



NOTICE OF ANNUAL GENERAL MEETING

OZ MINERALS LIMITED ABN 40 005 482 824

Notice is hereby given that the Annual General Meeting of OZ Minerals Limited (the 'Company') will be held at 2.00pm (Adelaide time) on Wednesday, 19 May 2010, at Level 1, The Playford Ballroom, The Sebel Playford Adelaide, 120 North Terrace, Adelaide, South Australia.

The Explanatory Notes that accompany and form part of this Notice of Annual General Meeting describe the various matters to be considered.

AGENDA

1. FINANCIAL REPORT

To receive and consider the Financial Report of the Company for the year ended 31 December 2009 together with the Directors' Report, Directors' Declaration and Auditor's Report as set out in the 2009 Annual Report.

2. RE-ELECTION OF DIRECTORS

- (i) To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
'That Mr Neil Hamilton, being a Director of the Company who retires in accordance with Article 6.3(h) of the Company's Constitution and being eligible offers himself for re-election, be re-elected as a Director of the Company.'
- (ii) To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
'That Mr Paul Dowd, being a Director of the Company who retires in accordance with Article 6.3(h) of the Company's Constitution and being eligible offers himself for re-election, be re-elected as a Director of the Company.'
- (iii) To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
'That Mr Charles Lenegan, being a Director of the Company who retires in accordance with Article 6.3(h) of the Company's Constitution and being eligible offers himself for re-election, be re-elected as a Director of the Company.'
- (iv) To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
'That Mr Brian Jamieson, being a Director of the Company who retires in accordance with Article 6.3(c) of the Company's Constitution and being eligible offers himself for re-election, be re-elected as a Director of the Company.'

3. ADOPT REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That the Company's Remuneration Report for the year ended 31 December 2009 be adopted.'

Please note that the vote on this resolution is advisory only and does not bind the Directors or the Company.

4. GRANT OF PERFORMANCE RIGHTS TO MR TERRY BURGESS

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

'That approval is given for the Company to grant to the Company's Managing Director ('MD') & Chief Executive Officer ('CEO'), Mr Terry Burgess, a total of up to 2,800,000 performance rights to be granted over three years under the OZ Minerals Performance Rights Plan on the terms set out in the Explanatory Notes to this Notice of Meeting.'

5. INSERTION OF PROPORTIONAL TAKEOVER APPROVAL PROVISIONS

To consider and, if thought fit, to pass the following resolution as a special resolution:

'That the Constitution of the Company be modified, with effect from the date of the meeting, by deleting the proportional takeover provisions set out in existing Schedule 5 and replacing them with a new Schedule 5 in the terms specified in Annexure A to the Explanatory Notes to this Notice of Meeting.'

By order of the Board

Francesca Lee
Company Secretary

Date: 19 April 2010

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VOTING EXCLUSION STATEMENT

With respect to resolution 4, the Company will disregard any votes cast on resolution 4 by any Director or their associates except where the vote:

- is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

NOTES

Voting entitlements

Pursuant to Regulation 7.11.37 of the Corporations Regulations 2001, the Directors have determined that the shareholding of each member for the purposes of ascertaining voting entitlements for the Annual General Meeting will be as it appears in the share register at 7.00pm (Melbourne time, 6.30pm Adelaide time) on Monday, 17 May 2010.

Proxies and Company Representatives

A proxy form is enclosed. To be valid, duly signed proxies (and any authority under which the proxy is signed or a certified copy of the authority) must be received at the Company's Share Registry, Link Market Services Limited, at the address or facsimile number below, or by the Company at its registered office not later than 2.30pm (Melbourne time, 2.00pm Adelaide time) on Monday, 17 May 2010. Alternatively, you can lodge your proxy online via the OZ Minerals registry website (www.linkmarketservices.com.au) and go to the 'Proxy Voting' icon) by the same date and time.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on their behalf. If a member is entitled to cast two or more votes, the member may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. A proxy need not be a member and may be an individual or a body corporate. When more than one proxy is appointed and the proportion of the member's voting rights is not specified, each proxy may exercise half the votes. If more than one proxy is present at the meeting, neither will be entitled to vote on a show of hands.

