

Notice of General Meeting

Notice is given that a General Meeting of Shareholders of Oxiana Limited (Company) will be held at the Melbourne Convention Centre, Latrobe Theatre, Cnr Spencer and Flinders Streets, Melbourne on Friday, 18 July 2008 at 2:30pm (Melbourne time).

The Explanatory Memorandum that accompanies and forms part of this Notice of General Meeting describes the various matters to be considered.

Agenda

Special Business

1. Change of Company Name

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

'That for the purposes of section 157(1) of the Corporations Act 2001 and for all other purposes, the Company adopt 'OZ Minerals Limited' as the new name of the Company.'

2. Election of Directors

- (i) To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
'That Mr Owen Leigh Hegarty, who retires in accordance with article 6.3(h) of the Company's Constitution and being eligible offers himself for re-election, be appointed as a Director of the Company.'
- (ii) To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
'That Mr Peter Mansell, who retires in accordance with article 6.3(h) of the Company's Constitution and being eligible offers himself for re-election, be appointed as a Director of the Company.'
- (iii) To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
'That Dr Peter Cassidy, who retires in accordance with article 6.3(h) of the Company's Constitution and being eligible offers himself for re-election, be appointed as a Director of the Company.'
- (iv) To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
'That Mr Anthony Larkin, who retires in accordance with article 6.3(h) of the Company's Constitution and being eligible offers himself for re-election, be appointed as a Director of the Company.'
- (v) To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
'That Mr Richard Knight, who retires in accordance with article 6.3(h) of the Company's Constitution and being eligible offers himself for re-election, be appointed as a Director of the Company.'
- (vi) To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
'That Mr Dean Pritchard, who retires in accordance with article 6.3(h) of the Company's Constitution and being eligible offers himself for re-election, be appointed as a Director of the Company.'

3. Increase in Directors' Fee Limit

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

'That the maximum total amount of Director's fees payable by the Company to non-executive Directors, be increased by \$1,500,000 per annum to a maximum of \$2,700,000 per annum with effect from 20 June 2008.'

4. Approval of Mr Owen Hegarty's Managing Director and CEO Termination Payments

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

'That for the purposes of Section 200E of the Corporations Act 2001 and for all other purposes, the Company approve the benefits payable to Mr Owen Hegarty in connection with his retirement as Managing Director and CEO as described in the Explanatory Memorandum accompanying the Notice convening this meeting.'

By order of the Board



David J. Forsyth
Company Secretary
Date: 17 June 2008

Voting Exclusion Statement

In respect of Resolution 3 the Company will disregard any votes cast on the Resolution by:

- a Director of the Company; and
- an associate of such a Director.

In respect of Resolution 4 the Company will disregard any votes cast on the Resolution by:

- Mr Owen Leigh Hegarty; and
- an associate of Mr Owen Leigh Hegarty.

However, the Company need not disregard a vote if:

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

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, Locked Bag A14, Sydney South, NSW 1235, not less than 48 hours before the commencement of the meeting or any adjournment of the meeting. These proxy forms may be returned in the reply paid envelope provided. As an alternative, signed proxy forms may be faxed to +61 2 9287 0309.

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 2001 or by attorney.

In the case of shares jointly held by two or more persons, all joint holders must 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) a letter or certificate, executed in accordance with the body corporate's constitution, authorising the person as the representative; or
- (b) 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.

Voting Entitlements

Pursuant to Regulation 7.11.37 of the Corporations Regulations 2001, the Directors have determined that the shareholding of each shareholder for the purposes of ascertaining voting entitlements for the General Meeting will be as it appears in the share register at 7pm (Melbourne time) on Wednesday, 16 July 2008.

Explanatory Memorandum

This Explanatory Memorandum sets out more details of the matters to be dealt with at the General Meeting of the Company.

Background

On 3 March 2008 the Company announced that it had entered into a merger implementation agreement (MIA) with Zinifex Limited (Zinifex) to merge their respective businesses.

To reflect a true merger of equals, it was agreed that both groups of shareholders should receive equivalent value in the merger, that all current directors of both companies would form the Board of the merged entity, that the senior management team would be drawn from the two companies' existing management teams and that the merged entity would be re-named.

The merger is proceeding by way of a scheme of arrangement between Zinifex and the Company (Scheme) under which Zinifex shareholders will receive 3.1931 Oxiana shares for each Zinifex share held. On 16 June 2008 the resolution put to Zinifex shareholders to approve the Scheme was approved by the requisite majorities of Zinifex shareholders.

