



5 March 2009

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LGL completes US\$325 million Institutional Placement

Lihir Gold Limited ("LGL") has successfully completed an institutional placement of new fully paid ordinary shares to raise approximately US\$325 million*.

The placement attracted strong interest from both domestic and international institutional investors and was priced at A\$3.00 per share. This represents a 9.4% per cent discount to LGL's closing price of A\$3.31 on 3 March 2009 and an 8.0% discount to the 5 day VWAP to 3 March 2009 of \$3.26 per share.

LGL CEO Arthur Hood said the successful completion of the institutional placement provided the company with a strong financial footing for the future.

"This is an excellent outcome for LGL shareholders. The company is very well positioned to accelerate the Million Ounce Plant Upgrade at Lihir Island and to take advantage of opportunities that arise to develop our operations in West Africa."

"We have a strong balance sheet, an exciting growth profile and a very competitive cost structure, and we look forward to delivering increasing returns for our shareholders," he said.

Under the placement, LGL will issue approximately 172 million ordinary shares which will rank equally with existing shares. LGL is not required to seek shareholder approval for the issue of shares under the placement. Settlement is expected to occur on 11 March 2009 with the placement shares expected to be allotted and quoted on the Australian Securities Exchange (ASX) on 12 March 2009.

The placement was conducted by Goldman Sachs JBWere and Macquarie Capital Advisers.

In addition to the institutional placement, LGL is also offering eligible shareholders the opportunity to each participate in a non-underwritten Share Purchase Plan ("SPP"). The SPP will provide shareholders with the opportunity to subscribe for up to A\$5,000 (or its foreign currency equivalent) worth of LGL shares without incurring brokerage or other transaction costs. The shares will be priced at the lower of the institutional placement price of A\$3.00 per share or a 5% discount to the 5 day market VWAP leading up to the close of the SPP. Eligible shareholders resident in Papua New Guinea, Australia, New Zealand, Canada and the UK on the register at 7:00pm (ADST) on 6 March 2009 will be offered participation in the SPP. The offer under the SPP will open on 20 March 2009 and is expected to close on 15 April 2009. The SPP offer document with full details of the SPP will be despatched to eligible LGL shareholders in due course.

The trading halt that has been in place since yesterday morning will be lifted from the commencement of trading today.

Calburn Partnership acted as financial adviser to LGL.

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*Equivalent to approximately A\$515m based on a US\$/A\$ exchange rate of 0.63.

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Some statements in this announcement are forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995. Forward-looking statements also include those containing such words as "anticipate", "estimates", "should", "will", "expects", "plans" or similar expressions, and include statements regarding the completion of the placement. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond LGL's control, which may cause actual results to differ materially from those contained in this announcement. Important factors that could cause actual results to materially differ from the forward-looking statements in this announcement include, but are not limited to, the failure to satisfy conditions necessary to complete the placement, the market price of gold, anticipated ore grades, tonnage, recovery rates, production and equipment operating costs, the impact of foreign currency exchange rates on cost inputs and the activities of governmental authorities in Papua New Guinea and elsewhere. Forward-looking statements that reference past trends or activities should not be taken as a representation that such trends or activities will necessarily continue in the future. LGL does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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