A proxy form must be signed by the member or the member's attorney. Proxies given by a corporation must be signed in accordance with Section 127 of the Corporations Act or by attorney. In the case of shares jointly held by two or more persons, all joint holders should sign the proxy form.

A member which is a body corporate and entitled to attend and vote at the meeting, or a proxy which is a body corporate and is appointed by a member entitled to attend and vote at the meeting, may appoint an individual to act as its representative at the meeting by providing that person with:

- a letter or certificate, executed in accordance with the Corporations Act or the body corporate's constitution, authorising the person as the representative; or
- a copy of the resolution, certified by the secretary or a director of the body corporate, appointing the representative.

A copy of the letter, certificate or resolution, or other evidence satisfactory to the Chairman of the meeting, must be produced prior to admission to the meeting.

Share Registry

Postal Address:

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Or by hand to:

Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000

Facsimile:

(612) 9287 0309

EXPLANATORY NOTES

These explanatory notes are intended to provide members of the Company with information to assess the merits of the proposed resolutions in the accompanying Notice of Meeting. The Directors recommend that the members read these Explanatory Notes before making any decision in relation to the resolutions.

RESOLUTION 2 – RE-ELECTION OF DIRECTORS

Mr Neil Hamilton

Mr Hamilton was appointed a Director of OZ Minerals in February 2010. Mr Hamilton is an experienced professional Company Director and Chairman. He has more than 26 years experience in the legal profession and in business, with substantial experience in a number of industries, including investment/funds management, insurance, banking and resources. He is currently the Chairman of Mount Gibson Iron Limited and Miclyn Express Offshore Limited and a Director of Metcash Limited. He has in recent months announced his pending retirement around May 2010 as Chairman of Iress Market Technology Limited and Northern Iron Limited. He was formerly Chairman of Challenge Bank Limited, Western Power Corporation and a Director of Insurance Australia Group Limited.

Mr Hamilton was appointed as the Chairman of the Board and the Chairman of the Nomination and Remuneration Committee on 13 April 2010.

Mr Hamilton's extensive experience as a Chairman and non-executive director of several listed public companies enables him to make a substantial contribution to OZ Minerals as the Chairman of the Board and Chairman of the Nomination and Remuneration Committee. The Board (in the absence of Mr Hamilton) unanimously recommends that members vote in favour of the re-election of Mr Hamilton.

Mr Paul Dowd

Mr Dowd was appointed a Director of OZ Minerals in July 2009. Mr Dowd is a mining engineer and has a professional mining career spanning more than 40 years, primarily in the private sector, but also served in the Public Sector as head of the Victorian Mines and Petroleum Departments during the Kennett State Government. Until 2006, Mr Dowd was Managing Director of Newmont Australia Limited and Vice President Australia and New Zealand Operations for Newmont Mining Corporation. Prior to this, Mr Dowd was Group Executive – Operations for Normandy Mining Limited. Mr Dowd is a Council Member of the Parsons Brinkerhoff Australia Pacific Advisory Board. He serves as an Advisory Councillor for SAMPEG – SA Minerals and Petroleum Expert Group, is a Member of the Advisory Councils of CSIRO (MRSAC) and the University of Queensland – Sustainable Minerals Institute.

Mr Dowd is also a Commissioner for the SA Training and Skills Commission (TaSC) and an Advisory Member – Aboriginal Workforce Development Inter-Ministerial Committee, Government of South Australia. Mr Dowd is also Chairman of RESA (the SA Resources & Engineering Skills Alliance) and a non-executive director of Northgate Minerals Corp (Canada) and its (non-listed) Australian wholly-owned subsidiaries.

Mr Dowd is a member of the Nomination and Remuneration Committee and the Sustainability Committee.

