

# ANTAM

A SOLID BRIGHT FUTURE



PT Antam Tbk

## Quarterly Report to Shareholders (ASX: ATM; JSX, SSX: ANTM)

For the three months ending September 30 2005

ARBN - 087 423 998

### **FURTHER INFORMATION:**

**Ashur Wasif (Corporate Secretary)**

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### **PRODUCTION**

- Antam produced 1,271 tonnes of contained nickel in ferronickel, a 40% decrease.
- Production of saprolite nickel ore reached 652,337 wet metric tons (wmt), a 4% decrease
- Limonite production, including LGSO, decreased slightly to 243,311wmt.
- Antam's gold production decreased by 19% to 757 kg due to the mine accident at Pongkor

### **DEVELOPMENT**

- FeNi III smelter construction proceeding on time and on budget
- Antam begins to take delivery of nickel ore from Pomalaa Timor
- Antam appoints HSBC as financial advisor for potential investment in PT Freeport Indonesia
- Gold mine operating normally after accident
- FeNi II running normally after extensive repairs

### **EXPLORATION**

- Antam continued to focus on lateritic nickel, gold and bauxite.
- During the September quarter, total exploration expenditures decreased by 26% to Rp13.3 billion (USD1.4 million).

Ashur Wasif  
Corporate Secretary  
October 28, 2005

## Shareholder Sum-Up: 3Q05 Relative Share Price Performance over the Quarter (Arrow indicates comparison to previous quarter)

During 3Q05 Antam's share price increased **11%** from Rp2,450 to Rp2,725

Source: *Bloomberg and Antam*

### VS. PEERS...

PT Timah	44	▲
PT Inco	5	▲
Inco Ltd	-6	▼
Falconbridge	-3	▼
BHP-B Ltd	-10	▼
Rio Tinto Plc	-17	▼
AngloAmerican	-13	▼
Harmony	-10	▼
Barrick Gold	1	▲
Newcrest	-7	▼
Alumina Ltd	4	▲
Freeport	-13	▼

### VS. INDICES...

LQ45	18	▲
JSE Composite	17	▲
JSE Mining Index	8	▲
ASX All Ordinaries	2	▲
Dow Jones	8	▲
TS Composite	1	▲
NASDAQ	6	▲
Hang Seng	3	▲
S&P 500	11	▲
DAX	2	▲
FTSE	2	▲
FTSE All Share Mine	-14	▼

### VS.

### COMMODITIES...

Gold	1	▲
Nickel	21	▲

Price at end of  
Quarter on the ASX:  
AUD0.30/CDI

### Analyst Recommendations:

BNP Paribas	Buy	09/29	BNP Paribas	Hold	08/11
Samuel Sekuritas	Buy	09/08	Macquarie	Outperform	08/05
Namalatu C.	Buy	09/07	Macquarie	Outperform	07/27
Merril Lynch	Buy	09/01	Danareksa	Hold	07/25
DBS Vickers	Buy	08/31	Macquarie	Outperform	07/20
Mandiri Sekuritas	Buy	08/10	Merrill Lynch	Buy	07/05

<b>Shares in Issue</b>	1,907,691,950
<b>Market Capitalization</b>	Rp5,198 bn (US\$505m)
<b>Price Range</b>	Rp1975 – Rp2725
<b>Average Price</b>	Rp2366
<b>Trading Volume</b>	228m
<b>Average Daily Volume</b>	3,557,914

### Major Shareholder:

Government of Indonesia (65%)

### Substantial Shareholders:

OppenheimerFunds, Inc. USA  
(9.96%)

### Final Dividend Payment Date:

June 30, 2005

### Final Dividend Amount:

Rp148.08/share,  
AUD0.0991 per CDI

<b>Nickel Price on 09/30/05</b>	US\$6.13/lb
<b>Nickel Price Range</b>	US\$5.97/lb (09/15/05) - US\$7.13/lb (08/15/05)
<b>Gold Price on 09/30/05</b>	US\$469.30/oz
<b>Gold Price Range</b>	US\$419.60/oz (07/14/05) - US\$472.35/oz (09/21/05)
<b>Rupiah on 09/30/05</b>	Rp10,300/US\$
<b>Rupiah Range</b>	Rp9,725/US\$ (08/04/05) – Rp10,775/US\$ (08/29/05)

