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ASX Release

Minmetals offer significantly increased



OZ Minerals is pleased to announce that, following continuing discussions with China Minmetals Non-Ferrous Metals Co., Ltd. ("**Minmetals**"), Minmetals has offered to increase the price it is prepared to pay for the assets it intends to acquire from OZ Minerals by US\$180 million to US\$1,386 million, subject to shareholders of OZ Minerals approving the transaction at OZ Minerals' Annual General Meeting later today.

The revised purchase price falls within the Independent Expert's valuation range disclosed in the OZ Minerals Explanatory Booklet of US\$1,385 million to US\$1,600 million, and does not have any of the incremental costs associated with recapitalisation proposals, including underwriting fees, break fees and corporate overhead costs.

OZ Minerals believes that the cash proceeds from Minmetals, combined with the incremental cost savings relative to a recapitalisation proposal in aggregate represent a value in excess of the upper end of the Independent Expert's valuation range.

"We are delighted to have reached agreement with Minmetals on a revised offer price", said OZ Minerals Chairman Mr. Barry Cusack.

"Minmetals initially offered to support OZ Minerals by bidding for the Company at a time when OZ Minerals was facing serious financial difficulties. Since February 2009, Minmetals has been the only entity that has offered OZ Minerals a complete solution to its refinancing issues. Their support has been constant and they have acted in good faith at all times.

"Minmetals was prepared to radically revise the structure of their originally-planned full acquisition of OZ Minerals to a partial asset purchase following a ruling by the Treasurer of the Commonwealth of Australia and now, reflecting the goodwill in our relationship and their preparedness to continue negotiating with us during changing market conditions, they have increased their original offer by 15%, which will deliver considerable additional value to shareholders", added Mr. Cusack.

OZ Minerals made an announcement late yesterday advising that one of the parties that had indicated its intention to propose a recapitalisation plan to the Company had advised that they were not able to make such a proposal. Minmetals' decision to increase its offer for OZ Minerals' assets was made several hours after OZ Minerals advised that the foreshadowed recapitalisation proposal would not proceed.

The Minmetals revised offer is subject to several conditions, the most important of which are:

- The increased offer price is available subject to the resolution authorising the sale of assets to Minmetals being passed at OZ Minerals' AGM today.
- OZ Minerals has acknowledged that Minmetals has a right to terminate the proposed transaction if shareholders do not vote in favour of the resolution authorising the asset sale at today's AGM.

"We believe the conditions Minmetals have requested in exchange for their increased offer are reasonable in the circumstances", said Barry Cusack, "and the Board of OZ Minerals unanimously recommends that shareholders vote in favour of the improved Minmetals transaction.

"OZ Minerals will, subject to a vote in favour of the sale by our shareholders today, have a positive future, with the exciting Prominent Hill operation and, thanks to the increased Minmetals offer, an even stronger balance sheet.

"Conversely, the Board remains very concerned that if shareholders vote against the Minmetals transaction today, there is a material risk that OZ Minerals may not be successful in refinancing its debt, which could potentially lead to it being unable to continue as a going concern and being placed into voluntary administration or receivership", concluded Mr Cusack.

OZ Minerals is being advised on this transaction by Caliburn Partnership, Goldman Sachs JBWere and Freehills.

The OZ Minerals' Board unanimously recommends that shareholders vote in favour of the Minmetals Transaction at OZ Minerals' Annual General Meeting at 10:30am today.

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