Mr Dowd has considerable experience in senior executive roles in the mining industry, which enables him to make a substantial contribution to the Board and its committees. The Board (in the absence of Mr Dowd), having reviewed Mr Dowd's performance, unanimously recommends that members vote in favour of the re-election of Mr Dowd.

Mr Charles Lenegan

Mr Lenegan was appointed as a Director of OZ Minerals in February 2010. Mr Lenegan was a former Managing Director of Rio Tinto Australia. He had a distinguished 27 year career with Rio Tinto where he held various senior management positions across a range of commodities and geographies. He is also a former Chairman of the Minerals Council of Australia, Director of Energy Resources of Australia Limited and Director of Coal & Allied Industries Limited.

Mr Lenegan is a member of the Audit Committee and the Sustainability Committee.

Mr Lenegan has many years of experience in senior executive roles and as a non-executive director in the mining industry, which enables him to make a substantial contribution to the Board and its committees and the Board (in the absence of Mr Lenegan) unanimously recommends that members vote in favour of the re-election of Mr Lenegan.

Mr Brian Jamieson

Mr Jamieson was Chief Executive of Minter Ellison Melbourne from 2002 until he retired at the end of 2005. Prior to joining Minter Ellison, he was with KPMG and its antecedent firms for over 30 years. During his time at KPMG, Mr Jamieson held the position of Chief Executive Officer Australia from 1998 to 2000, Managing Partner of KPMG Melbourne and southern regions from 1993 to 1998 and Chairman of KPMG Melbourne from 2001 to 2002. He was also a KPMG Board Member in Australia and Asia Pacific and a member of the KPMG USA Management Committee. Mr Jamieson is a fellow of the Institute of Chartered Accountants in Australia. Mr Jamieson is a non-executive chairman of Mesoblast Limited (since November 2007) and a non-executive director of Sigma Pharmaceuticals Limited (since 2005) and Tatts Group Limited (since 2003).

Mr Jamieson is the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee.

Mr Jamieson has many years experience in senior executive roles, together with experience as a chairman and non-executive director, which enables him to make a substantial contribution to the Board and its committees. The Board (in the absence of Mr Jamieson) having reviewed Mr Jamieson's performance unanimously recommends that members vote in favour of the re-election of Mr Jamieson.

The Chairman of the meeting intends to vote undirected proxies in favour of the re-election of Mr Hamilton, Mr Dowd, Mr Lenegan and Mr Jamieson.

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RESOLUTION 3 – REMUNERATION REPORT (NON-BINDING RESOLUTION)

The Company has included in the 2009 Annual Report a detailed Remuneration Report setting out prescribed information relating to remuneration. This report is submitted for adoption by a non-binding vote of members at the Annual General Meeting.

A copy of the Remuneration Report is set out on pages 29 to 46 of the 2009 Annual Report and is available from the Company's website www.ozminerals.com.

The Remuneration Report:

- explains the Board's policies in relation to the objectives and structure of remuneration;
- discusses the relationship between the policies and the Company's performance;
- provides a detailed summary of performance conditions, why they were chosen and how performance is measured against them; and
- sets out the remuneration details for each Director and for each of the top five highest remunerated executives and (if different) key management personnel of the Company.

The Board unanimously recommends that members vote in favour of adopting the Remuneration Report.

The resolution is advisory only and does not bind the Directors or the Company. Nevertheless, the discussion on this resolution and the outcome of the vote will be taken into consideration by the Board and Nomination and Remuneration Committee when considering the future remuneration arrangements of the Company.

The Chairman of the meeting intends to vote undirected proxies in favour of resolution 3.

RESOLUTION 4 – APPROVAL FOR GRANT OF PERFORMANCE RIGHTS TO THE MD AND CEO

In accordance with ASX Listing Rule 10.14, the Company is seeking the approval of shareholders for proposed grants of performance rights (Rights) to the MD and CEO, Mr Terry Burgess, pursuant to the OZ Minerals Long Term Incentive Plan (LTIP) over the next three years on the terms set out below.

Approval is being sought to allow the Company flexibility to either issue new shares or to purchase shares on-market for allocation to Mr Burgess upon vesting of Rights.