## CORPORATE INFORMATION

### Board of Commissioners

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

### Board of Directors

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

- As at September 30<sup>th</sup> 2005, our largest shareholder aside from the Government is Oppenheimer Developing Market Fund with 9.96% interest:
  - Antam has 194 foreign and foreign institutional shareholders, which account for 72% of the shares trading on the JSX.
  - Antam is held by 156 Foreign Institutions, which together have 25% of Antam's shares.
- The top 5 countries of origin for our foreign shareholders in terms of shares held:
  - 1 – USA
  - 2 – Luxembourg
  - 3 – United Kingdom
  - 4 – Netherlands
  - 5 – Singapore

### Top 20 Shareholders (75 percent are foreign investors):

1 - Government of Indonesia	11 - BONY II
2 - Oppenheimer Developing Market Fund	12 - Panin Sekuritas
3 - Investor Bank and Trust Company (West)	13 - SSB TC45 California State Teachers
4 - SSB PS10 Pacific Select Fund Emerging Mkts	14 - Reksa Dana Manulife Dana Saham
5 - MS + Co Inc. Client AC	15 - SSB RKB7 Evergreen Emerging Market
6 - Pertamina Pension Fund	16 - SSB JY64 SSL CO SSB Frank Russell Inv.
7 - CB London S/A Unicredito Italiano	17 - UBS AG
8 - CB Intl. PLC (Lux Branch) S/A Pioneer Asset	18 - Clearstream Banking S.A. Luxembourg
9 - CB London S/A Sticht Pens En Tech (Arrow)	19 - Gov. of Singapore Inv. Corp Pte Ltd.
10 - Reksa Dana Schrodgers Dana Terpadu	20 - BBH Boston S/A Pioneer Emerging Mkt

## **PRODUCTION, SALES AND HEDGE BOOK** (please refer to accompanying tables)

Antam's consolidated third quarter sales revenue was 40% higher compared to the same period last year, increasing to Rp902 billion inline with higher commodity prices as well as higher sales volume of saprolite (high grade) and silver. The sales volume of saprolite was higher compared to the same quarter last year because of increased shipments to offset lost income due to the unplanned shut-down of FeNi II smelter for repairs. Inline with lower production and sales, ferronickel sales revenue contributed 32% compared with 44% in the September quarter last year. However, the nickel segment remained the biggest contributor of Antam's sales, earning Rp665 billion or 74% of the company's top line. Despite lower gold production, sales revenues increased 36% due to a higher gold price. Revenue from the gold segment amounted to Rp186 billion or 21% of Antam's sales. During the first nine months of 2005, Antam's revenue rose 14% higher to Rp2,216 billion compared with the same period last year

### **NICKEL**

In 3Q05, production of ferronickel decreased 40% to 1,271 tonnes of contained nickel in ferronickel, compared to the same quarter last year due to repairs and not conducting any toll smelting during the September quarter. Antam has an agreement to toll smelt 600 tonnes of ferronickel with Pamco in order to guarantee on-time product deliveries while the repairs are conducted. Until September 2005, ferronickel production was 54% of the yearly target, due to a six-month repair on FeNi II smelter. Following extensive repair work, pre-heating of the smelter began on August 25<sup>th</sup>, 2005 and on September 2<sup>nd</sup>, 2005 the smelter was completely switched on. On October 3<sup>rd</sup>, 2005, Antam achieved the first tap of nickel metal and the smelter is currently running normally with a full load of 24 megawatts. Inline with the successful commissioning of FeNi II, Antam expects to achieve its revised annual ferronickel production target of 7,400 tonnes. In 9M05, production of ferronickel was 38% lower at 4,001 tonnes inline with FeNi II unplanned shutdown.

Aligned with lower production, ferronickel sales, which were all exports, decreased 18% to 1,892 tonnes of contained nickel in ferronickel. Despite lower sales volumes, ferronickel revenues increased slightly to Rp291 billion as the average sales price rose 11% to US\$6.88 per pound. During the first nine months of 2005, revenue from ferronickel sales reached Rp618 billion, a 6% decrease compared to same period last year due to lower production and sales volumes.

