

# Quarterly Report

Further information:  
Bimo Budi Satriyo (Corporate Secretary)  
Email : corsec@antam.com

Tel : (6221) 780-5119  
Fax : (6221) 781-2822

**For the three months ending 31<sup>st</sup> March, 2007**

**ARBN - 087 423 998**

**Stock Code: (ASX: ATM; JSX: ANTM)**

## **PRODUCTION**

- In 1Q07, Antam produced 4,352 tonnes of contained nickel in ferronickel, a 61% increase over the same quarter last year.
- Production of saprolite nickel ore increased 158% to 1,735,424 wmt compared to the same quarter last year as Antam ramped up production at its Mornopo mine.
- Inline with the successful implementation of the redesign of the Pongkor gold mine, production of gold in 1Q07 improved to 770 kg, up 65% compared with 1Q06.

## **DEVELOPMENT**

- Participation in investors' conferences in Singapore, Hong Kong and USA.
- Antam and partners form joint venture company for the Tayan Chemical Grade Alumina Project
- Antam and BHP Billiton establish Alliance to develop Halmahera nickel deposit
- Antam sends aids to flood victims in Jakarta
- FeNi III commercial operations begins
- Antam's contractors completed final plant test of FeNi III at end of December

## **EXPLORATION**

- In 1Q07, Antam continued exploration on lateritic nickel, gold and bauxite in Indonesia.
- Total exploration cost in 1Q07 reached Rp19.5 billion, 63% higher than Rp12 billion spent in the same quarter in 2006.

## Shareholder Sum-Up: 1Q07 **Relative Share Price Performance over the Quarter**

During 1Q07 Antam's share price increased **46.3%** from Rp8,100 to Rp11,850

Source: Bloomberg and Antam

### VS. PEERS...

PT Timah	-31
PT Inco	-13
Inco Ltd	-3
XStrata	44
BHP-B Ltd	25
Rio Tinto Plc	39
AngloAmerican	7
Harmony	63
Barrick Gold	61
Newcrest	65
Alumina Ltd	27
Freeport	12

### VS. INDICES...

LQ45	50
JSE Composite	47
JSE Mining Index	4
ASX All Ordinaries	38
Dow Jones	48
TS Composite	44
NASDAQ	46
Hang Seng	50
S&P 500	46
DAX	41
FTSE	49
FTSE All Share Mine	31

### VS. COMMODITIES...

Gold	38
Nickel	4

Price at end of Quarter on the ASX:  
AUD3.70/CDI

### Analyst Recommendations (Released in 1Q07):

Deutsche Securities	Buy	02/23	Mega Capital	Buy	03/26
Credit Suisse	Underperform	03/16	Samuel	Buy	03/12
Mandiri Sekuritas	Sell	04/10	DBS Vickers	Buy	03/15
CIMB	Outperform	03/26	Merrill Lynch	Sell	03/25
Danareksa	Buy	02/28	Citigroup	Sell	03/21
Trimegah	Hold	03/14	Kresna	Buy	03/26
CLSA Asia Pasific	Buy	03/09	UBS	Neutral 2	04/11
Kim Eng Sekurities	Buy	03/02	BNP Pariba	Buy	03/20

<b>Shares in Issue</b>	1,907,691,950
<b>Market Capitalization</b>	Rp22.6tn (USD2.48 billion)
<b>Price Range</b>	Rp7,000 – Rp11,850
<b>Average Price</b>	Rp8,862
<b>Trading Volume</b>	738.28 million
<b>Average Daily Volume</b>	11,718,595

#### Major Shareholder:

Government of Indonesia (65%)

#### Substantial Shareholders:

OppenheimerFunds, Inc. USA (6.83%)