LTIP terms and conditions

Information regarding the general operation of the LTIP is set out in the Company's Remuneration Report.

If shareholder approval is obtained, the Rights will be granted annually as part of Mr Burgess' long-term incentive remuneration for the next three years. Rights will be granted at no cost to Mr Burgess, and no amount is payable on vesting of the Rights. Rights will be granted under, and subject to, the rules of the OZ Minerals Performance Rights Plan. Rights do not carry any dividend or voting rights prior to vesting.

Each Right entitles Mr Burgess to one fully paid ordinary share in the Company, subject to the satisfaction of the vesting conditions described below. Shares allocated on vesting of Rights will rank equally with shares in the same class.

The total number of Rights to be granted to Mr Burgess over the three year period will not exceed 2,800,000. The size of each annual grant will be determined according to the following formula:

$$A \div B \times C$$

Where:

A = the value of Mr Burgess' total annual remuneration (excluding any short term or long term incentives) at the date of grant;

B = the volume weighted average price (VWAP) of the Company's shares over the five trading days up to and including the date of grant; and

C = the long-term incentive component of Mr Burgess' total annual remuneration expressed as a percentage.

The Board may round the number of Rights determined under the above formula up or down as deemed appropriate.

As noted above, the maximum number of Rights that will be granted over the three year period will not exceed 2,800,000. This cap has been set based upon an assumed salary increase for Mr Burgess, an estimated increase in the Company's share price and an anticipated long-term incentive component of Mr Burgess' total annual remuneration over the next three year period. The maximum number is an estimate only. The actual number of Rights will be determined each year during the three year period for which approval is sought in accordance with the formula above, calculated immediately prior to each annual grant. As such, the actual number of Rights to which Mr Burgess will become entitled over the three year period could be more or less than this maximum cap of 2,800,000. For example, if the Company's share price increases by a greater amount than that which has been estimated, Mr Burgess' salary increases by a greater amount than has been assumed or the long-term incentive component of Mr Burgess' total annual remuneration is greater than anticipated, the Company will be required to seek further shareholder approval for any Rights that are to be granted in excess of this maximum number.

If approval is obtained, it is anticipated that the Rights will be granted to Mr Burgess annually at or around the same time as grants made to other senior executives under the LTIP. No Rights will be granted pursuant to this approval more than three years after the date of the 2010 Annual General Meeting.

If the Board determines the vesting conditions are satisfied, Rights will be automatically exercised. On vesting and exercise of the Rights new shares may be issued or existing shares acquired on market. The shares will be allocated to a trust and held by the trustee on Mr Burgess' behalf. Mr Burgess may request that the shares be transferred to him or sold (and the net proceeds transferred to him). If Mr Burgess has not made a request within 30 days of the Rights vesting, all shares held by the trustee will be released to Mr Burgess.

Vesting conditions

The Board has determined that the Rights to be granted to Mr Burgess (if approval is received) will be subject to two vesting conditions:

- a service condition; and
- a performance condition.

To satisfy the service condition for each annual grant, Mr Burgess must be employed by a member of the OZ Minerals Group on the date of grant of the relevant grant and must remain employed by a member of the OZ Minerals Group on the third anniversary of the date of grant for the relevant grant (or such other date as the Board determines at the time of grant). If Mr Burgess leaves the Company as a 'good leaver' before the end of the service condition period, then the Company's Good Leaver Policy will apply (see below).

The performance condition is a Total Shareholder Return (TSR) hurdle, which ranks the TSR performance of the Company (OZL TSR) against the TSR performance of companies in a comparator group of companies (Comparator Group). Broadly, TSR is the growth in share price plus dividends reinvested.

