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Zinifex Scheme Meeting on 16 June 2008

In regard to the Scheme meeting that will be held today at 2pm today attached are the Chairman's and Chief Executive Officer's speeches that will be delivered at the meeting, together with the accompanying slides.

Yours sincerely



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CHAIRMAN'S & CEO'S SPEECH AT MEETING OF SHAREHOLDERS TO APPROVE SCHEME OF ARRANGEMENT – 16 JUNE 2008 AT 2.00PM

PETER MANSELL, CHAIRMAN ZINIFEX LIMITED

Good afternoon, ladies and gentlemen and welcome to the Zinifex shareholder meeting to consider and vote on the proposed merger with Oxiana Limited. I am Peter Mansell, the Chairman of Zinifex.

Let me start by introducing the Board of Directors. You can read full details of their backgrounds and qualifications in the Scheme Booklet.

On my immediate right is Andrew Michelmore. This is the first time that I have introduced Andrew to you. He joined the Company as our Chief Executive Officer and Managing Director on 1 February this year.

On my far right is Dean Pritchard.

On my far left is Peter Cassidy.

Next to Peter is Dick Knight.

Next to Dick is Tony Larkin.

On my immediate left is our Company Secretary and General Counsel, Francesca Lee.

I would now like to introduce our Executive Committee.

Tony Barnes is our Chief Financial Officer. As some of you may have read, Tony has announced that he will be retiring in July. Tony joined Pasminco in 2001, six months before that company went into administration. Over the last 7 years Tony has made a tremendous contribution to the company, playing a

lead role both in guiding it through the challenges of administration and also, very importantly, leaving Zinifex well placed to make a significant contribution to the new Merged Group, with an enviable balance sheet that can be used to take advantage of the opportunities that emerge to grow shareholder wealth.

Tony also acted as a very effective Chief Executive Officer of the Company for a period of 7 months, until we appointed Andrew Michelmore to the position earlier this year. In particular, Tony deserves a lot of credit for what was achieved during his time as interim CEO, with the successful delivery of the Nyrstar float followed by the successful takeover of Allegiance Mining.

We will all miss Tony and I would like to take the opportunity to thank him for his efforts and contribution to the Company and wish him well in his retirement.

Brett Fletcher is our Chief Operating Officer. If the merger is implemented, he will assume the position of Chief Operating Officer – Australia in the new Merged Group and will be responsible for managing the operations of, not only our current mines – Century, Rosebery and Avebury (being the mine that we acquired through our recent takeover of Allegiance Mining), but also Golden Grove and Prominent Hill when it comes into production.

Stewart Howe is our Chief Development Officer. He has been the architect of Zinifex's strategy to grow and diversify its mining business and has been a driving force behind all of our recent acquisitions and in the demerger of our smelting assets. Stewart will not be joining us in the new Merged Group. We will also miss him and we wish him well in his future endeavours and thank him for his contribution to the growth of Zinifex.

Together we would like to thank you, our shareholders, for your attendance today. At the end of the meeting please join us for refreshments in the foyer.

Today, you are being asked to approve a scheme of arrangement to give effect to the proposed merger of Zinifex with Oxiana. Oxiana is an international mining and exploration company, listed on the ASX, with a market capitalisation of approximately \$4.4 billion, making it one of Australia's largest mining companies.

Oxiana's principal activities are exploration, development and mining of copper, gold, zinc and silver. Oxiana operates the Sepon gold and copper mine in Laos and operates the Golden Grove base and precious metals mine in Western Australia. It is developing the Prominent Hill copper and gold mine in South Australia, which should commence production in the next few months, and the Martabe gold and silver mine in Indonesia. Oxiana also has an extensive exploration portfolio that spans six countries.

In accordance with an order of the Supreme Court of Victoria, which was made on 9 May 2008, a copy of the formal Explanatory Memorandum, containing all information about the scheme of arrangement required by law, was sent to shareholders on or around 16 May 2008.

Ladies and gentlemen, since we have a quorum present, I now declare the meeting open. You should all have received a copy of the notice of meeting, which was included in the Explanatory Memorandum. I propose to take the notice as read.