#### Final Dividend Payment Date:

July 7th, 2006

#### Final Dividend Amount:

Rp150.05/share,  
AUD0.108999/ CDI

<b>Nickel Price on 03/31/07</b>	US\$21.24/lb
<b>Nickel Price Range</b>	US\$14.32/lb (1/9/07) - US\$23.07/lb (3/16/07)
<b>Gold Price on 03/31/07</b>	US\$663.79/oz
<b>Gold Price Range</b>	US\$607.40/oz (1/5/07) - US\$686.55/oz (2/26/07)
<b>Rupiah on 03/31/07</b>	Rp9,121/US\$
<b>Rupiah Range</b>	Rp8,975/US\$ (1/3/07) – Rp9,250/US\$ (3/5/07)

## COMMISSIONERS AND DIRECTORS

### Board of Commissioners

Wisnu Askari Marantika	President Commissioner
Supriatna Suhala	Commissioner
S. Suryantoro	Commissioner
Yap Tjay Soen	Independent Commissioner
Irwandy Arif	Independent Commissioner

### Board of Directors

D. Aditya Sumanagara	President Director
Alwin Syah Loebis	Operations Director
Kurniadi Atmosasmito	Finance Director
Syahrir Ika	General Affairs and Human Resources Director
Darma Ambiar	Development Director

- Currently our largest shareholder aside from the Government is Oppenheimer Developing Market Fund with 6.83% interest.
- Antam has 243 foreign and foreign institutional shareholders, which account for 75% of the shares trading on the JSX.
- Antam is held by 198 foreign institutions, which together have 26.3% of Antam's shares.
- The top 5 countries of origin for our foreign shareholders in terms of shares held:
  1. USA
  2. UK
  3. SWITZERLAND
  4. LUXEMBOURG
  5. SWEDEN

### Top 20 Shareholders (80% are foreign investors):

1. THE GOVERNMENT OF INDONESIA	11. CB LONDON S/A HAUCK AND AUFHAEUSER BANQUIERS
2. JP MORGAN CHASE BANK US RESIDENT	12. PICTET AND CIE
3. INVESTOR BANK AND TRUST COMPANY (WEST)	13. SKANDINAVISKA ENSKILDA BANK
4. MS + CO INC CLIENT AC	14. MS + CO INT LTD CLIENT AC
5. SSB PS10 PACIFIC SELECT FUND	15. JPMCB NON TREATY CL
6. CB INTL PLC (LUX BRANCH) S/A PIONEER	16. GOV OF SINGAPORE INV CORP PTE LTD A/C C
7. DANA PENSIUN PERTAMINA	17. SSB 2D09 SSGA EMERGING MARKETS FUND
8. PANIN SEKURITAS, PT	18. SSB ZV96 DAILY ACTIVE EMERGING MARKETS
9. CB LONDON S/A PIONEER INVESTMENT MANAGER	19. REKSA DANA FORTIS PESONA
10. GS LND SEG AC	20. JP MORGAN CHASE BANK UK RESIDENTS

## **PRODUCTION & SALES (please refer to accompanying tables)**

Antam's net sales increased 324% to Rp2,386 billion (\$260 million), more revenue than Antam has ever made in a single quarter before, and more than the annual revenues Antam earned per year from 2003 and earlier. The Rp1,823 billion surge in revenues is largely due to increased ferronickel and nickel ore sales volumes and prices.

Nickel ore and ferronickel contributed 46% and 45% of first quarter revenues, with gold, bauxite ore and silver contributing 6%, 2% and 1% respectively.

### **NICKEL**

The most important volume increase in the first quarter of 2007 is the 61% increase of nickel contained in ferronickel production, which jumped 61% to 4,352 tonnes or 22% of the 20,000 tonne target for 2007. The increase is almost entirely due to the new ferronickel smelter, FeNi III, which was handed over to Antam in January 2007 from the contractor after a three year construction and ramp up period. FeNi I and FeNi II produced 2,685 tonnes, almost the same as the 2,655 tonnes produced in first quarter 2006. Antam is confident of being able to achieve the target of 20,000 tonnes despite not achieving 25% of the target in the first quarter. Despite some setbacks during the ramp up period in 2006, FeNi III smelter is running stable at 36MW, which is 85% of capacity and is the optimal level of utilization in the first one or two year of commercial operations.

