



OZ MINERALS LIMITED

ABN 40 005 482 824

**HALF-YEAR FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2009**

OZ MINERALS LIMITED

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OZ MINERALS LIMITED

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**RESULTS FOR ANNOUNCEMENT TO THE MARKET
IN ACCORDANCE WITH ASX LISTING RULE 4.2A AND APPENDIX 4D**

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Important note

On 16 June 2009, OZ Minerals sold its interests in the Century, Golden Grove, Rosebery and Sepon operations along with Avebury (which was placed under care and maintenance) and certain other exploration and development assets to China Minmetals Non-ferrous Metals Co., Ltd ("Minmetals"). Financial close of the transaction was 31 May 2009. As such, results reported herein include only five months' contribution from the assets that have now been sold to Minmetals. OZ Minerals retained the Prominent Hill Mine which commenced production in February 2009 and formal operations in May 2009. During the commissioning period until the end of April 2009, results from Prominent Hill were capitalised and hence results from Prominent Hill contributed to earnings for the period related to May and June 2009 only. Furthermore, OZ Minerals acquired Zinifex Limited on 1 July 2008. In doing so, OZ Minerals increased its number of operating mines from two to five. As such, the previous corresponding period ended 30 June 2008 is not directly comparable.

	6 months ended 30 June 2009	6 months ended 30 June 2008	Movement A\$m	Movement per cent
Group results				
Revenue from ordinary activities from continuing operations – A\$m	89.6	–	89.6	> 100
Revenue from ordinary activities from discontinued operations – A\$m	764.9	529.3	235.6	44.5
Consolidated revenue – A\$m	854.5	529.3	325.2	61.4
(Loss) after tax attributable to equity holders of OZ Minerals Limited – A\$m	(585.6)	(0.5)	(585.1)	> (100)
Net tangible assets per share – cents	80.0	90.9		
Dividends				
Dividends declared on ordinary shares provided for or paid on:			Cents per share	Consolidated A\$m
29 September 2008 - unfranked			5.0	156.1
9 April 2008 - unfranked			4.0	61.8

The directors do not propose to pay any dividends for the six month financial period ended 30 June 2009.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Highlights

Operations

- Successful commissioning of the Prominent Hill copper-gold operation.
- First production of commercial copper concentrates from Prominent Hill in February 2009.
- Production and costs at Prominent Hill on schedule to meet annual guidance.

Corporate

- Sale of certain assets to Minmetals for US\$1,386.0 million equivalent to A\$1,731.3 million.
- Sale of Martabe gold silver project in Indonesia to China Sci-Tech Holdings Limited ("CST") for US\$211.0 million, equivalent to A\$263.3 million, plus reimbursement of US\$4.3 million, equivalent to A\$5.3 million, for certain agreed expenditure from April 2009 to completion on 29 June 2009.
- Bank loan facilities repaid in full and refinancing issues resolved.

Financials

- The Prominent Hill Mine realised a net profit before tax of A\$19.4 million for the financial period since operations formally commenced on 1 May 2009 to 30 June 2009.
- Strong cash balance at the end of the period of A\$1,004.5 million.
- Prominent Hill and other continuing operations, being head office and exploration, produced revenue of A\$89.6 million, generating a net loss after tax of A\$89.9 million, largely due to financing expenses, comprising primarily bank interest, fees and charges, of A\$90.6 million incurred as a result of the Group's refinancing issues, which must be allocated against continuing operations.
- The loss after tax from discontinued operations of A\$490.8 million comprises A\$63.1 million net profit after tax for the five months to 31 May 2009, which was negatively impacted by lower commodity prices compared to the previous half, and a one-off loss on sale of assets of A\$553.9 million.
- Operating and development capital expenditures were curtailed at all operations, head office and in exploration during the half-year to reduce cash outflow.

COMMENTARY ON RESULTS

Dear Shareholders

Reviewing the results

The six month period represented by these results reflects great changes in the OZ Minerals business as the Group (comprising OZ Minerals Limited and its controlled entities) dealt with severe difficulties encountered with its debt facilities. By the end of this period, OZ Minerals had successfully commissioned the Prominent Hill Mine, completed asset sales to China Minmetals Non-ferrous Metals Co., Ltd ("Minmetals") and to China Sci-Tech Holdings Limited ("CST"), repaid all of its bank debt and restored its balance sheet to a position of considerable strength. The financial process by which these results were achieved was complex and this should be borne in mind in reviewing this financial report.

Operations

Revenue from continuing operations of A\$89.6 million, generated a net loss after tax of A\$89.9 million, largely due to financial expenses, primarily comprising bank interest, fees and charges, of A\$90.6 million incurred as a result of the Group's refinancing issues. The Prominent Hill Mine realised a net profit before tax of A\$19.4 million since formally commencing operations on 1 May 2009, a commendable result given the operation was still in the ramp-up phase during this period. Cash inflow generated by revenue from operations and proceeds from sale of assets and investments was used for repayment of bank debt, capital expenditure on the completion of the Prominent Hill Mine, mine development at Century (now sold), and meeting refinancing and sales transaction expenses, resulting in a net increase in cash held of A\$901.5 million from 31 December 2008, and a cash balance of A\$1,004.5 million as at 30 June 2009.

The total financial expense incurred by the continuing operations during the financial period was A\$105.6 million. This comprised bank interest, fees and charges of \$103.9 million and convertible bond conversion premium of A\$1.7 million. Of the A\$105.6 million, in accordance with accounting standard requirements, A\$15.0 million was capitalised as property, plant and equipment by Prominent Hill Mine, and the remaining A\$90.6 million recognised in the income statement for the continuing operations. The convertible bond conversion premium of A\$1.7 million is a non-cash item. The cash interest expense of A\$103.9 million is disclosed as cash outflow from operating activities of A\$88.9 million and cash outflow from investing activities of \$15.0 million.

With regard to discontinued operations that were sold during the period, the net loss of A\$490.8 million comprises A\$63.1 million net profit after tax for the five months which was negatively impacted by lower copper and zinc prices and a one-off loss on sale of assets of A\$553.9 million.

The period of global economic downturn, which commenced in 2008, continued into the first half of 2009. It was characterised by depressed financial markets, commodity prices and business confidence, all of which had a detrimental impact on the financial performance of OZ Minerals.

Copper and zinc were the main contributors to OZ Minerals revenue in the first half of 2009, and while all operations performed well, lower commodity prices resulted in lower revenues. LME base metal prices improved throughout the first half of 2009 and while they were above the lows experienced during December 2008, US\$ copper prices were 50 per cent lower in the H1 2009 compared to H1 2008, and US\$ zinc prices were 42 per cent lower over the same period. The average copper price for the six months to June 2009 was US\$1.84/lb and US\$0.60/lb for zinc.

Throughout this challenging period, OZ Minerals implemented an aggressive cost reduction program aimed at reducing cash outflow whilst maintaining the solid safety performance of the operations. In addition, all non-discretionary capital expenditure across the Group was put on hold in order to assist in retaining liquidity during the refinancing negotiations.

Refinancing issues and asset sales

The global financial crisis saw a severe tightening of the availability and terms of credit from providers of debt finance and a sharp drop in metal commodity prices in the latter months of 2008. These events caused negotiations to stall with the banks with whom OZ Minerals had been negotiating to refinance its debt facilities and the Group entered a period of financial uncertainty, the events of which have been described in detail in the Explanatory Memorandum issued to shareholders in May 2009.

COMMENTARY ON RESULTS

In an effort to resolve the Group's refinancing issues, a wide range of alternate proposals were considered by the Board including various equity raisings, commodity linked funding and asset sales

On 16 February 2009, the OZ Minerals Board announced its recommendation to accept Minmetals' proposal to acquire all of the shares outstanding in OZ Minerals by way of a Scheme of Arrangement. Following a decision by the Treasurer of the Commonwealth of Australia that he would not approve the proposed Scheme, on 14 April 2009 OZ Minerals announced that it had executed a binding agreement to sell all of the Group's assets, other than Prominent Hill, Martabe and certain other assets, to Minmetals, for a cash price of US\$1,206.0 million. This sale was approved by the Federal Treasurer in April 2009.