Saprolite production decreased 4% to 652,337 wmt compared to the same quarter last year. Production at Pomalaa decreased by 42% to 122,407 wmt due to depletion of higher grade reserves. Meanwhile, nickel ore exports from Antam's new nickel mine called Mornopo were expected to start in October 2005. Antam expects to export 300,000 wmt of saprolite and 100,000 wmt of limonite from Mornopo. Production of saprolite in 9M05 decreased 21% to 1,836,768 wmt.

Despite lower production, saprolite sales increased 19% to 660,382 wmt compared to the 3Q04 as Antam boosted its high grade nickel ore sales to offset a portion of the estimated loss of income due to the shutdown of FeNi II. As such, there were 16 high grade shipments during 3Q05 compared

with 13 shipments in 3Q04. Sapolite revenue increased 88% to Rp320 billion due to higher sales volumes and higher prices, which are determined using the average spot price of the previous quarter. The weighted average realized price of sapolite increased 21% to US\$47.92 per wmt. In the first nine months of 2005, revenue from sapolite amounted to Rp901 billion, a 35% increase compared to the same period last year.

Production of limonite, which includes low grade ore and low grade sapolite ore (LGSO), decreased slightly over the same quarter last year to 243,311 wmt. In the first nine months of 2005, production of limonite amounted to 706,011 wmt, relatively stable compared to the same period last year. LGSO production from Pomalaa was 21% higher at 195,556 wmt while Buli's low grade production decreased 20% to 47,755 wmt due to lower demand.

Inline with lower demand of low grade ore, sales volumes of limonite decreased 14% to 278,555 wmt. Despite lower sales volumes, limonite sales revenue jumped 135% to Rp54 billion due to higher weighted average price, which increased 71% to US\$19.82 per wmt.

## **GOLD**

On the afternoon of Tuesday, September 6<sup>th</sup>, 2005, a tunnel ceiling accidentally collapsed in an area of the Ciurug stope, which briefly shut down activities until midnight on Wednesday, September 7<sup>th</sup>, 2005. The accident caused the fatality of one miner and hospitalized two others. Meanwhile, activities at the other gold tunnels of Pongkor were not suspended. An investigation by a government mining inspection officer and Pongkor staff during the temporary shutdown in the Ciurug tunnel revealed the ceiling of Block 2 Central Level 500 collapsed accidentally.

Due to the accident and lower than expected grade levels, refined gold production decreased 19% to 757 kg. Silver, a by-product of gold refining, decreased 9% to 6,638 kg. During the first nine month of 2005, gold production amounted to 2,353 kg or 10% lower compared to the same period last year. The soft wall conditions at Pongkor require additional reinforcement and together with the lower grades, achieving the yearly production target of 3,718kg will be a challenge. Despite 9% lower silver production, sales of silver jumped 259% to 11,311 kg. The sharp increase was due to the government's decision in July to lift the ban on silver exports. In 9M05, gold production reached 2,353 kg, while gold sales amounted to 2,933 kg.

Despite lower production, gold sales volumes increased 12% to 1,103 kg as Logam Mulia, which handles gold marketing, increased sales from inventory to capitalize on higher gold prices. Revenues from gold increased 36% to Rp157 billion. The average realized selling price of gold increased 11% to US\$443.64 per t.oz. Following increased silver sales, as well as a 7% higher average selling price, revenues from silver rose 318% to Rp25 billion. Revenues from the gold division, which includes silver and precious metal refinery services, increased 49% to Rp187 billion.

## **BAUXITE**

Antam's export revenues from bauxite, reached Rp50 billion, a 56% increase compared to 3Q04 inline with higher sales volume. This was despite a lower average sales price of bauxite, which decreased 8% compared to the same quarter last year to an average of US\$10.51 per wmt. Bauxite

sales volumes increased by 56% compared to 3Q04 to 482,904 wmt exceeding production of 380,883 wmt due to higher demand. Revenues from bauxite contributed 6% to total 9M05 revenues.