Antam's ferronickel sales volumes increased 112% to 3,345 tonnes or 17% of the 20,000 tonne target for 2007. The result is due to difficulties in securing a ship sailing directly to Europe. Antam expects to soon hire a ship on a yearly contract, dedicated to Antam's European deliveries.

The average achieved selling price of nickel shot up 158% to US\$15.80 per pound, on the back of resilient strong demand for stainless steel around the world and in particular China, which results in continuing strong demand for nickel. Higher selling prices coupled with increased sales volume resulted in a 440% increase in ferronickel revenues to Rp1,063 billion.

Antam's saprolite (high grade nickel ore) production increased significantly and more than expected in the first quarter of 2007. The main reason for the 158% increase to 1,735,424 wet metric tons (wmt) is because of 2,050,000 wmt of additional ore exports agreed to in contracts arranged after Antam held a tender in February 2007. Antam's saprolite sales jumped 221% to 1,801,929 wmt in line with the additional sales contracts. The average achieved selling price of Antam's saprolite jumped 57% to US\$65.55 per wmt, and combined with higher sales volume resulted in a 393% increase in saprolite revenue to Rp1,075 billion. Antam's initial production target for saprolite was 3,800,000 wmt. The new target for saprolite production is 5,850,000 wmt, and in the first quarter Antam achieved 31% of the new target.

Antam did not produce any limonite in 1Q07. Nonetheless, Antam did ship 126,529 wmt of limonite from stocks remaining at the now closed Gebe mine. Despite a 16% lower sales volume, limonite sales price increased by 61% to US\$22.97 per wmt and resulted in a 13% increase in limonite revenue to Rp26 billion. Antam has a limited 300,000 wmt target for limonite production and sales in 2007.

In the first quarter of 2007, the preliminary cash cost of producing ferronickel was US\$4.49 per lbs., an increase of 20% compared to the same period in 2005. The higher cash cost was due to higher materials cost inline with increased fuel usage as well as higher PT Inco ore used as ore feed for Antam's ferronickel smelters. Meanwhile, the cash cost of saprolite amounted to US\$15.80 per wmt.

## **GOLD**

In the first quarter of 2007, Antam's gold and silver production increased 65% to 770kg and 72% to 6,199kg respectively. The gold production was 26% of Antam's target of 2,980 kg. Antam produced 99,428 wmt of gold-bearing ore from the Pongkor mine, or 26% of the target of 385,719 wmt. The improved gold production (silver is a byproduct) is due to the benefits of the redesign of the mine which began in 2006 in order to deal with soft wall conditions and lower than expected grades.

Antam's gold sales increased 81% to 746kg (24,245oz), while silver sales decreased 12% to 5,202kg (169,065oz). Antam's average achieved gold price jumped 19% to US\$655.52 per ounce, while silver increased 184% to US\$13.37 per ounce. Inline with higher sales volume and sales price, gold sales increased 110% to Rp143 billion, while sales of silver, the byproduct of gold production, rose 150% to Rp20 billion.

In the first quarter of 2007, the provisional cash cost of producing gold decreased by 22% over 1Q06 to US\$266.03 per t.oz.

## **BAUXITE**

Antam's bauxite production increased 37% to 436,522 wmt, or 29% of the 1,500,000 wmt target. Sales, made mostly to China and Japan, decreased 16% to 312,812 wmt, achieving 21% of the 1,500,000 wmt target. Despite lower sales volume, as Antam's average achieved bauxite price increased 27% to US\$16.47 per wmt, revenue from bauxite increased 4% to Rp47 billion.

## **HEDGE BOOK**

Antam's Corporate Policy Manual states that healthy financial management drives growth and value creation and must reflect good risk management practices and balanced management of assets and liabilities. Antam's diverse portfolio of commodities provides a natural hedge against commodity price fluctuations. However, Antam will conduct selective and prudent hedging activities in nickel, gold and foreign exchange, if necessary, primarily to protect revenues and budget. In 1Q07, Antam did not have any hedging positions on nickel and gold and currently does not have any plans to conduct any hedging.