On 24 April 2009, OZ Minerals also announced that it had separately entered an agreement to sell the Martabe project in Indonesia to CST for US\$211.0 million in cash plus reimbursement of US\$4.3 million for expenditure between 1 April 2009 and completion of the transaction on 29 June 2009.

On 10 June 2009, Minmetals increased its original offer by 15 per cent and OZ Minerals shareholders approved the transaction at the Annual General Meeting on 11 June 2009. The final sale consideration was US\$1,386.0 million.

During this period, the Group was required to seek several extensions to its existing debt facilities. The aggregate financial costs for the financial period was A\$103.9 million.

The combined sale proceeds allowed OZ Minerals' bank debt facilities to be repaid in full, with a significant cash balance of A\$1,004.5 million retained at the end of the period. However, a loss of A\$553.9 million was recorded on the sale of assets.

On 23 June 2009, the Group elected to reduce its holding in Toro Energy Limited ("Toro") by 10 million shares to 277.392 million shares in order to achieve a non-controlling interest of 49.9 per cent. The proceeds from the disposal of the shares, which had a carrying value of A\$1.0 million, were A\$1.9 million, resulting in a gain on disposal of A\$0.9 million.

The Group continues to have on issue convertible bonds with a face value of US\$105.0 million. The Group also has a bank facility to provide letters of credit of approximately A\$20.6 million, which are principally to meet the Group's mining regulatory obligations which is fully cash backed.

Independent review report

The financial statements upon which this Appendix 4D is based, have been reviewed and the Independent Review Report to the members of OZ Minerals Limited is included in the attached half-year financial report.



Barry Cusack
Chairman
Melbourne
27 August 2009



Terry Burgess
Managing Director and Chief Executive Officer
Melbourne
27 August 2009

OZ MINERALS LIMITED

ABN 40 005 482 824

**HALF-YEAR FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2009**

DIRECTORS' REPORT

Your Directors present their report on the Group comprising OZ Minerals Limited ("the Company") and its controlled entities (the "Group") for the half-year ended 30 June 2009 (the "financial period"). OZ Minerals Limited is a company limited by shares that is incorporated and domiciled in Australia.

Directors

The Directors of the Company during the half-year ended 30 June 2009 and up to the date of this report were:

Barry Cusack (Non-Executive Chairman)

Terry Burgess (appointed as Managing Director and Chief Executive Officer on 1 August 2009)

Andrew Michelmores (resigned as Managing Director and Chief Executive Officer on 17 June 2009)

Anthony Larkin (resigned as Non-Executive Director on 4 May 2009)

Brian Jamieson

Dean Pritchard

Michael Eager

Paul Dowd (appointed as Non-Executive Director on 23 July 2009)

Peter Mansell

Peter Cassidy (resigned as Non-Executive Director on 30 January 2009)

Ronald Beevor (resigned as Non-Executive Director on 11 June 2009)

Principal activities

The principal activities of the Group during the financial period were mining of zinc, copper, lead, gold and silver and various exploration and development projects.

The Group disposed of several of its mining operations during the financial period. Information relating to these discontinued operations is set out in Note 3 to the financial statements.

Consolidated results	2009 A\$m	2008 A\$m
Group (loss) attributable to equity holders of OZ Minerals Limited	(585.6)	(0.5)

Dividends	Cents per share	Consolidated A\$m
Dividends on ordinary shares provided for or paid on:		
29 September 2008 - unfranked	5.0	156.1
9 April 2008 - unfranked	4.0	61.8

The directors do not propose to pay any dividends for the six month financial period ended 30 June 2009.

Significant changes in the state of affairs

As set out in the OZ Minerals Limited 31 December 2008 annual financial report, since 1 July 2008 Oxiana Limited (which was renamed OZ Minerals Limited) and Zinifex Limited (which was renamed OZ Minerals Holdings Limited) have operated as one consolidated group following the merger of the two groups which was implemented on 1 July 2008 by way of scheme of arrangement between Zinifex Limited and its shareholders. Information relating to the acquisition of Zinifex Limited was set out in detail in the OZ Minerals Limited 31 December 2008 annual financial report.

The Group disposed of several of its mining operations during the financial period. Certain assets were sold to China Minmetals Non-ferrous Metals Co., Ltd ("Minmetals"), and the Martabe Project was sold to China Sci-Tech Holdings Limited ("CST"). The Group also disposed of its entire shareholding in Nyrstar NV, a publicly listed entity on Euronext Brussels. Information relating to these discontinued operations is set out in Note 3 to the financial statements. Following the sale transactions, the Group no longer mines zinc, lead or nickel.

Following the sale of the assets to Minmetals, the Group repaid its bank loans on 16 June 2009. The securities held over the Group's assets were discharged. Information relating to interest bearing liabilities is set out in Note 4 to the financial statements.

DIRECTORS' REPORT

On 23 June 2009, the Group elected to reduce its holding in Toro Energy Limited ("Toro") by 10 million shares to 277.392 million shares in order to achieve a non-controlling interest of 49.9 per cent. Information relating to the investment in Toro is set out in Note 8 to the financial statements.

The review of operations (refer below) sets out a number of other matters that have had an effect on the state of affairs of the Group. Other than these matters, there were no other significant changes in the state of affairs of the Group during the financial period.

Safety and environment

Safety performance during the period improved significantly compared with the previous six months, with the number of Recordable Injuries decreasing from 129 (24 of which were Lost Time Injuries) in the last six months of 2008 to 52 in the first six months of 2009 (7 Lost Time Injuries). This excludes the last two weeks of the period in 2009 for the assets sold.

The number of environmental non-compliances during the period was 221. These related mainly to water discharge quality exceedances at the Century mine when the region experienced exceptionally heavy rainfalls throughout January and February 2009. The corresponding number for all of 2008 was 61. None of the 2009 incidents were judged to have had a major environmental impact. This excludes the last two weeks of the period in 2009 for the assets sold.

A single significant environmental incident was reported for the half-year from the Prominent Hill Mine. Approximately 60 tonnes of concentrate was spilled when a trailer on a road train transporting concentrate to the Wirrida siding left the haul road and overturned. The spilled concentrate was subsequently removed. The event was reported to the relevant authorities and was deemed not to have had a major environmental impact. Actions were implemented to address this event.

Review of operations

Throughout the period of lower commodity prices experienced during the first half of 2009 compared to the previous half, OZ Minerals maintained its focus on operational excellence with all sites performing to plan. The focus on cost cutting resulted in cash costs of production decreasing during the period.

During the period, construction of the Prominent Hill operation was completed. The commissioning of the Prominent Hill project was successful and first production and sales were achieved in February 2009. Since then the project has continued to ramp-up in line with expectations and the operation is on schedule to meet production and cost guidance for the year. Formal operations commenced on 1 May 2009.

In the period to 30 June 2009, the Prominent Hill operation produced 31,497 tonnes of contained copper in concentrate, 23,918 ounces of gold in concentrate and 139,425 ounces of silver in concentrate. This produced revenue of A\$89.6 million, representing an average copper price of US\$2.2/lb for the period since commissioning, and a segment net profit before tax of A\$19.4 million.

In June 2009, the Martabe gold and silver project in Indonesia, in the early stages of construction, was sold to CST for cash proceeds of US\$211.0 million, plus a consideration of US\$4.3 million for expenditure on the project between 1 April 2009 and completion on 29 June 2009.

Financial close of the transaction with Minmetals was 31 May 2009. As such, the Century, Sepon, Rosebery and Golden Grove operations contributed to OZ Minerals earnings for a five month period only. Operating performance at each of the sites was largely as forecast and production for each of the operations was on schedule to meet previous production and cost guidance as at 31 May 2009.

