# NEWS RELEASE FROM ANTAM

For further information please contact:
Dohar Siregar
Corporate Secretary
Tel. : (62-21) 780 5119
Fax. : (62-21) 781 2822
Email : corsec@antam.com
www.antam.com

## ANTAM HAS AGREED TO ISSUE US DOLLAR-DENOMINATED NOTES TO FINANCE NICKEL EXPANSION PROJECT

**Jakarta, September 18, 2003** – PT Antam Tbk (ASX – ATM, JSX – ANTM) is pleased to announce that its Mauritius-based subsidiary, Antam Finance Ltd., has agreed to issue US Dollar-denominated notes guaranteed by Antam as part of Antam's debt financing to fund the ferronickel expansion project, FeNi III. The 7-year, USD200 million notes bear a 7.375% coupon rate with a yield to maturity of 7.875%. The notes are payable semi-annually, commencing March 30th 2004, and have a maturity date of September 30th, 2010. After four years from the date of issue, Antam has the option to redeem the notes in whole or in part at each coupon payment date beginning in 2007, paying a premium calculated as a percentage of the principal amount of the notes. The notes are expected to be listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST). Antam's President Director, D. Aditya Sumanagara said:

> "We believe issuing corporate bonds to finance FeNi III is a sound option for the company at this time. Issuing bonds fits the economic feasibility of the project. The issuance of international US dollar eurobonds marks Antam's successful entry to the international debt market."

The notes are rated "B" by S&P and "B3" by Moody's. However, a security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. ABN AMRO and Mandiri Sekuritas acted as Joint Lead Managers for the offering.

In August 2003, Antam signed an Engineering, Procurement and Construction (EPC) contract with an unincorporated consortium of Mitsui Co. and Kawasaki Heavy Industries Ltd. from Japan for the development of the smelter. As well, Antam is currently negotiating with a power plant contractor for the development of a new power plant for the ferronickel facility. The FeNi III project will include investment in both the new smelter and power plant.

The FeNi III project is expected to more than double Antam's contained nickel in ferronickel capacity from 11,000 tonnes to 26,000 tonnes per year. The construction period is expected to last 28 months with commercial operations expected to start in 2006. Antam is a vertically integrated mining company with diverse portfolio of nickel, gold, bauxite and iron sands.

**The information contained in this press release is not for publication in, or distribution directly or indirectly into, the United States. This press release is not an offer to sell, or a solicitation of any offer to buy, the securities referred to above in the United States; the securities may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the US Securities Act of 1933, as amended) absent registration or an exemption from registration; and there is no current intention to conduct a public offering of the securities in the United States.**

###