## Production and Sales Summary of First Quarter 2007 and 2006\*

DESCRIPTION		2006	2007	CHANGE
		1 <sup>st</sup> Quarter	1 <sup>st</sup> Quarter	(%)
<b>PRODUCTION VOLUME</b>				
<b>Ferronickel</b>	<b>Ton Ni</b>	<b>2,706</b>	<b>4,352</b>	<b>61</b>
<b>Nickel Ore:</b>				
<b>Saprolite</b>				
- Pomalaa	Wmt	196,363	599,703	205
- Gee	Wmt	194,922	451,925	132
- Buli	Wmt	213,773	466,968	118
- Mornopo	Wmt	66,712	216,828	225
<i>Total Saprolite</i>	<i>Wmt</i>	<i>671,770</i>	<i>1,735,424</i>	<i>158</i>
<b>Limonite</b>				
- LGSO Pomalaa	Wmt	221,982	-	(100)
- Buli	Wmt	-	-	-
<i>Total Limonite</i>	<i>Wmt</i>	<i>221,982</i>	<i>-</i>	<i>(100)</i>
<b>Total Nickel Ore</b>	<b>Wmt</b>	<b>893,752</b>	<b>1,735,424</b>	<b>94</b>
<b>Gold Ore</b>	<b>Wmt</b>			
<b>Gold Grade</b>	<b>gpt</b>			
<b>Gold</b>	<b>Kg</b>	<b>466</b>	<b>770</b>	<b>65</b>
<b>Silver</b>	<b>Kg</b>	<b>3,603</b>	<b>6,199</b>	<b>72</b>
<b>Bauxite</b>	<b>Wmt</b>	<b>318,325</b>	<b>436,522</b>	<b>37</b>

\* Preliminary result

DESCRIPTION		2006	2007	CHANGE
		1 <sup>st</sup> Quarter	1 <sup>st</sup> Quarter	(%)
<b>SALES VOLUME</b>				
<b>Ferronickel</b>	<b>Ton Ni</b>	<b>1,576</b>	<b>3,345</b>	<b>112</b>
<b>Nickel Ore:</b>				
<b>Saprolite</b>				
- Pomalaa	Wmt	86,404	632,645	632
- Gee	Wmt	194,922	451,925	132
- Buli	Wmt	213,773	519,468	143
- Mornopo	Wmt	66,712	197,891	197
<i>Total Saprolite</i>	<i>Wmt</i>	<i>561,811</i>	<i>1,801,929</i>	<i>221</i>
<b>Limonite</b>				
- LGSO Pomalaa	Wmt	51,762	-	(100)
- Gebe	Wmt	99,267	126,529	27
<i>Total Limonite</i>	<i>Wmt</i>	<i>151,029</i>	<i>126,529</i>	<i>(16)</i>
<b>Total Nickel Ore</b>	<b>Wmt</b>	<b>712,840</b>	<b>1,928,458</b>	<b>171</b>
<b>Gold Ore</b>	<b>Wmt</b>			
<b>Gold Grade</b>	<b>gpt</b>			
<b>Gold</b>	<b>Kg</b>	<b>412</b>	<b>746</b>	<b>81</b>
<b>Silver</b>	<b>Kg</b>	<b>5,893</b>	<b>5,202</b>	<b>(12)</b>
<b>Bauxite</b>	<b>Wmt</b>	<b>371,995</b>	<b>312,851</b>	<b>(16)</b>

DESCRIPTION		2006 1 <sup>st</sup> Quarter	2007 1 <sup>st</sup> Quarter	CHANGE (%)
<b>SALES PRICE</b>				
<b>Ferronickel</b>	<b>USD/Lb</b>	<b>6.13</b>	<b>15.80</b>	<b>158</b>
<b>Saprolite</b>	<b>USD/Wmt</b>	<b>41.88</b>	<b>65.55</b>	<b>57</b>
- Pomalaa	USD/Wmt	39.09	40.39	3
- Gee	USD/Wmt	43.68	69.56	59
- Buli	USD/Wmt	41.64	83.61	101
- Mornopo	USD/Wmt	41.00	89.43	118
<b>Limonite</b>	<b>USD/Wmt</b>	<b>14.23</b>	<b>22.97</b>	<b>61</b>
- LGSO Pomalaa	USD/Wmt	16.45	-	(100)
- Gebe	USD/Wmt	13.08	22.97	76
<b>Gold</b>	<b>USD/Toz</b>	<b>550.87</b>	<b>655.52</b>	<b>19</b>
<b>Silver</b>	<b>USD/Toz</b>	<b>4.71</b>	<b>13.37</b>	<b>184</b>
<b>Bauxite</b>	<b>USD/Wmt</b>	<b>13.00</b>	<b>16.47</b>	<b>27</b>
Exchange rate (for I/S)	USD/IDR	9,304	9,015	(3)

