

4 DECEMBER 2008

# ASX Release

## Updated financial information



### CASH AND DEBT POSITION

OZ Minerals wishes to advise the market of the following financial information. US dollar amounts have been converted to Australian dollars at an exchange rate of A\$1.00 = US\$0.64.

#### As at 30 November 2008

• Cash on hand	A\$405.0m (US\$259.2m)
• Total indebtedness (excluding convertible notes)	A\$1,083.4m (US\$693.4m)
• Net debt (excluding convertible notes)	A\$678.4m (US\$434.2m)

Since 30 June 2008, the A\$ has depreciated by approximately 30c. This has caused debt measured in A\$ to increase by approximately A\$365M. This effect is included in the numbers shown above.

#### For the period 1 July – 31 October 2008

• Net Cash outflow	A\$704.9m
• Major areas of cash usage:	
○ Prominent Hill Project	A\$158.2m
○ Century Pre-strip	A\$101.0m
○ Sepon Projects	A\$57.7m
○ Martabe Project	A\$45.2m
○ Other exploration and development	A\$65.8m
○ Payment of interim dividend (including associated tax payments)	A\$144.1m

\* **Note: figures are unaudited**

Since the end of October, OZ Minerals has announced substantial reductions to proposed capital and operating expenses for 2009 in order to reduce the rate of cash consumption in the future.

OZ Minerals also confirms that it is not in payment default or arrears under any of its financing facilities. There are no principal repayments that are currently due.

### DETAILS OF FINANCING FACILITIES

The Company has four major bank facilities. Following the agreement reached with its lenders and announced to the market on 1 December 2008, three of those facilities mature, or are required to be refinanced on or before 31 December 2008 (unless extended). Details of the facilities are:

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**Facility A**

Facility limit of US\$525M of which US\$420 million has been drawn. This is one of the facilities for which the refinancing date was extended by agreement and is now due to be refinanced by 29 December 2008. OZ Minerals has an option to extend the date by which Facility A must be refinanced to 31 January 2009, subject to certain conditions being satisfied. OZ Minerals will use its best endeavours to satisfy those conditions.

Facility A is provided by a syndicate of seven lenders comprising ANZ Banking Group, Bank of Scotland International, BNP Paribas, Commonwealth Bank of Australia, Bayerische Hypo-und Vereinsbank AG (Singapore Branch), National Australia Bank and The Royal Bank of Scotland.

**Facility B**

Facility limit of US\$140 million, fully-drawn. This is one of the facilities for which the refinancing date was extended by agreement and is now due to be refinanced by 29 December 2008. We note that both Facility A and Facility B must be refinanced by the same date (regardless of the fact that the termination date for Facility B was separately extended to 31 January 2009, as previously advised to the market). OZ Minerals has an option to extend the date by which Facility B must be refinanced to 31 January 2009, subject to certain conditions being satisfied. OZ Minerals will use its best endeavours to satisfy those conditions.

Facility B is provided by a syndicate of two lenders comprising ANZ Banking Group and The Royal Bank of Scotland.

Facilities A and B were originally established in respect of the Australian operations of the former Oxiana business.

**Facility C**

Facility limit of A\$250 million, which is currently drawn to A\$85.8 million in respect of a cash advance facility and A\$101m in respect of a letter of credit facility. Facility C matures (and is due for repayment) on 31 December 2008 and is provided by Societe Generale. OZ Minerals expects to be able to meet its obligations to repay Facility C on 31 December 2008.

Facility C was originally established in respect of the operations of the former Zinifex business.

**Facility D**

Facility limit of US\$77 million, which is fully-drawn. Facility D is a project finance facility relating to the Sepon Mine in Laos which matures in June 2011. Facility D is provided by a syndicate of six lenders comprising ANZ Banking Group, Banque Pour Le Commerce Exterieur Lao, BNP Paribas, Commonwealth Bank of Australia, Macquarie, NM Rothschild and Sons.

**CLASSIFICATION OF LIABILITIES AS AT 30 JUNE 2008**

OZ Minerals is aware that questions relating to the classification of liabilities in Oxiana's interim financial statements for the half-year ended 30 June 2008 have been raised in the public domain. The essence of those questions is why Facility A (as described above) was classified as a Deferred Liability at 30 June 2008 when the Company has subsequently advised that it is to be refinanced within twelve months of that date.

As at 30 June 2008 (and up to 30 November 2008), there was a provision in the Company's loan agreements (relevant details of which have previously been disclosed to the market) to the effect that the Company may request from the lenders in Facility A and Facility B an extension to the refinancing date for that Facility and the lenders could not unreasonably withhold their consent to any such request for extension so long as the Company had used its best endeavours to refinance those Facilities.

The Company had used its best endeavours to refinance those Facilities, as required, and the lenders in Facility A and Facility B had previously granted the Company an extension pursuant to this provision.

In light of this provision, the positive relationship the Company had with its lenders (which was demonstrated by, among other things, their preparedness to readily grant a previous extension sought by the Company) and good progress which the Company had already made at that time towards completion of the refinancing negotiations, caused the Company to form the view that Facility A and Facility B would not be subject to repayment in the short-term unless the Company failed to use its best endeavours to refinance those Facilities.

Therefore, Facility A was classified as a Deferred Liability as at 30 June 2008.

Subsequently (on 30 November 2008), OZ Minerals agreed with the lenders in Facility A and Facility B to extend the refinancing date of those Facilities to 29 December 2008. As part of that agreement, the Company agreed not to rely on the "best endeavours" provision (referred to above) in the future and, as a result, Facility A and Facility B we now classified as Current Liabilities.

Negotiations with the Company's lenders concerning the refinancing are ongoing and we will keep the market informed of all material developments.

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