During the five months to May 2009, the discontinued operations generated revenue of A\$764.9 million and a net profit after tax of A\$63.1 million.

Exploration activities

Due to the financial uncertainty experienced by the Group, OZ Minerals exploration activities were reduced to a minimal spend during the period, with work focussed on retaining assets and core personnel, consolidating data and information, reducing field work to low cost activities and completing planned divestments. Subsequent to resolution of the Group's refinancing issues in June 2009, exploration was recommenced at Prominent Hill and in Cambodia.

DIRECTORS' REPORT

Strategy

With the sale of most of the Group's assets and repayment of bank debt, the asset base and financial base of OZ Minerals is radically different to that which existed at the start of the period. As a consequence, the long-term strategic direction of the Group is currently under review.

In the meantime the Group has committed to the following initiatives:

- 1) Completing the ramp up of Prominent Hill
- 2) Re-activating the feasibility study into underground mining development at the Prominent Hill Mine, the results of which are expected to be available during the first half of 2010
- 3) Re-activating the exploration program in and around Prominent Hill in support of the underground expansion studies and also as part of an active regional exploration effort
- 4) Conducting an aggressive exploration program on the Cambodia gold tenements

Matters subsequent to the end of the financial period

There have been no events that have occurred subsequent to the reporting date which have significantly affected or may significantly affect the Group's operations, results or state of affairs in future years.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' report have been rounded off in accordance with the Class Order to the nearest million dollars to one decimal place, or in certain cases, to the nearest thousand dollars. All amounts are in Australian dollars only, unless otherwise stated.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 10 and forms part of the director's report for the half-year ended 30 June 2009.

This report is made in accordance with a resolution of the Directors.



Barry Cusack
Chairman
Melbourne
27 August 2009



Terry Burgess
Managing Director and Chief Executive Officer
Melbourne
27 August 2009

AUDITOR'S INDEPENDENCE DECLARATION



Lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001*

To: the directors of OZ Minerals Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 30 June 2009 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads 'KPMG' in a cursive, stylized font.

KPMG

A handwritten signature in black ink that reads 'Michael Bray' in a cursive, stylized font.

Michael Bray
Partner

Melbourne

27 August 2009

CONSOLIDATED INTERIM INCOME STATEMENT FOR THE HALF-YEAR ENDED 30 JUNE 2009

OZ Minerals Limited and its controlled entities for the half-year ended 30 June 2009	Notes	Consolidated 30 June 2009 A\$m	Consolidated 30 June 2008 A\$m
Revenue from continuing operations		89.6	–
Other income		0.9	–
Net foreign exchange losses		(20.7)	(3.3)
Changes in inventories of finished goods and work in progress		103.9	9.2
Consumables and other direct costs		(107.7)	(5.6)
Employee expenses		(36.7)	(28.3)
Contracting and consulting expenses		(12.9)	(1.1)
Freight expenses		(7.0)	–
Royalties expense		(1.1)	–
Share of net loss of associates accounted for using the equity method		(0.7)	(2.5)
Other expenses		(29.0)	(11.5)
Profit/(loss) before net financing (expense)/income, depreciation and amortisation, impairment of assets and income tax from continuing operations		(21.4)	(43.1)
Depreciation and amortisation expenses		(21.9)	(2.4)
Impairment of assets		–	(65.0)
(Loss) before net financing (expense)/income and income tax from continuing operations		(43.3)	(110.5)
Financing income		0.6	2.9
Financing expenses	4	(90.6)	(11.8)
Net financing (expense)		(90.0)	(8.9)
(Loss) before income tax from continuing operations		(133.3)	(119.4)
Income tax benefit	5	43.4	17.9
(Loss) from continuing operations		(89.9)	(101.5)
(Loss)/profit from discontinued operations – net of income tax	3	(490.8)	112.4
(Loss)/profit for the financial period		(580.7)	10.9
Attributable to:			
Equity holders of the parent		(585.6)	(0.5)
Minority interest		4.9	11.4
(Loss)/profit for the financial period		(580.7)	10.9
(Loss) per share		Cents	Cents
(a) Basic (loss)/earnings per share			
From continuing operations		(3.04)	(7.26)
From discontinued operations		(15.76)	7.23
		(18.80)	(0.03)
(b) Diluted (loss)/earnings per share			
From continuing operations		(3.04)	(7.26)
From discontinued operations		(15.76)	6.62
		(18.80)	(0.64)

The weighted average number of ordinary shares on issue used in the calculation of basic and diluted loss per share for the current financial period was 3,113,475,776.

The above income statement should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 30 JUNE 2009

OZ Minerals Limited and its controlled entities for the half-year ended 30 June 2009	Consolidated 30 June 2009 A\$m	Consolidated 30 June 2008 A\$m
(Loss)/profit for the financial period	(580.7)	10.9
Other comprehensive income		
Foreign exchange translation differences	(109.9)	(94.7)
Net change in fair value of available-for-sale financial assets, net of tax	4.2	(2.9)
Net movement in hedging reserve, net of tax	2.2	0.4
Other comprehensive income for the financial period, net of income tax	(103.5)	(97.2)
Total comprehensive income for the financial period	(684.2)	(86.3)
Attributable to:		
Equity holders of the parent	(689.1)	(97.7)
Minority interest	4.9	11.4
Total comprehensive income for the financial period	(684.2)	(86.3)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 30 JUNE 2009

OZ Minerals Limited and its controlled entities for the half-year ended 30 June 2009 (All amounts are in AUD millions)	Issued capital	Foreign Currency Translation Reserve	Equity compensation reserve	Available for sale asset reserve	Hedging reserve	Treasury shares	Retained earnings/ (Accumulated losses)	Sub Total	Minority interest	Total
Balance as at 1 January 2009	5,107.1	224.9	20.9	(2.3)	(2.2)	(14.3)	(2,152.0)	3,182.1	47.9	3,230.0
Total comprehensive income for the financial period										
Profit/ (loss) for the financial period	-	-	-	-	-	-	(585.6)	(585.6)	4.9	(580.7)
Other comprehensive income										
Foreign exchange translation differences	-	(109.9)	-	-	-	-	-	(109.9)	-	(109.9)
Net change in fair value of available-for-sale financial assets, net of tax	-	-	-	4.2	-	-	-	4.2	-	4.2
Changes in fair value of cash flow hedges, net of tax	-	-	-	-	2.2	-	-	2.2	-	2.2
Total other comprehensive income	-	(109.9)	-	4.2	2.2	-	-	(103.5)	-	(103.5)
Total comprehensive income for the financial period	-	(109.9)	-	4.2	2.2	-	(585.6)	(689.1)	4.9	(684.2)
Transactions with owners, recorded directly in equity										
Purchase of own shares	-	-	-	-	-	(0.1)	-	(0.1)	-	(0.1)
Exercise of share options and rights	-	-	-	-	-	0.7	-	0.7	-	0.7
Share based payments	-	-	-	-	-	-	4.2	4.2	-	4.2
Disposal of discontinued operations	-	-	-	-	-	-	-	-	(52.8)	(52.8)
Total transactions with owners	-	-	-	-	-	0.6	4.2	4.8	(52.8)	(48.0)
Balance as at 30 June 2009	5,107.1	115.0	20.9	1.9	-	(13.7)	(2,733.4)	2,497.8	-	2,497.8
Balance as at 1 January 2008	1,056.7	(137.7)	38.0	8.9	(6.4)	(2.6)	566.1	1,523.0	42.3	1,565.3
Total comprehensive income for the financial period										
Profit/(loss) for the financial period	-	-	-	-	-	-	(0.5)	(0.5)	11.4	10.9
Other comprehensive income										
Foreign exchange translation differences	-	(94.7)	-	-	-	-	-	(94.7)	-	(94.7)
Net change in fair value of available-for-sale financial assets, net of tax	-	-	-	(2.9)	-	-	-	(2.9)	-	(2.9)
Changes in fair value of cash flow hedges, net of tax	-	-	-	-	0.4	-	-	0.4	-	0.4
Total other comprehensive income	-	(94.7)	-	(2.9)	0.4	-	-	(97.2)	-	(97.2)
Total comprehensive income for the financial period	-	(94.7)	-	(2.9)	0.4	-	(0.5)	(97.7)	11.4	(86.3)
Transactions with owners, recorded directly in equity										
Exercise of share options and rights	3.9	-	(1.2)	-	-	0.9	(0.7)	2.9	-	2.9
Shares issued -dividend reinvestment plan	61.7	-	-	-	-	-	-	61.7	-	61.7
Purchase of own shares	-	-	-	-	-	(0.2)	-	(0.2)	-	(0.2)
Equity compensation expense, net of tax	-	-	(1.4)	-	-	-	-	(1.4)	-	(1.4)
Reversal to profit and loss	-	-	-	3.5	-	-	-	3.5	-	3.5
Dividend payments	-	-	-	-	-	-	(61.8)	(61.8)	(11.1)	(72.9)
Total transactions with owners	65.6	-	(2.6)	3.5	-	0.7	(62.5)	4.7	(11.1)	(6.4)
Balance as at 30 June 2008	1,122.3	(232.4)	35.4	9.5	(6.0)	(1.9)	503.1	1,430.0	42.6	1,472.6