DESCRIPTION		2006 1 <sup>st</sup> Quarter	2007 1 <sup>st</sup> Quarter	CHANGE (%)
<b>SALES REVENUE (Rp million)</b>				
<b>EXPORT SALES</b>				
<b>Ferronickel</b>	<b>Rp</b>	<b>197,027</b>	<b>1,063,204</b>	<b>440</b>
<b>Nickel Ore:</b>				
<i>Saprolite</i>				
- Pomalaa	Rp	31,912	232,594	629
- Gebe	Rp	-	-	
- Gee	Rp	78,806	286,606	264
- Buli	Rp	82,445	395,423	380
- Mornopo	Rp	25,163	160,847	539
<b>Total Saprolite</b>	<b>Rp</b>	<b>218,326</b>	<b>1,075,469</b>	<b>393</b>
<i>Limonite</i>				
- Gebe	Rp	15,395	26,422	72
- LGSO Pomalaa	Rp	7,992	-	(100)
<b>Total Limonite</b>	<b>Rp</b>	<b>23,387</b>	<b>26,422</b>	<b>13</b>
<b>Gold</b>	<b>Rp</b>	<b>19,450</b>	<b>91,353</b>	<b>370</b>
<b>Bauxite</b>	<b>Rp</b>	<b>44,937</b>	<b>46,928</b>	<b>4</b>
<b>Silver</b>	<b>Rp</b>	<b>286</b>	<b>11,786</b>	<b>4,015</b>
<b>TOTAL EXPORT SALES</b>	<b>Rp</b>	<b>503,414</b>	<b>2,315,162</b>	<b>360</b>
<b>DOMESTIC SALES</b>				
Gold	Rp	48,436	51,572	6
Silver	Rp	8,010	8,498	6
Ferronickel	Rp	-	-	
Iron sand	Rp	-	-	
Logam Mulia Services	Rp	3,120	7,499	140
Others	Rp	265	3,088	1,065
<b>TOTAL DOMESTIC SALES</b>	<b>Rp</b>	<b>59,831</b>	<b>70,657</b>	<b>18</b>
<b>TOTAL SALES REVENUE</b>	<b>Rp</b>	<b>563,245</b>	<b>2,385,819</b>	<b>324</b>

DESCRIPTION		2006 1 <sup>st</sup> Quarter	2007 1 <sup>st</sup> Quarter	CHANGE (%)
<b>EXPORT SALES (Thousand USD)</b>				
<b>Ferronickel</b>	<b>USD</b>	<b>21,319</b>	<b>116,489</b>	<b>446</b>
Nickel Ore:				
<i>Saprolite</i>				
- Pomalaa	USD	3,377	25,550	657
- Gee	USD	8,514	31,438	269
- Buli	USD	8,902	43,435	388
- Mornopo	USD	2,735	17,697	547
<b>Total Saprolite</b>	<b>USD</b>	<b>23,529</b>	<b>118,120</b>	<b>402</b>
<i>Limonite</i>				
- LGSO Pomalaa	USD	852	-	(100)
- Gebe	USD	1,687	2,906	72
<b>Total Limonite</b>	<b>USD</b>	<b>2,538</b>	<b>2,906</b>	<b>15</b>
<b>Gold</b>	<b>USD</b>	<b>2,114</b>	<b>10,044</b>	<b>375</b>
<b>Bauxite</b>	<b>USD</b>	<b>4,836</b>	<b>5,154</b>	<b>7</b>
<b>Silver</b>	<b>USD</b>	<b>31</b>	<b>1,301</b>	<b>4,077</b>
<b>Iron sand</b>	<b>USD</b>	<b>-</b>	<b>-</b>	
<b>TOTAL EXPORT SALES</b>	<b>USD</b>	<b>54,367</b>	<b>254,014</b>	<b>367</b>