Before moving to the formal part of the meeting, at which time I will ask you to cast your vote, I would like to do two things:

- First, to provide an overview of the proposed merger of Zinifex and Oxiana; and
- Second, to set out the considerations of the Board in reaching the conclusion that the merger is in the best interests of Zinifex shareholders.

Andrew Michelmores will then talk to you about the future of the merged group.

Under the terms of the scheme, which will effect the proposed merger, Zinifex shareholders will receive 3.1931 Oxiana shares for every Zinifex share held by them at the scheme record date, being the 26th of June. This will result in Zinifex shareholders owning approximately 50% of the Merged Group. This is very much a merger of equals, as also evidenced by the Board and management composition of the Merged Group.

Your directors unanimously recommend that you vote in favour of the proposed merger. It is important to note that Zinifex has not received any proposals superior to the proposed merger prior to this meeting – indeed we have not received any proposals at all.

In reaching this recommendation my fellow directors and I have considered the potential advantages to shareholders from voting in favour of the proposed merger, as well as potential disadvantages, risks and other alternatives available to Zinifex.

In addition, your Board commissioned an independent expert, Grant Samuel & Associates, to report to shareholders on the proposed merger. In their report dated 6 May 2008, Grant Samuel concluded that the terms of the proposed merger are fair and that the merger is in the best interests of shareholders.

There are a number of strategic and financial reasons why the Board thinks you should vote in favour of the scheme to effect the merger. These are set out in section 2 of the Explanatory Memorandum. Rather than go through each of them in detail, as I am sure that you have already read in section 2, I would just like to highlight just some of the key reasons for our recommendation.

The proposed merger will create a major Australian diversified mining company. The Merged Group will become the third largest diversified mining company in Australia, behind only BHP Billiton and Rio Tinto and, unlike those two companies, will only be listed on the ASX. The Merged Group will be the world's second largest producer of zinc in concentrate, as well being a significant producer of copper.

You may well ask: *does size matter?* Well, in the view of the Zinifex directors, the answer is an unequivocal, yes. The combination of quality assets and increased scale will generate enhanced cash flows. Together with the strength of the combined balance sheet a far stronger foundation for growth will be created to take advantage of the opportunities available in the minerals marketplace in the years ahead, compared with what Zinifex could have achieved in the same timeframe on its own.

Expanding on my point about diversity, Zinifex has had a stated objective, since announcing the plan to divest itself of its smelters of creating a major

diversified mining company. This merger is a giant leap towards achieving that objective.

Zinifex's reliance on zinc will fall from 86% of revenues to 61% of the much larger revenue base of the Merged Group, with the balance taken up mainly by copper and gold. Furthermore, that is before inclusion of new production of copper and gold from the Prominent Hill mine expected to commence later this year. Together with Zinifex's recent acquisition of the Avebury nickel mine in Tasmania, also expected to commence production shortly, this combination of diversified and high quality cash generating operations will provide a far stronger base for future growth.

The merger will also provide exposure to both exploration and mine production in Asia, where Oxiana has already demonstrated considerable success with the Sepon gold and copper operations in Laos and will shortly commence development of the Martabe gold and silver deposit in Indonesia, having now secured the necessary government approvals.

In addition to these new developments, Zinifex's and Oxiana's development project pipelines are highly complementary in terms of timing, product and location, further building the Merged Group's diversification and growth.

Supporting this will be a very strong combined balance sheet and a broader and larger shareholder base. This step-change in scale, strength and profile will give the Merged Group the opportunity to accelerate the delivery of development projects and to pursue much larger and more profitable global acquisition opportunities selectively.

Driving this forward, the Merged Group will have the significant advantage of combining two talented and experienced boards and management teams. The significance of this should not be understated, given the current

shortages in the resources industry of such people. The current chairman of Oxiana, Barry Cusack, will be the chairman of the Merged Group and Andrew Michelmores will be its CEO. All current board members of Zinifex and Oxiana will form the Merged Group's board.