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM BALANCE SHEET

AS AT 30 JUNE 2009

OZ Minerals Limited and its controlled entities for the half-year ended 30 June 2009	Notes	Consolidated 30 Jun 2009 A\$m	Consolidated 31 Dec 2008 A\$m
Current assets			
Cash and cash equivalents		1,004.5	69.8
Trade and other receivables		129.8	46.3
Inventories	6	175.6	223.6
Current tax asset		–	77.1
Prepayments		3.0	15.9
Assets classified as held for sale	3(f)	–	2,512.6
Total current assets		1,312.9	2,945.3
Non-current assets			
Investments accounted for using the equity method	8	27.1	28.7
Property, plant and equipment		1,287.2	2,053.2
Intangible assets		–	4.6
Deferred tax assets		188.7	262.4
Other financial assets		14.2	21.7
Total non-current assets		1,517.2	2,370.6
Total assets		2,830.1	5,315.9
Current liabilities			
Trade and other payables		164.0	164.7
Interest-bearing liabilities	4	121.0	1,005.1
Current tax payable	5	25.2	122.0
Provisions		6.6	37.6
Liabilities classified as held for sale	3(f)	–	421.0
Total current liabilities		316.8	1,750.4
Non-current liabilities			
Interest-bearing liabilities	4	–	144.7
Deferred tax liabilities		–	17.6
Provisions		15.5	173.2
Total non-current liabilities		15.5	335.5
Total liabilities		332.3	2,085.9
Net assets		2,497.8	3,230.0
Equity			
Issued capital		5,107.1	5,107.1
Reserves		124.1	227.0
Accumulated losses		(2,733.4)	(2,152.0)
Total equity attributable to equity holders of the parent		2,497.8	3,182.1
Minority interest		–	47.9
Total equity		2,497.8	3,230.0

The above balance sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 30 JUNE 2009

OZ Minerals Limited and its controlled entities for the half-year ended 30 June 2009	Consolidated 30 June 2009 A\$m	Consolidated 30 June 2008 A\$m
Cash flows from operating activities		
Receipts from customers	843.5	592.2
Payments to suppliers and employees	(724.4)	(398.0)
Income taxes refund received/(paid)	20.5	(125.3)
Financing costs and interest paid	(88.9)	(9.7)
Interest received	0.9	4.6
Net cash inflows from operating activities	51.6	63.8
Cash flows from investing activities		
Payments for property, plant and equipment	(285.0)	(557.3)
Proceeds from disposal of assets to Minmetals	3(a) 1,731.3	–
Proceeds from disposal of Martabe projects	3(b) 268.6	–
Proceeds from disposal of investment in Nyrstar	3(c) 33.7	–
Proceeds from disposal of other investments	8 1.9	–
Payments for investments	–	(3.4)
Payments for capitalised borrowing costs	(15.0)	(1.5)
Net cash inflows/(outflows) from investing activities	1,735.5	(562.2)
Cash flows from financing activities		
Proceeds from borrowings	121.5	389.3
Repayments of borrowings	(987.0)	(13.6)
Repayments of finance lease liabilities	(20.0)	(0.5)
Dividends paid to shareholders	–	(43.2)
Payments for shares purchased on-market	(0.1)	(0.2)
Proceeds from issue of shares	–	43.1
Net cash (outflows)/inflows from financing activities	(885.6)	374.9
Net increase/(decrease) in cash held	901.5	(123.5)
Cash and cash equivalents at 31 December	118.8	246.1
Effects of exchange rate changes on foreign currency denominated cash balances	(15.8)	(19.3)
Cash and cash equivalents at the end of the financial period	1,004.5	103.3

The Group's closing cash position of A\$1,004.5 million was made up of US\$780.4 million (A\$969.8 million), and A\$34.7 million. Under the Group's current umbrella facility, amongst other requirements, a minimum cash balance must be held by the OZ Minerals Group of no less than A\$80.0 million at all times.

The Group's cash and cash equivalents balance as at 31 December 2008 was A\$118.8 million. On the face of the balance sheet, this is disclosed as cash and cash equivalents of A\$69.8 million, and the remaining balance of A\$49.0 million is disclosed as part of assets classified as held for sale. A breakdown of assets classified as held for sale as at 31 December 2008 is set out in Note 3(f).

The above statement of cash flows should be read in conjunction with the accompanying notes.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

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CONDENSED NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

OZ Minerals Limited and its controlled entities for the half-year ended 30 June 2009

1 Basis of preparation

(a) Reporting entity

OZ Minerals Limited (the "Company") is a company domiciled in Australia. The condensed consolidated interim financial report of the Company for the half-year ended 30 June 2009 comprises the Company and its controlled entities, together referred to as the Group.

The consolidated annual financial report of the Group as at and for the year ended 31 December 2008 is available upon request from the Company's registered office at Level 22, 28 Freshwater Place Southbank, Victoria 3006, Australia or from the Company's website at www.ozminerals.com.

(b) Statement of compliance

The consolidated interim financial report is a general purpose financial report prepared on a going concern basis in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reports* and the *Corporations Act 2001*. The consolidated interim financial report is presented in Australian dollars.

The consolidated interim financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the consolidated annual financial report of the Group for the year ended 31 December 2008 and any public announcements made by OZ Minerals Limited during the interim financial reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Company is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial report. Amounts in the consolidated interim financial report have been rounded off in accordance with the Class Order to the nearest million dollars to one decimal place, or in certain cases, to the nearest thousand dollars. All amounts are in Australian dollars only, unless otherwise stated.

This consolidated interim financial report was approved by the Board of Directors on 27 August 2009.

(c) Significant accounting policies

The accounting policies applied by the Group in this condensed consolidated interim financial report are consistent with those applied by the Group in its consolidated annual financial report for the year ended 31 December 2008, except for the mandatory adoption of revised AASB 101 *Presentation of Financial Statements* which became effective from 1 January 2009. The revised AASB 101 has resulted in the Group presenting two additional statements namely the consolidated interim statement of comprehensive income and consolidated interim statement of changes in equity. The revised AASB 101 did not impact the recognition, measurement or disclosure of transactions and events that are required by other accounting standards.

Comparative information has been represented so that it is also in conformity with the revised standard. Since the application of the revised AASB 101 only impacts presentation aspects, there is no impact on earnings per share.

(d) Critical accounting estimates and judgement

Estimates and judgements used in developing and applying the Group's accounting policies are continually evaluated and are based on experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis. The critical estimates and judgements are consistent with those applied by the Group in its consolidated annual financial report for the year ended 31 December 2008.

