans so that it is able to apply as little additional debt whilst still targeting to complete these projects which will result in value added capacity coming on stream as soon as possible. A number of potential joint venture partners are currently in discussion with ANTAM to secure a position in the downstream value added lines of business without overly burden the company with debt.

ANTAM will also continue to focus on expanding its ferronickel capacity as well as bringing down ferronickel cash cost. ANTAM is committed to regaining its position as one of the world's lowest cost producers of ferronickel. ANTAM's new Tayan Chemical Grade Alumina project with commercial operations expected to start this year, will capitalise on ANTAM's vast bauxite reserves and resources in West Kalimantan. The project will also allow ANTAM to better withstand economic turbulence given that bauxite, nickel and gold have different market dynamics and fulfill different needs of the consumer.

ANTAM's management also believes the Government's continued support through the ownership of the Series A-Dwi Warna share in the company, the privilege right over state reserve area and first right of refusal on shares divestment of contract of work companies. The 65% ownership by the Government as well as the company's status as State-owned Enterprise also reiterates the Government's commitment toward the company's sustainability. Furthermore, ANTAM's direct communication and relationship with the Government will ensure that ANTAM will continue to operate effectively going forward.

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The information in this release that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Lukman Effendi, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Lukman Effendi is a full-time employee of the company. Mr Lukman Effendi has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Lukman Effendi consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.