## IRON SANDS

Due to the low iron content of Antam's iron sands, exports to China which began in the beginning of 2004 did not continue. Revenues from iron sands dropped by 100% compared to the same quarter last year to Rp5 billion. During the first nine month of 2005, Antam sold 23,268 wmt, with iron sands production reaching 21,901 wmt.

## HEDGE BOOK

### Gold Hedge Book

Counterparty: Deutsche Bank, AG London via Jakarta Branch

As of Sep 30, 2005 the following contract were outstanding

Description	Period	t.oz	kg	Avg Rate (USD/t.oz)	Amount (USD)
Gold/USD Forward	Calendar'05	1,000	31.1035	451.00	451,000.00
Gold/USD Forward	Calendar'06	12,000	373.242	441.00	5,292,000.00
		13,000	404.346	441.77	5,743,000.00

The following profits were realized in 3Q05

Description	Value Date	t.oz	Avg.Sales Price/t.oz (US\$)	Avg.Buyback Price/t.oz (US\$)	ITM/OTM (-) in US\$
Gold/USD Forward	July	2,000	440.50	430.25	20,500
Gold/USD Forward	August	2,000	440.50	424.88	31,250
Gold/USD Forward	September	2,000	440.50	424.38	32,250
<b>Total 3Q05</b>		<b>6,000</b>	<b>440.50</b>	<b>426.50</b>	<b>84,000</b>
<b>Total 9M05</b>		<b>18,000</b>	<b>440.50</b>	<b>427.34</b>	<b>236,800</b>

**Nickel Hedge Book**

Description	Counterparty	Trade Date	Period	Ton Ni	Strike Price (ZCC option)			
					Bought Put		Sold Call	
					US\$/t	US\$/lb	US\$/t	US\$/lb
Bought put/sold call	Barclays Capital	16-02-05	Jul-Dec '05	300	11,574	5.25	18,000	8.16
Bought put/sold call	Barclays Capital	24-02-05	Jul-Dec '05	300	11,023	5.00	18,600	8.44
Bought put/sold call	Deutsche Bank	24-02-05	Jul-Dec '05	300	11,023	5.00	18,750	8.50
				<b>900</b>	<b>11,207</b>	<b>5.08</b>	<b>18,450</b>	<b>8.37</b>

### Production and Sales Summary of Third Quarter 2005 and 2004

DESCRIPTION		2004		2005			3Q05/ 3Q04 (%)	9M05/ 9M04 (%)
		3rd Quarter	9 Months	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	9 Months		
<b>PRODUCTION VOLUME</b>								
<b>Ferronickel</b>	Ton Ni	2,125	6,411	1,404	1,271	4,001	(40)	(38)
<b>Nickel Ore:</b>								
<b>Saprolite</b>								
- Pomalaa	Wmt	212,714	541,422	116,793	122,407	391,548	(42)	(28)
- Gebe	Wmt	143,111	420,287	0	0	0	(100)	(100)
- Gee	Wmt	143,841	733,315	272,878	276,768	775,532	92	6
- Buli	Wmt	183,199	634,369	208,432	253,162	669,688	38	6
<i>Total Saprolite</i>	<i>Wmt</i>	<i>682,865</i>	<i>2,329,393</i>	<i>598,103</i>	<i>652,337</i>	<i>1,836,768</i>	<i>(4)</i>	<i>(21)</i>
<b>Limonite</b>								
- LGSO Pomalaa	Wmt	160,973	424,813	148,790	195,556	595,442	21	40
- Gebe	Wmt	26,320	60,319	0	0	0	(100)	(100)
- Buli	Wmt	59,410	219,832	3,000	47,755	110,569	(20)	(50)
<i>Total Limonite</i>	<i>Wmt</i>	<i>246,703</i>	<i>704,964</i>	<i>151,790</i>	<i>243,311</i>	<i>706,011</i>	<i>(1)</i>	<i>0</i>
<b>Total Nickel Ore</b>	<b>Wmt</b>	<b>929,568</b>	<b>3,034,357</b>	<b>749,893</b>	<b>895,648</b>	<b>2,542,779</b>	<b>(4)</b>	<b>(16)</b>
<b>Gold</b>	Kg	940	2,616	1,033	757	2,353	(19)	(10)
<b>Silver</b>	Kg	7,258	19,109	8,046	6,638	19,455	(9)	2
<b>Bauxite</b>	Wmt	361,915	990,174	358,914	380,883	1,081,342	5	9
<b>Iron Sands</b>								
- Cilacap	Wmt	0	0	0	0	0	N/A	N/A
- Kutoarjo	Wmt	9,715	76,018	5,684	0	21,901	(100)	(71)
- Lumajang	Wmt	0	0	0	0	0	N/A	N/A
<b>Total Iron Sands</b>	<b>Wmt</b>	<b>9,715</b>	<b>76,018</b>	<b>5,684</b>	<b>0</b>	<b>21,901</b>	<b>(100)</b>	<b>(71)</b>