Last, but not least, the independent expert, Grant Samuel & Associates, has also concluded that the merger terms are fair to Zinifex shareholders, including the approximate 50% share that Zinifex shareholders will hold in the Merged Group as a result of receiving 3.1931 Oxiana shares for each Zinifex share. The independent expert's view is that the merger benefits are collectively significant and outweigh the disadvantages. Accordingly, Grant Samuel has concluded that the merger is in the best interests of Zinifex's shareholders.

Shareholders should also consider that the merger may involve some disadvantages and these were set out in section 3 of the Explanatory Memorandum. They include the following:

- the investment profile for Zinifex shareholders will change from being mainly a zinc producer today, to having increased exposure to copper and gold in the Merged Group;
- the exact value of the Oxiana shares to be issued to Zinifex shareholders as the Scheme Consideration is not certain as the value of the New Shares issued will depend on the price on which those shares trade on ASX after the Implementation Date. In addition, following implementation of the merger, the price of the shares in the Merged Group may change;
- the cash profile of the Merged Group will be different to that of Zinifex alone; and

- the Merged Group will have increased depreciation and amortisation expenses, impacting earnings, as a consequence of the uplift in the fair value of Zinifex assets which is likely to result from the merger. The increase in the depreciation and amortisation expenses of the Merged Group, compared with the depreciation and amortisation charges of Zinifex and Oxiana as separate businesses will result in a reduction in reported earnings in the future, all else being equal.

As with any transaction, there are a number of risks relating to the implementation of the merger, and there are also a number of risks relating to the Oxiana business which will be relevant to the Merged Group. These risks are set out in detail in section 9 of the Explanatory Memorandum and I draw your attention to them.

Taking all of this into consideration, your Board is unanimously of the view that the advantages of the merger outweigh the disadvantages.

If the resolution to approve the scheme and merger is passed today, the following will occur:

- We will seek final court approval of the scheme which, if you approve the scheme today, is intended to be sought this Friday.
- If the court approves the scheme, the merger will be implemented and Oxiana will acquire all shares in Zinifex in exchange for issuing shares in Oxiana to Zinifex shareholders at an exchange ratio of 3.1931. All Zinifex Directors will be appointed to the Board of Oxiana.
- Oxiana will send out a notice tomorrow to its shareholders convening an extraordinary general meeting on 18 July 2008 to seek approval to change the name of the company.

- I am delighted to be able to inform you that the proposed name for our new company is OZ Minerals Limited and to introduce OZ Minerals Limited to you I would now like to play a short video.
- This merger is no doubt a transforming event for both companies. We are taking the tremendous history and achievements of both organisations and creating a new company, which will be one of Australia's largest diversified miners.
- At the time the merger agreement was struck, both Board's recognised that a new name was needed to reflect the new path for the combined entity. In many ways OZ Minerals is a natural choice as it quite literally reflects the coming together of Zinifex and Oxiana to create a new organisation with enhanced capability to deliver improved value for all its stakeholders.
- Oxiana will also seek to formalise the appointment of the Zinifex Directors to the Board of Oxiana. Copies of the notice of meeting that Oxiana will send to its shareholders tomorrow will also be sent to Zinifex shareholders who receive Oxiana shares as a result of implementation of the Scheme, on or around 4 July 2008. As new shareholders owning around 50% of Oxiana, I encourage you to vote in favour of the new name and the appointment of Directors at that meeting. Your support will be important to the approval of those resolutions.

ANDREW MICHELMORE, CHIEF EXECUTIVE OFFICER ZINIFEX LIMITED

Good afternoon and welcome to you all.

Today is another very important step in two of the most extraordinary stories of Australian corporate history. It is just over four years since Zinifex was created from the remains of Pasminco. At that time, many were sceptical of Zinifex's chances of survival, let alone success. I should remind you that at its float in April 2004, Zinifex struggled to achieve an opening issue share price of \$1.95 and a market capitalisation of \$960 million.