In addition, key aspects of calculating the profit/loss on sale of operations (refer note 3) included determining the proceeds expected to be received, to the extent that they are subject to working capital adjustments, the net assets of operations sold and the translation of foreign currency denominated balances. Exchange rate differences which have previously been recognised in the foreign currency translation reserve have been recycled through the income statement as part of the profit/loss on sale.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

OZ Minerals Limited and its controlled entities for the half-year ended 30 June 2009

(e) **Comparatives**

Where required by Australian Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period. The consolidated income statement for the comparative period and notes thereto has been restated to present results from continuing operations only. Results from discontinued operations are presented separately.

2 Operating segments

The Group's divisions are managed on a site-by-site basis and the operating segments were as noted below.

Discontinued operations comprise the results for Century Mine, Sepon Copper Mine, Sepon Gold Mine, Golden Grove Mine, Rosebery Mine, Avebury Mine, Canadian Project, Dugald River Project and Martabe Project. Further information relating to operations classified as held for sale and discontinued operations are set out in Note 3. Other continuing operations include head office entities.

Segments

Continuing operations

Prominent Hill Mine

The Prominent Hill copper-gold project is located in the Gawler Craton of South Australia, approximately 650 kilometres north-west of Adelaide and 130 kilometres south-east of Coober Pedy in South Australia. The mine was successfully commissioned during the financial period with first production of commercial copper concentrates in February 2009 and first exports in April 2009.

Discontinued operations

Century Mine

The Century Mine is an open-cut zinc and lead mine located approximately 250 kilometres north of Mount Isa, near to the Gulf of Carpentaria in Queensland.

Sepon Copper Mine

The Sepon Copper operation is an open-cut copper mine located approximately 40 kilometres north of the town of Sepon, in Savannakhet Province in Lao Peoples Democratic Republic ("Laos").

Sepon Gold Mine

The Sepon Gold operation is an open-cut gold mine located approximately 40 kilometres north of the town of Sepon, in Savannakhet Province in Laos.

Golden Grove Mine

Golden Grove is a zinc, copper, lead, silver and gold mine, located approximately 450 kilometres north-east of Perth and 280 kilometres east of Geraldton in Western Australia.

Rosebery Mine

The Rosebery Mine is an underground zinc, lead, silver, gold and copper mine located on the west coast of Tasmania in Australia.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

OZ Minerals Limited and its controlled entities for the half-year ended 30 June 2009

Avebury Mine

The Avebury Mine is an underground nickel mine located on the west coast of Tasmania in Australia. The Avebury Mine was placed under care and maintenance from November 2008 until it was sold to Minmetals in June 2009.

Canadian Project

These assets are zinc and copper exploration projects located in Canada's Territory of Nunavut.

Dugald River Project

This is an undeveloped zinc deposit, located in north-west Queensland approximately 85 kilometres north-east of Mount Isa.

Martabe Project

The Martabe gold-silver development and exploration project is located in North Sumatra, Indonesia.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

OZ Minerals Limited and its controlled entities for the half-year ended 30 June 2009

2 Operating segments (continued)

All amounts are in AUD millions	Prominent Hill Mine	Other Continuing Operations	Total Continuing Operations	Discontinued Operations	Group
Income statement for the half-year ended:					
30 June 2009					
Revenue	89.6	–	89.6	764.9	854.5
Other income	–	0.9	0.9	–	0.9
Net foreign exchange gains/(losses)	(16.9)	(3.8)	(20.7)	(17.3)	(38.0)
Changes in inventories of finished goods and work in progress	103.9	–	103.9	(69.2)	34.7
Consumables and other direct costs	(107.7)	–	(107.7)	(215.0)	(322.7)
Employee expenses	(15.8)	(20.9)	(36.7)	(85.5)	(122.2)
Contracting and consulting expenses	–	(12.9)	(12.9)	(9.8)	(22.7)
Freight expenses	(7.0)	–	(7.0)	(57.2)	(64.2)
Royalties expense	(1.1)	–	(1.1)	(25.5)	(26.6)
Share of net loss of associates accounted for using the equity method	–	(0.7)	(0.7)	–	(0.7)
Other expenses	(4.8)	(24.2)	(29.0)	(29.1)	(58.1)
(Loss)/profit before net financing costs, depreciation and amortisation, impairment of assets and income tax	40.2	(61.6)	(21.4)	256.3	234.9
Depreciation and amortisation	(20.8)	(1.1)	(21.9)	(156.9)	(178.8)
(Loss)/profit before net financing costs and income tax	19.4	(62.7)	(43.3)	99.4	56.1
Financing income	–	0.6	0.6	0.3	0.9
Financing expenses	–	(90.6)	(90.6)	(6.0)	(96.6)
Net financial expense/(income)	–	(90.0)	(90.0)	(5.7)	(95.7)
(Loss)/profit before income tax	19.4	(152.7)	(133.3)	93.7	(39.6)
Income tax (expense)/benefit			43.4	(30.6)	12.8
(Loss)/profit before loss on sale of discontinued operations			(89.9)	63.1	(26.8)
Loss on sale of discontinued operations after income tax			–	(553.9)	(553.9)
(Loss) for the financial period			(89.9)	(490.8)	(580.7)
30 June 2008					
Revenue	–	–	–	529.3	529.3
Net foreign exchange gains/(losses)	(6.9)	3.6	(3.3)	(2.3)	(5.6)
Changes in inventories of finished goods and work in progress	9.2	–	9.2	0.5	9.7
Raw materials, consumables and other direct costs	(5.6)	–	(5.6)	(141.3)	(146.9)
Employee expenses	–	(28.3)	(28.3)	(68.8)	(97.1)
Contracting and consulting expenses	–	(1.1)	(1.1)	(17.4)	(18.5)
Freight expenses	–	–	–	(19.8)	(19.8)
Royalties expense	–	–	–	(21.6)	(21.6)
Share of net loss of associates accounted for using the equity method	–	(2.5)	(2.5)	–	(2.5)
Other expenses	–	(11.5)	(11.5)	(11.6)	(23.1)
(Loss)/profit before net financing costs, depreciation and amortisation, impairment of assets and income tax	(3.3)	(39.8)	(43.1)	247.0	203.9
Depreciation and amortisation	(1.0)	(1.4)	(2.4)	(54.5)	(56.9)
Impairment of assets	–	(65.0)	(65.0)	–	(65.0)
(Loss)/profit before net financing costs and income tax	(4.3)	(106.2)	(110.5)	192.5	82.0
Financing income	1.9	1.0	2.9	1.8	4.7
Financing expenses	–	(11.8)	(11.8)	(14.8)	(26.6)
Net financial expense/(income)	1.9	(10.8)	(8.9)	(13.0)	(21.9)
(Loss)/profit before income tax	(2.4)	(117.0)	(119.4)	179.5	60.1
Income tax (expense)/benefit			17.9	(67.1)	(49.2)
(Loss)/profit for the financial period			(101.5)	112.4	10.9

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

OZ Minerals Limited and its controlled entities for the half-year ended 30 June 2009	Notes	Consolidated 2009 A\$m	Consolidated 2008 A\$m
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3 Discontinued operations and assets held for sale

Profit after income tax from operations sold to Minmetals (a)		63.1	112.4
(Loss) on sale after income tax from operations sold to Minmetals (a)		(617.9)	-
Total (loss)/gain after tax from operations sold to Minmetals (a)		(554.8)	112.4
Profit after income tax from the Martabe project (b)		-	-
Gain on sale after income tax from the Martabe project (b)		64.0	-
Total gain after tax from the Martabe project (b)		64.0	-
(Loss) after income tax from the investment in Nyrstar (c)		-	-
Gain on sale after income tax from the disposal of investment in Nyrstar (c)		-	-
Total gain after tax from the investment in Nyrstar (c)		-	-
Net (loss)/gain after income tax from discontinued operations		(490.8)	112.4

(a) China Minmetals Non-ferrous Metals Co., Ltd

The Group completed the sale of certain assets to China Minmetals Non-ferrous Metals Co., Ltd ("Minmetals") on 16 June 2009. Shareholder approval for the sale of assets to Minmetals was obtained on 11 June 2009 at the OZ Minerals Annual General Meeting held on that date. The assets sold to Minmetals represented the Group's following operations/projects:

- Century Mine
- Sepon Copper Mine
- Sepon Gold Mine
- Golden Grove Mine
- Rosebery Mine
- Avebury Mine
- Canadian Project
- Dugald River Project
- Certain other exploration assets

Financial information relating to the discontinued operations sold to Minmetals is set out on the following pages.