DESCRIPTION		2004		2005			3Q05/ 3Q04 (%)	9M05/ 9M04 (%)
		3rd Quarter	9 Months	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	9 Months		
<b>SALES VOLUME</b>								
<b>Ferronickel</b>	Ton Ni	2,314	5,394	939	1,892	4,197	(18)	(22)
<b>Nickel Ore:</b>								
<b>Saprolite</b>								
- Pomalaa	Wmt	71,505	236,315	201,049	176,190	443,835	146	88
- Gebe	Wmt	121,539	338,001	86,809	0	181,293	(100)	(46)
- Gee	Wmt	187,725	597,130	283,559	231,030	734,096	23	23
- Buli	Wmt	176,360	615,591	208,432	253,162	669,688	44	9
<i>Total Saprolite</i>	<i>Wmt</i>	<i>557,129</i>	<i>1,787,037</i>	<i>779,849</i>	<i>660,382</i>	<i>2,028,912</i>	<i>19</i>	<i>14</i>
<b>Limonite</b>								
- LGSO Pomalaa	Wmt	157,301	438,018	153,963	150,804	396,602	(4)	(9)
- Gebe	Wmt	105,408	293,799	47,310	79,996	187,472	(24)	(36)
- Buli	Wmt	59,410	219,832	0	47,755	107,569	(20)	(51)
<i>Total Limonite</i>	<i>Wmt</i>	<i>322,119</i>	<i>951,649</i>	<i>201,273</i>	<i>278,555</i>	<i>691,643</i>	<i>(14)</i>	<i>(27)</i>
<b>Total Nickel Ore</b>	<b>Wmt</b>	<b>879,248</b>	<b>2,738,686</b>	<b>981,122</b>	<b>938,937</b>	<b>2,720,555</b>	<b>7</b>	<b>(1)</b>
<b>Gold</b>	Kg.	985	2,754	1,151	1,103	2,933	12	6
<b>Silver</b>	Kg.	3,153	15,431	4,148	11,311	22,543	259	46
<b>Bauxite</b>	Wmt	309,040	995,296	370,003	482,904	1,219,152	56	22
<b>Iron Sands:</b>								
- Cilacap	Wmt	12,033	106,528	0	0	0	(100)	(100)
- Kutoarjo	Wmt	7,616	45,274	5	52	23,122	(99)	(49)
- Lumajang	Wmt	164	8,287	64	0	146	(100)	(98)
<b>Total Iron Sands</b>	<b>Wmt</b>	<b>19,814</b>	<b>160,089</b>	<b>69</b>	<b>52</b>	<b>23,268</b>	<b>(100)</b>	<b>(85)</b>