#### A NOTE ON NICKEL PRICING:

Sometimes you'll notice slight changes in the nickel prices of the current and previous quarter, in the corresponding quarterly reports (i.e. the price of low grade nickel ore for 1Q02 as reported in the 1Q02 quarterly report is different from as reported in the 2Q02 quarterly report). This is because the latest figures reflect the prices of our nickel products as invoiced to customers in a professional invoice. Later, after the shipment arrives the cargo is re-analyzed for moisture content and nickel grade and the price may increase or decrease in the final invoice.

FOR YOUR REFERENCE:

The nickel ore price is calculated as follows:

- 1 WMT X Ni Content (2.24% to 2.28%) X MC (100-35%) X 2204.62 X LME price/lb X payable nickel (ave. 24%).
- The nickel payable is the discount to the nickel spot price, as the nickel must be extracted from the ore.
- For high-grade the LME price that is used is the average price from the previous quarter.

1 ton of nickel in ferronickel is equivalent to about 75 wmt of ore.

## EXPLORATION\*

### COMPETENT PERSON

Where in the following report there are statements that relate to Antam's Mineral Resources or Ore Reserves, they are based on and accurately reflect information that has been compiled by Mr. Trenggono Sutioso. Mr. Sutioso is a member of the Australasian Institute of Mining and Metallurgy and has the appropriate experience to be considered a Competent Person as defined in the Australasian Code for Reporting on Identified Mineral Resources and Ore Reserves.

\*) Preliminary result. For detailed exploration activities, please refer to Antam's Monthly Exploration Report.

In 1Q07, Antam continued its exploration on lateritic nickel, gold and bauxite in Indonesia. Total costs for exploration reached Rp19.5 billion, 63% higher than the Rp12 billion spent in the same quarter of 2006.

### NICKEL EXPLORATION

Antam conducted nickel exploration at Buli and Obi Island – Halmahera, Maluku, Central Sulawesi and Southeast Sulawesi.

Antam conducted nickel exploration at Sangaji block, Tanjung Buli and Sangaji of Halmahera including drilling, topography measurement, grid, logging and samples. Total cost reached Rp6.5 billion.

Antam conducted lab analysis at Pakal with a cost of Rp114 million. Antam also conducted regional geological mapping, semi-detailed geological mapping, test pit and samples analyses at Patani, Central Halmahera.

Nickel exploration at Southeast Sulawesi focused on lab analysis and evaluation at a cost of Rp347.6 billion.

Antam conducted nickel exploration at Baunaga and Wiwirano of North Konawe area of Southeast Sulawesi, with a cost of Rp12.6 million.

Nickel exploration at Obi island included detailed geological mapping, spacing drilling, core samples, core drilling description, preparation samples, grid measurement, drilling pit measurement and topography measurement at a cost of Rp4.9 billion.

Nickel exploration at Central Sulawesi specifically Bulutaloa, Tangofa, Langkawe, Banggai and Wosu regions included drilling, detailed geological mapping, regional geological mapping, semi-detailed geological mapping, test pit and core samples at a cost of Rp418.5 billion. Antam also conducted nickel exploration at Bungku Morolowali and Wintaponda I block including regional geological mapping, semi-detailed geological mapping, auger drilling and core samples. Total cost reached Rp200 million.

At Seram Island of Maluku, Antam conducted test pitting, samples and analysis with a cost of Rp500.3 million.

Total cost for nickel exploration amounted to Rp13 billion.

## **GOLD EXPLORATION**

Antam conducted gold exploration at Pongkor and Garut of West Java, Seblat of Bengkulu, Patah Tiga Mountain of Jambi, Gembes Mountain and Liman Mountain of East Timor, West Sulawesi and Southeast Sulawesi.

