

PRESS RELEASE

**PT INTERNATIONAL NICKEL INDONESIA Tbk
ANNOUNCES ANNUAL PRODUCTION
AND TALKS WITH INDONESIAN GOVERNMENT ON
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JAKARTA, February 4, 2008 --- PT International Nickel Indonesia Tbk ("PT Inco" or the "Company") reported that its annual production of nickel in matte in 2007 was approximately 169 million pounds (76,657 tonnes), which exceeded the original target of 165 million pounds (74,843 tonnes) established for that year. Commenting on the production results, President Director Arif Siregar was delighted to have achieved this milestone particularly in light of last year's strike at the Company's operations in South Sulawesi. "We delivered what we promised while our environment record has continued to improve" he said.

The Company also reported that senior management had met with officials from the Department of Energy and Mineral Resources ("DEMUR") to discuss the Company's obligations under its Contract of Work. At that meeting, the Company presented plans to allow it to commence mining operations at Bahodopi and to construct a high pressure acid leach processing facility at Sorowako in substitution for the Company's undertaking in the Contract of Work to construct a processing facility at Bahodopi. Under this plan, the ore from Bahodopi would be combined with ore from the Sorowako area to feed the existing pyrometallurgical processing facility in Sorowako. PT Inco would continue its exploration program at Bahodopi and continue to study options for developing a processing facility in the future. Final determination from the above plans will be published following an evaluation of the financial, technical, environmental and community effects of such plans have been carried out.

To carry out the plan, the Company will need to proceed with feasibility studies on the proposed high pressure acid leach processing facility to be located in Sorowako. It is essential that the Company conclude agreements with the Government of the Republic of Indonesia and secure necessary permits to support such a significant capital investment. Any decision to proceed with that investment will require the approval of the Board of Directors and Board of Commissioners of the Company.

If all plans are approved by the DEMR and the Company, it is expected that the proposed processing facility in Sorowako will produce approximately 22,000 tonnes of nickel (48.5 million pounds).

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