DESCRIPTION		2004		2005			3Q05/ 3Q04 (%)	9M05/ 9M04 (%)
		3rd Quarter	9 Months	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	9 Months		
<b>SALES PRICE</b>								
<b>Ferronickel</b>	US\$/Lb	6.22	6.19	7.27	6.88	6.86	11	11
<b>Nickel Ore</b>								
<i>Saprolite</i>	<i>US\$/Wmt</i>	39.71	41.55	45.17	47.92	45.98	21	11
- Pomalaa	US\$/Wmt	34.43	38.13	49.97	45.19	47.03	31	23
- Gebe	US\$/Wmt	35.62	38.50	44.68	0.00	43.39	(100)	13
- Gee	US\$/Wmt	47.61	45.39	50.19	51.25	49.88	8	10
- Buli	US\$/Wmt	36.26	40.80	33.91	46.78	41.72	29	2
<i>Limonite</i>	<i>US\$/Wmt</i>	11.61	16.18	17.46	19.82	17.71	71	9
- LGSO Pomalaa	US\$/Wmt	14.18	15.52	18.33	14.65	16.76	3	8
- Gebe	US\$/Wmt	9.65	14.91	14.62	34.89	23.17	262	55
- Buli	US\$/Wmt	8.30	19.18	12.30	10.93	11.69	32	(39)
<b>Gold</b>	US\$/T.oz	401.28	401.35	425.37	443.64	433.50	11	8
<b>Silver</b>	US\$/T.oz	6.52	6.59	7.25	6.95	7.00	7	6
<b>Bauxite</b>	US\$/Wmt	11.44	11.39	10.78	10.51	10.54	(8)	(7)
<b>Iron Sands</b>	IDR/Wmt	154,703	103,185	105,086	102,000	105,079	(34)	2
<b>Exchange rate (for revenue)</b>	IDR/US\$	8,970	8,909	9,415	10,006	9,680	12	9

DESCRIPTION	2004		2005			3Q05/3Q04 (%)	9M05/9M04 (%)
	3rd Quarter	9 Months	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	9 Months		
<b>SALES REVENUE (Rp. million)</b>							
<b>EXPORT SALES:</b>							
<b>Ferronickel Nickel Ore Saprolite</b>							
- Pomalaa	19,253	79,534	95,720	80,903	203,151	320	155
- Gebe	26,843	117,527	36,589	0	73,757	(100)	(37)
- Gee	75,534	242,952	135,707	119,534	353,195	58	45
- Buli	48,855	224,975	67,599	119,479	270,534	145	20
<i>Total Saprolite</i>	<i>170,484</i>	<i>664,987</i>	<i>335,615</i>	<i>319,916</i>	<i>900,636</i>	<i>88</i>	<i>35</i>
<b>Limonite</b>							
- Gebe	126	38,995	6,557	26,839	41,468	21,262	6
- Buli	3,862	37,167	0	5,119	12,011	33	(68)
- LGSO Pomalaa	18,966	60,090	26,775	22,015	63,845	16	6
<i>Total Limonite</i>	<i>22,954</i>	<i>136,252</i>	<i>33,333</i>	<i>53,973</i>	<i>117,324</i>	<i>135</i>	<i>(14)</i>
<b>Gold</b>	43,872	141,583	22,585	56,532	104,289	29	(26)
<b>Bauxite</b>	32,365	101,283	38,118	50,333	123,540	56	22
<b>Silver</b>	(0)	9,944	338	20,733	21,071	(4,670,491)	112
<b>Iron sands</b>	7,560	19,664	0	0	0	(100)	(100)
<b>TOTAL EXPORT REVENUE</b>	<b>564,244</b>	<b>1,727,268</b>	<b>574,105</b>	<b>792,155</b>	<b>1,884,459</b>	<b>40</b>	<b>9</b>
<b>DOMESTIC SALES:</b>							
<b>Gold</b>	72,131	174,387	127,487	100,741	290,049	40	66
<b>Silver</b>	6,068	19,094	8,894	4,658	28,146	(23)	47
<b>Ferronickel</b>	29	1,039	0	0	0	(100)	(100)
<b>Iron sands</b>	0	5,845	85	5	2,445	N/A	(58)
<b>Gold Refining Services</b>	3,348	12,792	3,215	3,839	9,908	15	(23)
<b>Other</b>	235	717	318	817	1,240	248	73
<b>TOTAL DOMESTIC REVENUE</b>	<b>81,811</b>	<b>213,875</b>	<b>139,999</b>	<b>110,059</b>	<b>331,789</b>	<b>35</b>	<b>55</b>
<b>TOTAL SALES REVENUE</b>	<b>646,055</b>	<b>1,941,143</b>	<b>714,104</b>	<b>902,214</b>	<b>2,216,248</b>	<b>40</b>	<b>14</b>