Furthermore, OZ Minerals acquired Zinifex Limited on 1 July 2008. In doing so, OZ Minerals increased its number of operating mines from two to five. As such the financial information on the following pages for the previous corresponding period ended 30 June 2008 is not directly comparable.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

OZ Minerals Limited and its controlled entities for the half-year ended 30 June 2009

3 Discontinued operations and assets held for sale (continued)

(a) China Minmetals Non-ferrous Metals Co., Ltd (continued)

	30 June 2009 A\$m	30 June 2008 A\$m
Results of discontinued operations for period to 16 June 2009		
Revenue	764.9	529.3
Expenses	(665.5)	(336.7)
Profit before net financing costs and income tax	99.4	192.6
Net financing income/(costs)	(5.7)	(13.1)
Profit before income tax	93.7	179.5
Income tax benefit/(expense)	(30.6)	(67.1)
Net profit attributable to discontinued operations – Minmetals	63.1	112.4
Loss on sale		
Consideration received	1,731.3	–
Carrying amount of net assets sold	(2,285.8)	–
Other, including functional currency translation reserve recycling and minority interest impact	(63.4)	–
Loss on sale of discontinued operations before income tax	(617.9)	–
Income tax expense	–	–
Loss on sale of discontinued operations after income tax – Minmetals	(617.9)	–
Total loss after tax from discontinued operations – Minmetals	(554.8)	112.4

The consideration received comprises proceeds on disposal of shares by the subsidiaries of the Group. In anticipation of the sale of shares to Minmetals certain of those subsidiaries debts were also repaid to the Group.

Carrying amount of asset and liabilities disposed of

	16 June 2009 A\$m
Property, plant and equipment	2,310.2
Inventories	239.8
Deferred tax assets	48.7
Deferred tax liabilities	(45.2)
Employee benefit provision	(46.8)
Mine rehabilitation provision	(217.7)
Other	(3.2)
Net assets	2,285.8

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

OZ Minerals Limited and its controlled entities for the half-year ended 30 June 2009

3 Discontinued operations and assets held for sale (continued)

(a) China Minmetals Non-ferrous Metals Co., Ltd (continued)

	30 June 2009 A\$m	30 June 2008 A\$m
<i>Cash flow attributable to discontinued operations</i>		
Net cash inflows from operating activities	44.1	255.8
Net cash (outflows) from investing activities	(58.1)	(128.4)
Net cash inflows from financing activities	14.5	(118.2)
Net cash provided by discontinued operations	0.5	9.2

(b) Martabe project

On 24 April 2009, the Group announced it had reached an agreement with Hong Kong listed China Sci-Tech Holdings Limited ("CST") for the sale of its Martabe Project. The sale of the Martabe project was completed on 29 June 2009. The Martabe Project represented the Group's gold-silver development and exploration project in North Sumatra, Indonesia.

Financial information relating to the Martabe Project discontinued operation is set out below.

Results of discontinued operation for period to 29 June 2009

	30 June 2009 A\$m	30 June 2008 A\$m
Revenue	–	–
Expenses	–	–
Profit before net financing costs and income tax	–	–
Net financing income/(costs)	–	–
Profit before income tax	–	–
Income tax benefit/(expense)	–	–
Net profit attributable to discontinued operations – Martabe	–	–
<i>Gain on sale</i>		
Consideration received	268.6	–
Carrying amount of property, plant and equipment and other net assets sold	(172.6)	–
Other, including functional currency translation reserve recycling	(32.0)	–
Gain on sale of discontinued operations before income tax	64.0	–
Income tax expense of discontinued operations	–	–
Gain on sale of discontinued operations after income tax – Martabe	64.0	–
Total profit after tax from discontinued operations – Martabe	64.0	–

Cash flow attributable to discontinued operations

	30 June 2009 A\$m	30 June 2008 A\$m
Net cash (outflows) from operating activities	–	–
Net cash (outflows) from investing activities	(14.7)	(28.1)
Net cash inflows from financing activities	14.8	28.3
Net cash provided by discontinued operations	0.1	0.2

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

OZ Minerals Limited and its controlled entities for the half-year ended 30 June 2009

3 Discontinued operations and assets held for sale (continued)

(c) Disposal of investment in Nyrstar

The Group disposed of its entire shareholding of 7,791,622 shares in Nyrstar NV, a publicly listed entity on Euronext Brussels, in January 2009 for a consideration of A\$33.7 million. The net result on disposal of the investment was nil.

(d) Entities disposed of during the financial period

The entities forming part of the discontinued operations disposed of during the financial period were:

Names of entities	Equity holding before disposal per cent
<i>Disposed of as part of assets sold to Minmetals</i>	
Allegiance Exploration Pty Ltd	100
Allegiance Metals Pty Ltd	100
Allegiance Mining Pty Ltd	100
Allegiance Mining Processing Pty Ltd	100
Allegiance Mining Operations Pty Ltd	100
Aoning Minerals Company Limited	80
Champa Mining Laos Pte Ltd	100
Eastren Pty Ltd	100
Geothermal Energy Tasmania Pty Ltd	100
Geothermal Energy Tasmania Holdings Ltd	100
Geothermal Energy Tasmania Exploration Pty Ltd	100
Geothermal Energy Tasmania West Coast Pty Ltd	100
Investment Co Pty Ltd	100
Ionex Pty Ltd	100
Lane Xang Minerals Limited	90
Lupin Mines Inc	100
Navakun Mining Co Ltd	100
Oxiana Exploration Singapore (Number One) Pte Ltd	100
OZ Minerals Exploration Singapore (Number Two) Pte Ltd	100
OZ Minerals Australia Limited	100
OZ Minerals Canada Management Inc	100
OZ Minerals Canada Resources Inc	100
OZ Minerals Canada Operations Inc	100
OZ Minerals Century Limited	100
OZ Minerals Exploration Pty Ltd	100
OZ Minerals Golden Grove Pty Ltd	100
OZ Minerals Golden Grove (Finance) Pty Ltd	100
OZ Minerals Insurance Singapore Pte Ltd	100
OZ Minerals International Enterprises Pty Ltd	100
OZ Minerals Laos Holdings Limited	100
OZ Minerals Netherlands Holdings Cooperative U.A.	100
OZ Minerals Super Metals Pty Ltd	100
OZ Minerals (USA) Limited	100

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

OZ Minerals Limited and its controlled entities for the half-year ended 30 June 2009

3 Discontinued operations and assets held for sale (continued)

(d) Entities disposed of during the financial period (continued)

Names of entities	Equity holding before disposal per cent
<i>Disposed of as part of assets sold to Minmetals (continued)</i>	
PPTV Pty Ltd	100
PCML SPC Pty Ltd	100
PT Bintang Sumberdaya (1)	–
PT Explorasi Indonusa Jaya (1)	–
PT Multi Mineral Explorasi (1)	–
PT Oxindo Exploration (1)	–
PT Panah Emas (1)	–
SPC 1 Pty Ltd	100
SPC 2 Pty Ltd	100
SPC (Nominees) Pty Ltd	100
Southern Laos Mining Pte Ltd	100
Zeemain Pty Ltd	50
Zinifex Swedish Enterprises AB	100
<i>Disposed of as part of the Martabe Project</i>	
OZ Minerals Martabe Pty Ltd	100
Agincourt Resources (Singapore) Pte Ltd	100
PT Agincourt Resources	100
PT Artha Nugraha Agung (1)	–
<i>Disposed of as part of the Nyrstar investment</i>	
The disposal of Nyrstar was a disposal of an investment in shares by the Group and did not involve the disposal of any entity.	
<i>Disposed of as part of the divestment of joint venture interests</i>	
Erawan Mining Limited	50
Yunnan Jinlong Minerals Co. Ltd	100

(1) These entities were controlled by the Group via a cooperation agreement with the directors and shareholders of the entities prior to their disposal.

