

Press Release



Second Quarter 2018 Production Report

Jakarta, July 16, 2018 – PT Vale Indonesia Tbk (“PT Vale” or the “Company”, IDX Ticker: INCO) announced today that in the second quarter of 2018 (“2Q18”), it produced 18,893 metric tons (“t”) of nickel in matte.

“Production in the second quarter of 2018 was higher than production in 1Q18 when most of our planned maintenance activities were completed,” said Nico Kanter, CEO and President Director of PT Vale. “We are optimistic of meeting our 2018 full year production target of approximately 77,000 t.”

Production Highlights

	<u>2Q18</u>	<u>1Q18</u>	<u>2Q17</u>	<u>1H18</u>	<u>1H17</u>
Nickel in matte production (t)	18,893	17,141	20,107	36,034	37,331

The production volume in 2Q18 was about 10% higher than the production volume realized in 1Q18. On a year-on-year basis, production in the second quarter of 2018 was about 6% lower than production in the second quarter of 2017. This was basically due to a delay in some planned maintenance activities to April 2018 that were originally scheduled in March 2018. In addition, production in 1H18 was 4% lower than production in 1H17 mainly due to a lower average nickel grade in 1H18. However, the grade returned to plan starting in June 2018.

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