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ASX Release

Reversal of impairment to appear in up-coming half-year accounts



In preparing the financial statements for the half year ended 30 June 2010, OZ Minerals has concluded that an impairment reversal of \$201.1 million, before tax, will be recognised in relation to property, plant and equipment at its Prominent Hill operation. This will result in an increase of \$141.1 million to net profit after tax being reported in the half year accounts due for release when finalised on 25 August 2010.

The impairment reversal is a non-cash adjustment and does not form part of the operating earnings.

Accounting standard, AASB 136 *Impairment of Assets* requires an entity to consider, at each reporting period, whether past impairments should be reversed. In concluding that a reversal of impairment is appropriate, OZ Minerals has considered a range of factors in accordance with the accounting standard.

The major factors leading to the impairment reversal are the improvement in the outlook since December 2008 for the global economy in general and the copper market in particular, strong proven production and financial performance from the Prominent Hill mine, the improvement in the market valuation of Prominent Hill as reflected in the OZ Minerals' share price and the robust financial position of the Company.

This impairment reversal is in respect of a \$251.0 million impairment recognised by the Company in its financial statements for the year ended 31 December 2008. The key factors contributing to the impairment in 2008 were significant global economic uncertainty, a then current copper price of approximately \$1.50/lb, the very early stage of commissioning of the Prominent Hill project and the fact that the asset was classified for accounting purposes as "held for sale" at that time.

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The impairment of \$251.0 million in 2008 has been adjusted for resource evaluation expenditure included in the original impairment that will not be reversed, and for notional depreciation on the original impairment. After allowing for tax expense at a rate of 30 per cent, the impairment reversal results in an increase to the net profit after tax of \$141.1 million.

For further information please contact

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