DESCRIPTION	2004		2005			3Q05/3Q04 (%)	9M05/9M04 (%)
	3rd Quarter	9 Months	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	9 Months		
<b>EXPORT SALES (Thousand US\$)</b>							
<b>Ferronickel Nickel Ore Sapolite</b>	31,746	73,443	15,053	28,675	63,493	(10)	(14)
- Pomalaa	2,243	9,011	10,047	7,963	20,874	255	132
- Gebe	2,861	13,014	3,822	0	7,867	(100)	(40)
- Gee	8,529	27,107	14,231	11,840	36,618	39	35
- Buli	5,517	25,119	7,069	11,843	27,937	115	11
<i>Total Sapolite</i>	<i>19,150</i>	<i>74,251</i>	<i>35,169</i>	<i>31,646</i>	<i>93,297</i>	<i>65</i>	<i>26</i>
<b>Low grade</b>							
- LGSO Pomalaa	2,231	6,800	2,823	2,210	6,648	(1)	(2)
- Gebe	85	4,380	692	2,791	4,344	3,176	(1)
- Buli	493	4,216	0	521	1,257	6	(70)
<i>Total Limonite</i>	<i>2,809</i>	<i>15,396</i>	<i>3,515</i>	<i>5,522</i>	<i>12,249</i>	<i>97</i>	<i>(20)</i>
<b>Gold</b>	4,821	15,951	2,356	5,610	10,687	16	(33)
<b>Bauxite</b>	1,991	11,341	3,990	5,074	12,851	155	13
<b>Silver</b>	0	1,111	35	2,060	2,096	2,822,709	89
<b>Iron sands</b>	974	2,386	0	0	0	(100)	(100)
<b>TOTAL EXPORT REVENUES</b>	<b>61,491</b>	<b>193,879</b>	<b>60,118</b>	<b>78,587</b>	<b>194,673</b>	<b>28</b>	<b>0</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.

In 3Q05, Antam continued its exploration on lateritic nickel, gold and bauxite in Indonesia. Total exploration expenditures excluding joint ventures decreased 26% to Rp13.3 billion.

### NICKEL

Lateritic nickel exploration continued on the existing deposits at Buli, Halmahera, South East Sulawesi and Obi Island. The exploration activities included infill core drilling using spacing between 50m to 25m that resulted in test pitting of 31,140 meters in depth. Antam continued exploration at new deposits surrounding Halmahera Island. The total cost for nickel exploration reached Rp11.4 billion.

### GOLD

Antam continued to target high grade gold deposits on Java, Sumatra, Sulawesi and Halmahera. The results indicate interesting anomalies at new prospects areas such as Seblat, Bengkulu and Mt. Patahtiga, Jambi, Sumatra. At Pongkor gold mine, exploration targeted a new vein system using core drilling and detailed mapping. At Cikotok, surrounding the existing mine, Antam and a third party continued to explore some prospects using core drilling and detailed mapping activities, but no significant assay results were found. The total cost of gold exploration reached Rp1.2 billion.

### BAUXITE

Antam continued its exploration program at the existing Kijang mine and the Tayan prospect in West Kalimantan. At Tayan, exploration was conducted to increase the resources classification to measured resources using detailed test pitting and spacing of 25m x 25m. Antam also conducted exploration on new deposits at Ranai, Letung, Bulan, Kondur, Tj. Balai Karimun and Tarempa. The total cost of bauxite exploration reached Rp671.3 million.

In the next quarter, Antam will continue exploration for nickel, gold and bauxite at the above areas.

## DEVELOPMENT

### Corporate

#### **FeNi III smelter construction proceeding on time and on budget**

Antam's FeNi III ferronickel smelter construction is proceeding on time and on budget. Following the construction, Antam's EPC contractor is expected to switch on the smelter at the beginning of November and after a three month commissioning, commercial operations are expected in 1Q06.

#### **Antam begins to take delivery of nickel ore from PT Inco's Pomalaa Timor**

Although Antam had yet to switch on FeNi III, deliveries of high grade nickel ore feed for FeNi III had begun from the Pomalaa Timor (East Pomalaa) deposit, which is held by PT Inco and lies immediately next to Antam's Pomalaa operation. Antam's ore reserves at Pomalaa are nearly exhausted, however a joint operation with PT Inco will supply Antam's FeNi III smelter with the necessary ore feed.