The TSR hurdle for each annual grant is measured over a three year performance period (Performance Period). The Performance Period will generally run from the date of the relevant grant or such other date determined by the Board (as disclosed in the Company's Remuneration Report, for grants under the LTIP that were made in December 2009 the Performance Period was 23 November 2009 to 22 November 2012). The TSR for the Company and each company in the Comparator Group is measured over the Performance Period and then ranked. At the end of the Performance Period, the Board will consider and determine whether, and to what extent, the performance condition is satisfied, having regard to the Company's relative ranking. The Rights vest on the date the Board determines whether and to what extent the performance condition is satisfied. No Rights will vest unless the OZL TSR ranks at or above the 50th percentile.

The Comparator Group is made up of selected companies which are considered to be alternative investment vehicles for local and global investors, and are impacted by commodity prices and cyclical factors in a similar way to the Company. The Board retains the a discretion to adjust the Comparator Group over time to take account of mergers, takeovers, new entrants and other changes.

The level of performance required for each level of vesting and the percentage vesting associated with each level of performance are set out in the table below.

OZL TSR Ranking versus Comparator Group TSRs	% of Maximum Award
Below the 50th percentile	0% vest
At the 50th percentile	50% vest
Between the 50th percentile and 75th percentile	Between 50% and 100% vest progressively
At or above the 75th percentile	100% vest

The Rights lapse if the performance conditions are not met. There is no re-testing.

Treatment of Rights on cessation of employment

In accordance with the Company's Good Leaver Policy, if Mr Burgess ceases employment due to:

- retirement, including retirement on account of ill health that results in Mr Burgess being unable to perform the duties of a CEO;
- a fundamental change occurring, i.e. where Mr Burgess ceases to be the most senior executive of the OZ Mineral's Group, there is a substantial diminution in his role and responsibilities or the Company ceases to be listed on a recognised stock exchange; or
- mutual agreement between Mr Burgess and the Company;

a pro rata number of Rights, calculated in accordance with the proportion of the service condition period actually worked, will continue on foot and will vest on the vesting date, subject to the satisfaction of the TSR hurdle outlined above.

If Mr Burgess ceases employment for any other reason (including due to resignation or termination by the Company for poor performance or misconduct), his Rights will usually be forfeited; however, the Board retains the discretion to determine that unvested Rights do not lapse in exceptional circumstances.

Change of control

Under the OZ Minerals Performance Rights Plan rules, in the event of a change of control of the Company, the Board has the discretion to determine that the Rights:

- vest;
- are cancelled and replaced with a grant of rights or other interests in respect of the shares in the company which has or may acquire control of the Company (Acquirer); or
- may be disposed of by the participant.

In addition, in the event that the Rights have vested and the shares are held by the trustee, the Board may determine that the participant receive shares in the Acquirer in lieu of shares in the Company.

Other information

In relation to the LTIP:

- Mr Burgess is the only Director entitled to participate in the LTIP.
- There is no loan scheme in relation to the Rights.
- Mr Burgess is prohibited from hedging the share price exposure in respect of Rights during the Performance Period applicable to those Rights.
- Mr Burgess holds existing Rights under the LTIP, details of which are provided in the Remuneration Report for the financial year ended 31 December 2009.
- If shareholder approval is obtained, details of the Rights granted to Mr Burgess under the LTIP will be provided in the Company's Annual Report for the financial years ending 31 December 2010, 2011 and 2012.
- If any additional Director becomes entitled to participate in the scheme, the Company will seek shareholder approval prior to any grant being made to the Director under the LTIP.

Voting exclusion statement

The Company will disregard any votes cast on this resolution by any Director or their associates except where the vote:

- is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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Recommendation

The Board (in the absence of Mr Burgess) considers the grant of Rights to Mr Burgess to be appropriate in all the circumstances and unanimously recommends that shareholders vote in favour of resolution 4.

The Chairman of the meeting intends to vote undirected proxies in favour of resolution 4.

RESOLUTION 5 – INSERTION OF PROPORTIONAL TAKEOVER APPROVAL PROVISIONS

It is proposed that the Constitution of the Company be modified to insert the proportional takeover approval provisions set out in Annexure A of this Explanatory Memorandum.