Exploration activities at Pongkor included core drilling, core description, core samples, rock samples, FI samples, CSAMT geophysics and track measurement at Ciurung and Kubang Cicau veins below level 500. Total cost reached Rp2.2 billion.

Exploration activities at Papandayan of Garut included detailed geological mapping, opening, drilling, logging core, FI samples, rock and core samples at a cost of Rp1.2 billion.

Gold exploration at Seblat of Bengkulu included semi detailed geological mapping, detailed geological mapping, opening, logging, grid/ track measurement, rock and FI samples. Total cost reached Rp629.8 million.

Antam conducted exploration at Muaramanderas of Jambi including semi detailed geological mapping, detailed geological mapping, rock samples, soil samples, FI samples, XRD samples, opening, hand auger and IP measurement. Total cost reached Rp784.1 million.

Antam conducted nickel exploration at Liman Mountain at East Java including detailed geological mapping, rock samples, opening, XRD samples and FI samples. Total cost reached Rp64 million. Antam also conducted general investigation at Gembes Mountain of East Java at a cost of Rp37 million.

Activities at Wowoni of Southeast Sulawesi and Mamuju of West Sulawesi included lab analysis.

Total cost for gold exploration reached Rp4.9 billion.

## **BAUXITE EXPLORATION**

Antam conducted bauxite exploration at Tayan, Munggu Pasir, Toho, Mempawah of West Kalimantan and Riau.

Exploration activities at Tayan of West Kalimantan included test pit with grid measurement volume, topography and preparation samples. Total cost reached Rp895 million.

Antam conducted exploration at Munggu Pasir including grid measurement, topography measurement, spacing of test pitting and preparation samples. Total cost reached Rp533.3 million.

Antam also conducted exploration at Toho included semi-detailed geological mapping, test pit and

samples at a cost of Rp219.6 million.

Exploration activities at Mempawah of West Kalimantan included semi-detailed geological mapping, test pitting, samples and lab analysis.

Exploration at Riau islands also continued.

Total cost for bauxite exploration reached Rp1.6 billion.

---

## **DEVELOPMENT – Corporate**

### **Participation in investors' conferences in Singapore, Hong Kong and USA.**

As part of Antam's ongoing efforts to build recognition within the financial community, during the first quarter of 2007 Antam participated at three international conferences. In January, Antam participated at the BNP Paribas Indonesian Corporate Day on January 16<sup>th</sup> and at the Macquarie Indonesian Infrastructure and Resources Conference held in Jakarta on January 26<sup>th</sup>, 2007. On March 12-15, Antam joined the CLSA Corporate Access Days which visited investors at New York, Boston, and San Francisco. On March 27-30, 2007, Antam joined the Credit Suisse's Asian Investment Conference held in Hong Kong.

### **Antam and partners form joint venture company for the Tayan Chemical Grade Alumina Project**

On March 12, Antam announced the formation of a joint venture company to study the feasibility of building a chemical grade alumina plant at Tayan, West Kalimantan, Indonesia. The formation of the joint venture company, called PT Indonesia Chemical Alumina (ICA), was signed by Antam and its international partners, Showa Denko KK (SDK) of Japan, Straits Trading Amalgamated Resources Private Limited of Singapore (STAR), and Marubeni Corporation of Japan. Following this, the parties will move into finalization of loan documents, all ancillary agreement, the selection of Engineering, Procurement and Construction (EPC) contractor and updating the 2003 bankable feasibility study.

### **Antam and BHP Billiton establish Alliance to develop Halmahera nickel deposit**

On February 13 Antam signed a Heads of Agreement establishing an alliance with BHP Billiton to investigate the joint development of an extensive nickel laterite resource on Halmahera Island, Indonesia. The alliance will investigate development of pyrometallurgical and hydrometallurgical processing routes for the Buli deposit on Halmahera Island and other ore bodies. Following the signing, Antam and BHP Billiton will move towards the formation of a joint venture company for the alliance. Antam and BHP Billiton expect the joint venture agreement will be completed by end of 2007.