(e) Deregistered entities

The following entities have been deregistered during the financial period

AML (Bielsdown) Pty Ltd	100
AML Holdings Pty Ltd	100
Central Inca Gold Pty Ltd	100
Heazle Pty Ltd	100
Taswest Nickel Pty Ltd	100

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

OZ Minerals Limited and its controlled entities for the half-year ended 30 June 2009

3 Discontinued operations and assets held for sale (continued)

(f) Operations classified as held for sale and discontinued operations as at 31 December 2008

At 31 December 2008, the Group was pursuing asset sales and was examining expressions of interest for a number of its assets to repay or reduce its bank loans. Management was committed to a plan to sell the following assets, which were classified as discontinued operations and represented assets held for sale at 31 December 2008:

- Prominent Hill mine (subsequently reclassified to continuing operations in April 2009).
- Golden Grove mine
- Rosebery mine
- Martabe project
- Investment in Nyrstar

The sale of the above assets on an individual entity basis (except for the Martabe Project and the investment in Nyrstar) was suspended when the offer from Minmetals to acquire certain of the Group's assets was received, which led to the sale of certain assets as set out in Note 3(a) above. The Martabe project was sold in June 2009 as set out in Note 3(b) above. The investment in Nyrstar was sold in January 2009, and information relating to the sale of investment in Nyrstar is set out in Note 3(c) above.

The carrying amount of assets and liabilities held for sale at 31 December 2008 were as follows:

	31 Dec 2008
	A\$m
Cash and cash equivalents	49.0
Trade and other receivables	72.4
Inventories	240.9
Other financial assets	34.7
Prepayments	3.6
Property, plant and equipment	2,111.2
Intangible assets	0.8
Total assets	2,512.6
Trade and other payables	160.6
Current tax payable	30.5
Deferred tax liabilities	136.6
Provisions	93.3
Total liabilities	421.0
Net assets	2,091.6

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

OZ Minerals Limited and its controlled entities for the half-year ended 30 June 2009	Consolidated 30 Jun 2009 A\$m	Consolidated 31 Dec 2008 A\$m
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4 Interest-bearing liabilities

Current		
Bank loans	–	988.8
Lease liabilities	–	16.3
Convertible bonds	121.0	–
Total current interest-bearing liabilities	121.0	1,005.1
Non-current		
Convertible bonds	–	137.4
Lease liabilities	–	7.3
Total non-current interest-bearing liabilities	–	144.7

The Group resolved its financing difficulties during the period. The commentary on results and review of operations in the directors' report highlight these difficulties and also sets out the significant changes in the state of affairs of the Group during the period. The Group repaid its bank loans in full and the securities held over the Group's assets were discharged on 16 June 2009.

The total financial expense incurred by the continuing operations during the financial period was A\$105.6 million. This comprised bank interest, fees and charges of \$103.9 million and convertible bond conversion premium of A\$1.7 million. Of the A\$105.6 million, in accordance with accounting standard requirements, A\$15.0 million was capitalised as property, plant and equipment for the Prominent Hill Mine, and the remaining A\$90.6 million recognised in the income statement for the continuing operations.

The Group issued convertible bonds with a face value of US\$105.0 million in April 2005 at a fixed, annual interest rate of 5.25 per cent and due in 2012. The conversion price is currently US\$0.9180 or A\$1.0893 and is subject to adjustments under certain events, such as the declaration of dividends. Holders of the Group's convertible bonds have the option to convert the US\$105.0 million bonds into ordinary shares of the Group until 9 April 2012, while the Group has the right to redeem the convertible bonds from 29 April 2009 under certain circumstances. Unless previously redeemed, converted or purchased and cancelled, the convertible bonds will be redeemed at their principal amount on 15 April 2012.

The bond holders may require the Group to redeem their notes on 15 April 2010 at their principal amount, together with interest accrued to the date fixed for redemption. The Group does not have an unconditional right to defer the redemption of the convertible bonds if the bond holders demand redemption on 15 April 2010. Therefore, in accordance with the accounting standards, the convertible bonds have been classified as a current liability as at 30 June 2009. In the event the bond holders do not demand redemption on 15 April 2010, the convertible bonds will be reclassified as a non-current liability from that date until 12 months prior to the contractual repayment date.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

OZ Minerals Limited and its controlled entities for the half-year ended 30 June 2009

Consolidated 30 Jun 2009 A\$m	Consolidated 31 Dec 2008 A\$m
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5 Income tax

(a) Numerical reconciliation of income tax (expense)/benefit to pre-tax net profit/(loss)

(Loss)/profit from continuing operations before income tax	(133.3)	(119.4)
(Loss)/profit from discontinued operations before income tax	(460.2)	179.4
Total (loss)/profit before income tax	(593.5)	60.0
Income tax benefit/(expense) at the Australian tax rate of 30 per cent	178.1	(18.0)
Tax effect of amounts which are not (deductible)/taxable in calculating taxable income:		
Differences in overseas tax rates	2.6	5.8
Realised foreign currency loss on loan payment	(15.3)	-
Over provision for previous periods	1.1	(6.6)
Tax loss on disposal of discontinued operations not recognised as a benefit	(138.1)	-
Other	(15.6)	(30.4)
Income tax benefit/(expense)	12.8	(49.2)
Income tax benefit/(expense) is attributable to:		
(Loss)/profit from continuing operations	43.4	17.9
(Loss)/profit from discontinuing operations	(30.6)	(67.1)
Income tax benefit/(expense)	12.8	(49.2)

(b) Unrecognised deferred tax assets

Unused tax losses and temporary differences for which no deferred tax assets have been recognised

Potential tax benefit tax effected at 30 per cent	246.7	18.4
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These tax losses have been transferred into the OZ Minerals Australian tax group on consolidation of the Oxiana and Zinifex groups and are subject to an available fraction. They will not be available for utilisation until all the recognised tax losses have been recouped.

(c) Current tax payable

The current tax payable of A\$25.2 million as at 30 June 2009 relates to the Sepon Mine, which was sold during the period.

6 Inventories

Finished goods	28.6	68.7
Work in progress	141.5	50.6
Stores and consumables	5.5	104.3
Total inventories	175.6	223.6

7 Dividends

Dividends	Cents per share A\$ cents	Consolidated A\$m
Dividends on ordinary shares provided for or paid on:		
29 September 2008 - unfranked	5.0	156.1
9 April 2008 - unfranked	4.0	61.8

The directors do not propose to pay any dividends for the six month financial period ended 30 June 2009.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

OZ Minerals Limited and its controlled entities for the half-year ended 30 June 2009

8 Investments accounted for using the equity method

	Consolidated 6 months 30 Jun 2009 A\$m	Consolidated 12 months 31 Dec 2008 A\$m	Consolidated 6 months 30 Jun 2008 A\$m
Toro Energy Limited	27.1	28.7	85.8

The movement in carrying amount of investment in Toro is reconciled below:

Opening carrying amount	28.7	148.3	148.3
Acquisitions	–	12.0	–
Disposal	(1.0)	–	–
Share of losses after income tax	(0.6)	(5.5)	(2.5)
Impairment of investment	–	(126.1)	(60.0)
Closing carrying amount	27.1	28.7	85.8

The Group held a 46 per cent interest in Toro Energy Limited (“Toro”) as at 1 January 2008. In November 2008, the Group’s ownership in Toro increased to 52 per cent pursuant to subscribing to a renounceable rights issue. As set out in the OZ Minerals Limited 31 December 2008 consolidated annual financial report, the Group had assessed that there were exceptional circumstances that demonstrated that the ownership in Toro did not constitute control. Therefore the investment in Toro was accounted for using the equity method. The key factors that led to the assessment that the investment in Toro did not constitute control was the Deed of Undertaking the Group had entered into with Toro whereby OZ Minerals undertook not to exercise any increase in its voting power which it was entitled to pursuant to subscribing to a renounceable rights issue. This undertaking expired on 30 June 2009.