Since then Zinifex:

- has generated total net profit after tax of \$4 billion;
- has returned \$1.2 billion to shareholders;
- has acquired Wolfden Resources in Canada and Allegiance Mining in Tasmania; and
- realised \$1.8 billion from the highly successful divestment of its smelting assets through the Nyrstar IPO last year.

The original shareholders have done very well indeed, but this record was not just good luck - you should not under-estimate the drive, talent and commitment from the Board, management and employees required to achieve these outstanding results.

Oxiana's story is equally extraordinary. Starting as a junior mining company in 1994, Oxiana:

- acquired and successfully developed the Sepon gold and copper mines in Laos in the face of considerable challenges;
- acquired Golden Grove - just before zinc prices took off;

- acquired the Prominent Hill copper and gold deposit and proceeded with its rapid development; and
- most recently acquired Agincourt Resources and, with it, the Martabe gold and silver deposit in Indonesia which is now proceeding to development.

This represents a truly outstanding record of achievement in generating wealth not only for shareholders but the many other stakeholders in Oxiana.

As Peter has stated in his remarks, if the scheme is approved today Oxiana will convene a general meeting of its shareholders to approve, among other matters, the adoption of a new name, OZ Minerals Limited, for the Merged Group. In anticipation of that proposal being approved, I will refer to the Merged Group as OZ Minerals.

If the shareholders approve the proposed merger then I will be given the privilege and responsibility for leading OZ Minerals in creating a new, leading, global, diversified, minerals company.

I would like to emphasise that this is not the last step but only the first that the combined Boards and I have in mind for transforming this company.

The Boards and management firmly believe that the long-term outlook for mineral commodities will remain strong on the back of continuing demand from rapidly industrialising economies.

I believe OZ Minerals has an outstanding opportunity to play a significant role in supplying this growing market. Strong companies with a good range of quality assets, a diverse portfolio of products and an extensive set of growth opportunities are best placed to succeed in the minerals industry throughout the cycles of demand.

By merging, OZ Minerals will have a much greater capacity to benefit from these opportunities than Oxiana or Zinifex in isolation. OZ Minerals will deliver value to its shareholders through its strong set of operations, its attractive pipeline of development projects and its enhanced ability to support exploration activities.

We will combine the significant Board and management expertise, technical, industry, country, commercial, development and operating skills of Zinifex and Oxiana that should enable OZ Minerals to further strengthen the operating and technical performance of its assets.

By merging, OZ Minerals will enjoy a lower risk profile through an improved credit standing, commodity and geographic diversification, and greater longevity of earnings generated by its extended and deeper portfolio of development projects.

By merging, OZ Minerals will be able to draw upon the combined talents of both companies and their demonstrated track record of delivering shareholder value through project delivery, mergers and acquisitions and exploration.

Based on Friday's closing share prices, the market capitalisation of OZ Minerals will be around \$9 billion. I firmly believe that we should be able to grow this company meaningfully within the next two to three years and in the years beyond.

My objective is to consistently produce shareholder returns in the top quartile of our peer companies. OZ Minerals can achieve this through its combined expertise in exploration, development, operations and relationships, particularly those with our customers.

Through exploration, development and acquisition, OZ Minerals will pursue long-life, low-cost assets capable of contributing significantly to the company's growth, particularly through the potential for future prospectivity and expansion.

While OZ Minerals' focus will be on copper, zinc, nickel and precious metals, we will by no means ignore opportunities that may arise in energy or bulk materials. The minerals market is an extraordinarily dynamic place and OZ Minerals will be both nimble and disciplined in its use of capital in taking advantage of the opportunities that will arise.

It promises to be an exciting time. To hark back to the beginning of Zinifex's extraordinary story, I understand that the number of shareholders that attended its first AGM in November 2004 could be counted on just two hands. Not many anticipated the story to unfold ahead but those that bought in found it to be extremely rewarding. If the proposed merger is approved then this will be end of the first chapter and the start of new and hopefully even more rewarding chapters in this extraordinary story. I encourage and recommend that you vote in favour of the proposed merger and stay with us as the next chapters are written by combining these two outstanding companies.