### **Antam sends aids to flood victims in Jakarta**

On February 5<sup>th</sup> Antam sent voluntary relief teams and logistics to aid people affected by the flood in Jakarta. The voluntary teams continue to identify the most essential logistics and help evacuation and rehabilitative efforts. Antam's operations in Jakarta were not affected by the flood.

### **FeNi III commercial operations begins**

On January 29<sup>th</sup> Antam announced its new FeNi III smelter had begun commercial operations following

the handover 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 operation of FeNi III is covered by an insurance consortium which covers industrial all risk, machinery breakdown, earthquake as well as loss of profit.

### **Antam's contractors completed final plant test of FeNi III at end of December**

On January 22<sup>nd</sup> Antam announced it had been informed by the turnkey, or Engineering, Procurement and Construction (EPC) contractors, which built Antam's new FeNi III smelter that they had completed the final plant test of FeNi III, which took place from December 27<sup>th</sup>, 2006 until January 1, 2007. The plant test was followed by the hand-over of the new smelter to Antam after finalization of legal documentation which occurred January 29, 2007. The smelter was run by the EPC contractors until commercial operations were declared. The commissioning period of FeNi III was delayed by a number of months, largely due to a leak from the metal tap hole of the smelter that occurred July 1<sup>st</sup>, 2006. The leak caused a four month shutdown, longer than the three months Antam initially expected and announced on July 5, 2006.

## **DEVELOPMENT – Joint Ventures**

<b>JV</b>	<b>Product</b>	<b>Antam (%)</b>	<b>Partner</b>	<b>Status</b>
PT Nusa Halmahera Minerals	Gold	17.5%	Newcrest (ASX Listed)	Production/ Development
PT Cibaliung Sumber Daya	Gold	10.25%	Austindo (ASX Listed)	Development
PT Sorikmas Mining	Gold	25%	Oropa (ASX listed)	Development
PT Gag Nickel	Nickel	25%	BHP Billiton (LSE/ASX listed)	Development
PT Weda Bay Nickel	Nickel	10%	Weda Bay Minerals (TSE listed)	Development
PT Dairi Prima Minerals	Lead/Zinc	20%	Herald Resources (ASX Listed)	Development
PT Galuh Cempaka	Diamonds	20%	BDI Mining Corp (LSE/AIM Listed)	Production/ Development

### **PT CIBALIUNG SUMBER DAYA (Antam 10.25%)**

*-From Austindo Resources Corporation NL ASX Announcement on April 27<sup>th</sup>, 2007-*

Construction of the gold processing plant by PT Petrosea Tbk was approximately 80% complete by the end of the quarter. At the request of the Company, Petrosea demobilized from site during the quarter pending finalization of additional financial facilities to complete the development of the project. Work will recommence following the confirmation of finance facilities. The Company agreed non-binding

---

indicative terms and conditions in respect of a Convertible Note Facility to raise US\$20 million (with provision for oversubscriptions up to a further US\$5 million). The Company also announced that it had successfully undertaken a placement of 344 million ordinary fully paid shares in the Company at 1.5 cents per share to raise A\$5.16 million

**PT NUSA HALMAHERA MINERALS (Antam 17.5%)**

*-From Quarterly Report Newcrest Mining Limited for period ending 31 March 2007-*

Underground mining was undertaken on the top five levels in the Kencana mine. Total gold production declined 6% as an increased proportion of lower grade Toguraci stockpiles were processed compared to the previous quarter. Production from open pit ore for the quarter was lower at 5,453oz based on 25,821 tonnes processed at a head grade of 6.99g/t. Underground production for the quarter was 1% lower at 72,578oz based on 57,008 tonnes processed at a head grade of 42.90 g/t. Gold recovery continued to improve throughout the quarter with adjustments made to the grind size and other minor plant modifications. Recoveries should continue to improve during the June quarter.

Gosowong production guidance for 2006/07 has been increased by 10,000 ounces to 340,000 ounces gold.

###