



Press Release

ANTAM LOWERS POWER LOAD OF FENI III SMELTER DUE TO SMALL METAL LEAK

For Immediate Release

Jakarta, June 18th, 2007 – PT Antam Tbk (ASX - ATM; JSX, SSX - ANTM) announces today it has lowered the power load of the FeNi III smelter due to a small metal leak from the furnace wall. Based on a preliminary investigation and opinion from Antam's external consultant, the FeNi III smelter is expected to reach its normal operating load in a maximum of three weeks. The leak is different from and not related to the previous metal tap hole leak, which occurred on July 1st, 2006. The leak occurred at 9:00pm Central Indonesia Time on Saturday night, June 16th, 2007 and no one was injured.

Antam's Operations Director, Mr. Alwin Syah Loebis said,

"We are disappointed that a leak has occurred at FeNi III. We are eager to find the details of this incident following a full investigation. We will endeavor to keep our 2007 ferronickel production target of 20,000 tonnes."

Crude ferronickel appeared from the furnace wall near the side of electrode 1, one of three electrodes that heat the furnace. The leak lasted for about one and a half hours. To prevent further damage and for safety reasons, Antam lowered the power load from 34 megawatts (MW), the load at the time of the leak, to 2 MW. Antam's staff successfully plugged the 5cm hole with magnesium oxide clay at 10:35pm Central Indonesia Time.

The preliminary investigation indicates minimal damage to the smelter, mainly to the instrument cables near the leak. Before the metal leak there were no abnormal operating parameters. An investigation is underway to determine the exact cause of the leak. After a full formal report is available, Antam will make a more detailed public announcement.

A preliminary estimate shows the costs associated with the repairs are minimal. Antam has informed the engineering, construction and procurement (EPC) contractors that built FeNi III of the leak and may submit a claim under the warranty provided by the EPC contractors. The EPC contractors are an unincorporated consortium of Mitsui & Co. Ltd. and Kawasaki Heavy Industries Ltd, of Japan. Antam is also reviewing and may also make claims under the terms of the industrial all risk, machinery breakdown, and business interruption insurance policies it has arranged with an insurance consortium.

The US\$320 million FeNi III project began commercial operations on January 29th, 2007. To the end of May 2007, Antam produced 7,510 tonnes of nickel contained in ferronickel. Following this incident, Antam is still targeting production of 20,000 tonnes of nickel contained in ferronickel by using higher grades of ore feed for its FeNi III smelter when it re-

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