



Press Release

FENI III COMMERCIAL OPERATIONS BEGINS

For Immediate Release

Jakarta, January 29th, 2007 – PT Antam Tbk (ASX - ATM; JSX, SSX - ANTM) announces its new FeNi III smelter has today begun commercial operations following the hand-over of the unit from the turnkey, or Engineering, Procurement and Construction (EPC) contractor, an unincorporated consortium of Kawasaki Heavy Industries and Mitsui Co. Ltd.

The FeNi III handover was marked by the signing of Certificate of Taking Over held today at Antam's Head Office in Jakarta. FeNi III has maximum capacity of 15,000 tonnes nickel contained in ferronickel if it operates at the full power load of 42 MW and uses ore feed with a 2.38% nickel grade. To ensure long term and stable operation, currently FeNi III is using laterite ore feed with a nickel grade of 2.1-2.2% and will operate at a power load of 36—38 MW or 85% - 90% of capacity. Antam anticipates production of 20,000—22,000 tonnes of nickel contained in ferronickel in 2007, higher than the ferronickel production of 14,474 tonnes in 2006.

Antam's President Director D. Aditya Sumanagara said,

"Achieving commercial operations of FeNi III is an important milestone of Antam's growth and our efforts to create value for our shareholders. With this handover we have successfully completed the development of FeNi III project, with good cooperation from all parties involved".

The operation of FeNi III is covered by an insurance consortium which

covers industrial all risk, machinery breakdown, earthquake as well as loss of profit.

The US\$320 million FeNi III project includes a new smelter and a diesel power plant. The project is funded with US\$200 million notes issued by Antam's subsidiary Antam Finance Ltd., US\$30 million from an investment credit facility provided by BCA and Antam's internal equity. In December 2006, Antam repaid the outstanding notes for tax reasons, due to the cancellation of the Avoidance of Double Taxation Agreement between Mauritius and Indonesia (Indo-Mauritius DTA) at the end of 2004. Antam refinanced the outstanding US\$171 million notes with US\$71 million from PT Bank Central Asia Tbk. (BCA), US\$50 million from PT Bank Mandiri Tbk and Antam's cash.

A key part of the FeNi III project, Wartsila Corporation of Finland built, and continues to operate, the 102 MW diesel power plant. The power plant began operations in April 2005 and also powers the FeNi I and FeNi II plants.

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