The Constitution of the Company, in Article 4.5(e) and Schedule 5, previously included proportional takeover approval provisions which enabled the Company to refuse to register shares acquired under a proportional takeover bid unless a resolution was passed by the shareholders in general meeting approving the offer. However, these provisions cease to apply on 2 May 2010.

The Company seeks shareholder approval to amend the Constitution so as to include these provisions in the Constitution again. As a consequence, the Corporations Act requires the Company to provide shareholders with an explanation of the proposed proportional takeover approval provisions as set out below so that shareholders may make an informed decision on whether to support or oppose the resolution.

What is a proportional takeover bid?

A proportional takeover bid is a takeover offer sent to all shareholders, but only in respect of a specified portion of each shareholder's shares. Accordingly, if a shareholder accepts in full the offer under a proportional takeover bid, the shareholder will dispose of the specified portion of their shares in the Company and retain the balance of the shares.

Effect of the provisions to be inserted

If inserted, in the event that a proportional takeover offer is made to shareholders of the Company, the Board of the Company will be required to convene a meeting of shareholders to vote on a resolution to approve the proportional takeover offer. That meeting must be held at least 15 days before the offer under the proportional takeover bid closes.

The resolution shall be taken to have been passed if a majority of shares voted at the meeting, excluding the shares of the bidder and its associates, vote in favour of the resolution. The directors will breach the *Corporations Act 2001* (Cth) if they fail to ensure the approving resolution is voted on. However, if no resolution is voted on before the end of the 15th day before the close of the offer, the resolution will be deemed to have been passed. Where the resolution approving the offer is passed or deemed to have been passed, transfers of shares resulting from accepting the offer will be registered provided they otherwise comply with the Corporations Act, the ASX Listing Rules, the ASTC Settlement Rules and the Company's Constitution. If the resolution is rejected, then in accordance with the Corporations Act, the offer will be deemed to be withdrawn.

The proportional takeover approval provisions do not apply to full takeover bids and only apply for three years after the date of adoption of the provisions. The provisions may be renewed, but only by a special resolution.

Reasons for proposing the resolution

The Directors consider that shareholders should have the opportunity to re-insert Schedule 5 in the Constitution. Without Article 4.5(e) and Schedule 5, a proportional takeover bid for the Company may enable effective control of the Company to be acquired without shareholders having the opportunity to dispose of all of their shares to the bidder. Accordingly, shareholders could be at risk of passing control to the bidder without payment of an adequate control premium for all their shares whilst leaving themselves as part of a minority interest in the Company.

Article 4.5(e) and Schedule 5 deal with this possibility by providing that if a proportional takeover bid is made for shares in the Company, shareholders must vote on whether or not a proportional takeover bid should be permitted to proceed.

The benefit of the provision is that shareholders are able to decide collectively whether the proportional offer is acceptable in principle and it may ensure that any partial offer is appropriately priced.

No knowledge of present acquisitions proposals

As at the date on which this Explanatory Note is prepared, no Director is aware of a proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages for the directors and shareholders of the Company

The insertion of Schedule 5 in the form attached will enable the Directors to formally ascertain the views of shareholders in respect of a proportional takeover bid. Without such provisions, the Directors are dependent upon their perception of the interests and views of shareholders. Other than this advantage, the Directors consider that insertion of Schedule 5 has no potential advantages or potential disadvantages for them as they remain free to make a recommendation on whether a proportional takeover offer should be accepted.

The Directors consider that inserting Schedule 5 will benefit all shareholders in that they will have an opportunity to consider a proportional takeover bid and then attend or be represented by proxy at a meeting of shareholders called specifically to vote on the proposal. Accordingly, shareholders will be able to prevent a proportional takeover bid proceeding if there is sufficient support for the proposition that control of the Company should not be permitted to pass under the proportional takeover bid. The provisions may also help shareholders avoid being locked in as a minority with one majority shareholder. In addition, increasing the bargaining power of shareholders may ensure that any partial offer is adequately priced. Furthermore, knowing the view of shareholders assists each individual shareholder in assessing the likely outcome of the proportional takeover bid and whether to accept or reject that bid.