#### **Antam selects HSBC as financial advisor for potential investment in PT Freeport Indonesia**

On August 23<sup>rd</sup>, Antam announces it had selected HSBC as Antam's financial advisor for the potential acquisition of a minority stake in PT Freeport Indonesia. If required, the financial advisor will complete a due diligence on the potential acquisition of a minority stake in PT Freeport Indonesia, make a recommendation whether or not to proceed with the acquisition based upon value created for Antam and if a positive recommendation, how best to finance the acquisition.

#### **Gold mine operating normally after accident**

On September 9<sup>th</sup>, Antam announces that operations had returned to normal at the Pongkor gold mine after a tunnel ceiling accidentally collapsed on the afternoon of Tuesday, September 6th, 2005 in an area of the Ciurug stope, which briefly shut down activities until midnight on Wednesday, September 7th, 2005. The accident caused the fatality of one miner and hospitalized two others. Meanwhile, activities at the other gold tunnels of Pongkor were not suspended. An investigation revealed the ceiling of Block 2 Central Level 500 collapsed accidentally.

#### **FeNi II running normally**

Following extensive repairs and a shut down that began during September 2004, Antam's FeNi II smelter is running normally. On October 3<sup>rd</sup>, 2005, Antam achieved the first tap of nickel metal and the smelter is currently running with a full load of 24 megawatts.

### Joint Ventures

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

*-From Newcrest Quarterly Report ending September 30, 2005-*

Gold production was 28,030oz (51,599oz) at a cash cost of \$425/oz (\$274/oz) and a total cost of \$451/oz (\$313/oz). 64,000t (72,100t) of ore was processed at a head grade of 14.80g/t Au (22.86g/t

Au) with a gold recovery of 97.3% (97.3%). As planned, mining of the low grade zone of the Damar and Kayu Manis ore bodies significantly reduced production resulting in higher costs. Mining of the high grade ore at the BOD zone has commenced and should improve Gosowong's production going forward.

**PT CIBALIUNG SUMBER DAYA (Antam 16.24%)**

*- From Austindo press release dated September 5, 2005-*

Austindo Resources Corporation NL (Austindo) announced it has completed the acquisition of the gold processing plant located at the Mount Olympus Mine near Paraburdoo, Western Australia from Sipa Exploration NL. The processing plant will be relocated to the Cibaliung Gold Project in Banten Province Western Java, Indonesia.

The acquisition of this plant provides a higher degree of certainty in terms of timing and cost of deliverability for the development of the project, as delays in the delivery of new equipment are resulting in longer construction lead times for many other projects. The purchase includes a significant inventory of ancillary equipment and spare parts.

In Indonesia, another important milestone has been achieved. The Bupati of Pendeglang has granted a Mining Authorisation for Cibaliung. Similar to a Mining Lease, Austindo has now successfully secured the necessary environmental and mining approvals and is now in the process of finalising a land use application and other permits prior to commencing earthworks on site at Cibaliung.

**PT DAIRI PRIMA (Antam 20%)**

*- From report sent to Antam-*

Herald has mandated a syndicate headed by Macquarie Bank Ltd to provide senior finance facilities for the development of the high-grade Dairi Zinc/Lead Project. As well, it has been decided to truck concentrates to the east coast of Sumatra rather than the previously stated preference for a slurry pipeline and port facilities on the west coast. Shipping from this location to east Asian destinations involves significantly less time and hence cost compared to the west coast, thus partly offsetting higher land transportation operating costs from trucking. The capex will also be significantly lower. Current target for the start of site construction works is first quarter 2006, subject to permitting and finance

**PT SORIKMAS MINING (Antam 25%)**

*-From Oropa Limited ASX Announcement dated September 30, 2005-*

Recent exploration results confirm the attractiveness of the geological setting for the discovery of mineral resources. The presence of copper-bearing, gold-rich intrusive complexes with spatially associated low temperature, low sulphidation style epithermal gold mineralisation and contact copper/gold skarn mineralisation developed within limestone provides a diverse range of targets within a relatively confined area. Oropa is continuing its mapping and sampling programme and will commence initial drill testing these prospects by mid October. Historical exploration of these prospects is very limited, with Oropa commencing its exploration efforts on these targets just 6 weeks ago.