On 23 June 2009, the Group elected to reduce its holding in Toro by 10 million shares to 277.392 million shares in order to achieve a non-controlling interest of 49.9 per cent. The proceeds from the disposal of the shares, which had a carrying value of A\$1.0 million, were A\$1.9 million, resulting in a gain on disposal of A\$0.9 million recognised as other income.

Toro is a uranium exploration company listed on the Australian Securities Exchange. The share price of Toro as at 30 June 2009 was 19 cents per share.

9 Net tangible assets per share

	Consolidated 30 Jun 2009 A\$ cents	Consolidated 31 Dec 2008 A\$ cents	Consolidated 30 Jun 2008 A\$ cents
Net tangible assets per share – cents	80.0	103.3	90.9
Number of ordinary shares on issue used in the calculation of net tangible assets per share – number	3,121,339,800	3,121,339,800	1,566,582,747

In accordance with Chapter 19 of the ASX listing rules, net tangible assets per share represent total assets less intangible assets less liabilities ranking ahead of, or equally with, ordinary share capital, divided by the number of ordinary shares on issue at the financial period end.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

OZ Minerals Limited and its controlled entities for the half-year ended 30 June 2009	Consolidated 30 Jun 2009 A\$m	Consolidated 31 Dec 2008 A\$m
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10 Commitments for expenditure

(a) Capital commitments

Commitments for the acquisition of capital items contracted for at the reporting date but not recognised as liabilities, payable:

Within one year	6.3	288.0
Later than one year but not later than five years	–	177.4
Later than five years	–	79.2
	6.3	544.6

(b) Operating lease commitments

Commitments by continuing operations in relation to operating leases contracted for at the reporting date but not recognised as liabilities is \$0.5 million.

The Group's head office is at 28 Freshwater Place, Melbourne, Victoria. The entity that held the lease for 28 Freshwater Place is now part of the Minmetals Group of companies. Accordingly, the primary obligation under the lease rests with a subsidiary of Minmetals Group. OZ Minerals Limited continues to be a guarantor under the lease which Minmetals has an obligation to seek to have removed, and in respect of which it has to indemnify the Group for any claims made under the guarantee.

In relation to its head office lease, the Group has a memorandum of understanding with Minmetals and there is no contractual commitment for lease.

The Group also has lease commitments in relation to its former head office location at Queen Street, Melbourne, Victoria. A provision for onerous lease of A\$4.0 million has been recognised as at 30 June 2009 in relation to this commitment.

11 Contingent liabilities

On 9 December 2008, IMF Australia Ltd ("IMF") announced that it proposed to fund claims that certain current and former shareholders may have against the Group, relating to alleged misleading and deceptive conduct and alleged breaches by OZ Minerals Limited of its continuous disclosure obligations between 28 February 2008 and 3 December 2008. IMF has stated its funding of the claim is subject to a sufficient level of shareholder participation. In the absence of any detailed legal claim being provided to the Group or filed in Court, it is not possible for the Group to provide a reliable estimate of its potential exposure, if any. IMF has released a statement to the ASX stating that the value of its claim could be up to a maximum of A\$50.0 million. The basis for this statement is unclear. Slater & Gordon has posted a statement on its website indicating that it is investigating the commercial viability of a class action against the Group on behalf of shareholders, which overlaps the same time period suggested by IMF. No value is ascribed to the possible claim suggested. Management has assessed that the claim does not meet the criteria for recognition of a provision as there is no present legal or constructive obligation; it is unlikely that there will be an outflow of benefits and the amounts cannot be estimated reliably.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

OZ Minerals Limited and its controlled entities for the half-year ended 30 June 2009

11 Contingent liabilities (continued)

OZ Minerals Limited and its controlled entities are defendants from time to time in legal proceedings or disputes, arising from the conduct of their business. The Group does not consider that the outcome of any of these proceedings or disputes is likely to have a material effect on its financial position. Where appropriate, provisions have been made.

Certain bank guarantees have been provided in connection with the operations of the controlled entities of OZ Minerals Limited, primarily associated with the terms of mining leases in respect of which OZ Minerals Limited is obliged to indemnify the banks. At the end of the financial period, no claims have been made under these guarantees. The amount of these guarantees may vary from time to time depending upon the requirements of the relevant regulatory authority. These guarantees amount to A\$20.6 million (2008: A\$119.5 million aggregate for continuing and discontinued operations). Provision is made in the financial statements for the anticipated costs of the mine rehabilitation obligations under the mining leases.

The Group has given certain warranties and indemnities to the purchasers of assets and businesses that have been sold. Warranties are given in relation to matters including the sale assets, taxes and information. Indemnities are given by the Group in relation to matters including compliance with law, environmental claims, and failure to transfer or deliver all assets and tax.

The Group continues to be the guarantor under certain agreements that are now held by subsidiaries of Minmetals. Minmetals has an obligation to seek the release of the guarantees and to indemnify OZ Minerals for any loss incurred in relation to the guarantees.

The Group has entered into Deeds of Indemnity with each of its Non-Executive Directors, members of the Executive Committee, the Company Secretary, the Treasurer and certain other Group employees who act as Directors of Group companies, indemnifying them against any liability incurred in discharging their duties as Directors or officers of the Group. Deeds have also been entered into that indemnify the former directors and officers of Zinifex Limited (renamed OZ Minerals Holdings Limited) for liability that may be incurred by them in relation to the initial offering of shares in Zinifex Limited by Pasminco Holdings Limited to the Australian public and offshore institutions and, that indemnify certain former employees of Zinifex Limited for any liabilities that may be incurred by them as former employees of Pasminco Limited Group.

At the end of the financial period, no claims have been made under any such indemnities and, accordingly, it is not possible to quantify the potential financial obligation of the Company or the Group under these indemnities.

12 Events occurring after reporting date

There have been no events that have occurred subsequent to the reporting date which have significantly affected or may significantly affect the Company's operations, results or state of affairs in future years.

DIRECTORS' DECLARATION

Directors' declaration

- 1 In the opinion of the Directors of OZ Minerals Limited ("the Company"):
- (a) the financial statements and notes set out on pages 11 to 31 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the Group as at 30 June 2009 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due and payable.

Signed in accordance with a resolution of the Directors.



Barry Cusack
Chairman
Melbourne
27 August 2009



Terry Burgess
Managing Director and Chief Executive Officer
Melbourne
27 August 2009

INDEPENDENT AUDITOR'S REVIEW REPORT



Independent auditor's review report to the members of OZ Minerals Limited

Report on the financial report

We have reviewed the accompanying half-year financial report of OZ Minerals Limited (the "company"), which comprises the consolidated interim balance sheets as at 30 June 2009, and the income statement, statement of changes in equity, statement of comprehensive income and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 12 and the directors' declaration set out on pages 11 to 32 of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2009 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of OZ Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

INDEPENDENT AUDITOR'S REVIEW REPORT



Independent auditor's review report to the members of OZ Minerals Limited (continued)

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of OZ Minerals Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

A handwritten signature of Michael Bray, written in black ink, appearing as 'Michael Bray'.

KPMG

A handwritten signature of Michael Bray, written in black ink, appearing as 'Michael Bray'.

Michael Bray
Partner

Melbourne
27 August 2009