As to the possible disadvantages to shareholders of inserting Schedule 5, it may be argued that the proposal makes a proportional takeover bid more difficult and that such proportional takeover bids will therefore be discouraged. The chance of a proportional takeover bid being successful may be reduced. In turn, this may reduce the opportunities which shareholders may have to sell all or some of their shares at a premium to persons seeking control of the Company and may reduce any takeover speculation element in the Company's share price. Article 4.5(e) and Schedule 5 may also be considered an additional restriction on the ability of individual shareholders to deal freely in their shares.

On balance, the Directors consider that the possible advantages outweigh the possible disadvantages such that insertion of Schedule 5 is in the interests of shareholders.

The Directors recommend that shareholders vote in favour of this resolution. If this resolution is approved, the modifications to the Constitution will take effect from the date of the meeting.

The Chairman of the meeting intends to vote undirected proxies in favour of resolution 5.

ANNEXURE A

SCHEDULE 5

Proportional takeover bid approval

1. Definitions

In this Schedule:

'Approving Resolution' means a resolution to approve a proportional takeover bid in accordance with this Schedule.

'Approving Resolution Deadline' means the 14th day before the last day of the bid period for a Proportional Takeover Bid.

'Proportional Takeover Bid' means a takeover bid that is made or purports to be made under section 618(1)(b) of the Corporations Act in respect of securities included in a class of securities in the company.

'Relevant Class' in relation to a Proportional Takeover Bid means the class of securities in the company in respect of which the offer is made under the Proportional Takeover Bid.

2. Refusals of transfers

2.1 Requirement for Approving Resolution

- (a) Notwithstanding rule 4.5(a) of the Constitution, the Company must refuse to register a transfer of shares giving effect to a takeover contract for a proportional takeover bid unless and until an Approving Resolution is passed in accordance with this Schedule 5.
- (b) This Schedule 5 ceases to apply on the third anniversary of its last adoption, or last renewal, in accordance with the Corporations Act.

2.2 Voting on Approving Resolution

- (a) Where offers are made under a Proportional Takeover Bid, the Directors must, subject to the Corporations Act, call and arrange to hold a meeting of persons entitled to vote on the Approving Resolution for the purpose of voting on an Approving Resolution before the Approving Resolution Deadline and ensure that the resolution is voted on.
- (b) The provisions of this Constitution concerning meetings of Members (with such modification as the circumstances require) apply to meetings held under paragraph 2.2(a) as if the meetings held under paragraph 2.2(a) were general meetings.
- (c) The bidder under a Proportional Takeover Bid and any associates of the bidder are not entitled to vote on the Approving Resolution and if they do vote, their votes must not be counted.
- (d) Subject to paragraph 2.2(c) a person who, as at the end of the day on which the first offer under the Proportional Takeover Bid was made, held securities of the relevant class, is entitled to vote on the Approving Resolution.
- (e) To be effective, an Approving Resolution must be passed before the Approving Resolution Deadline.
- (f) An Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.
- (g) If no Approving Resolution has been voted on as at the end of the day before the Approving Resolution Deadline, an Approving Resolution is taken, for the purposes of this Schedule, to have been passed in accordance with this Schedule.

ANNUAL GENERAL MEETING

2.00pm (Adelaide time)
Wednesday 19 May 2010
Level 1, The Playford Ballroom
The Sebel Playford Adelaide
120 North Terrace
Adelaide SA 5000

CONTACT DETAILS

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ABN 40 005 482 824

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ecoStar is an environmentally responsible paper made carbon neutral. The greenhouse gas emissions of the manufacturing process including transportation of the finished product to Raleigh Warehouses has been measured by the Edinburgh Centre for Carbon Management (ECCM) and offset by the CarbonNeutral Company and the fibre source has been independently certified by the Forest Stewardship Council (FSC). ecoStar is manufactured from 100% post consumer recycled paper in a process chlorine free environment under the ISO 14001 environmental management system.