The following resolutions are proposed as part of the merger of equals under the MIA. The Directors of the Company recommend that you vote in favour of each of the resolutions described below. Each Director of the Company who holds shares in the Company, or who has control over voting rights attaching to shares in the Company, intends to vote those shares in favour of Resolution 1 and Resolution 2.

Resolution 1 – Change of Company Name

The merger of Oxiana Limited and Zinifex Limited creates a major diversified base and precious metals mining company with greater global capability.

To reflect the implementation of a 'merger of equals' between the Company and Zinifex Limited, the Company proposes to change its name from Oxiana Limited to OZ Minerals Limited.

Using both the 'O' and the 'Z' reflects the precursor companies equally and provides a recognisable link for the marketplace to both former organisations.

Under Section 157(1) of the Corporations Act 2001, a Company must obtain member approval by a special resolution to adopt a new name.

The name change is subject to and will take effect when the Australian Securities and Investments Commission effects the change and alters the Company's registration details.

Accordingly, Resolution 1 seeks member approval to change the Company name.

Resolution 2 – Election of Directors

Under the MIA, on the date of the Court hearing to approve the Scheme, expected to be held on 20 June 2008 (provided that the Scheme is approved by the Court), the Company must reconstitute its board to include the Zinifex Directors. In accordance with article 6.2(b) of the Company's Constitution, the Directors of the Company will appoint the current Zinifex Directors as Directors of the Company. The newly appointed Non-Executive Directors will, in accordance with article 6.3(h), retire at the General Meeting and offer themselves for re-election.

Also under the MIA, on the date of the Court hearing to approve the Scheme, Mr Owen Hegarty will retire as Managing Director and CEO of the Company, thereby under the Company's Constitution automatically ceasing to be a Director of the Company. The Directors of the Company will in accordance with the MIA appoint Mr Hegarty as a Non-Executive Director. He will, in accordance with article 6.3(h), retire at the General Meeting, and offer himself for re-election.

Following are details in relation to those individuals whom shareholders will be asked to consider for re-election as Directors of the Company.

Mr Owen Hegarty

Owen Hegarty has more than 35 years experience in the mining industry in Australia and internationally, including 24 years with the Rio Tinto Group. From 1983 to 1988 he was Managing Director of Rio Tinto's Asian businesses and from 1988 to 1993 he was Managing Director of Rio Tinto's Australian copper and gold mining and smelting business unit.

Mr Hegarty became Managing Director of Oxiana Limited in 1994. Mr Hegarty is Deputy Chairman of the Minerals Council of Australia and is a fellow of the Australasian Institute of Mining and Metallurgy (AusIMM).

Mr Hegarty was awarded the 2005 AusIMM Institute Medal for his leadership and achievements in the mining industry.

Mr Hegarty is a Non-Executive Director of Range River Gold Limited (since 1994).

Mr Peter Mansell

Peter Mansell joined the Zinifex Board as Chairman in March 2004. Mr Mansell has a broad range of experience in the management, direction, development and governance of listed entities. He was a corporate and resources Partner in the law firm Freehills from 1988 until February 2004. At various times he has been Freehills National Chairman, Managing Partner of the Perth office and a member of the

Explanatory Memorandum *continued.*

National Board. He is a fellow of the Australian Institute of Company Directors. He was President of Western Australia Division in 2002 to 2003 and sat on the National Board of that body during his presidency. Mr Mansell has previously been a Non-Executive Director for Hardman Resources Limited (from May 2006 to December 2006), Tethyan Copper Company Limited (from February 2005 to May 2006), Foodland Associated Limited (from October 2003 to November 2005) and Non-Executive Chairman of JDV Limited (from December 2001 to August 2005).

Mr Mansell is also the Chairman of Western Australia Newspaper Holdings Limited, since November 2006, having been appointed as Director since September 2001, Chairman of ThinkSmart Limited (since April 2007), and a Non-Executive Director of Great Southern Plantations Limited (since November 2005) and Bunnings Property Management Limited (since June 1998) which is the responsible entity of Bunnings Warehouse Property Trust.

Dr Peter Cassidy

Peter Cassidy joined the Zinifex Board in March 2004. Dr Cassidy has 35 years of experience in the resource sector, both in Australia and internationally. He was Chief Executive Officer of Goldfields Ltd from 1995 until its merger with Delta Gold in January 2002 to form AurionGold Limited. He remained a Director of AurionGold until January 2003. Prior to 1995, he was Executive Director - Operations of RGC Limited. Dr Cassidy was Chairman of Sino Gold Mining Ltd from November 2005 to November 2006 and was a Non-Executive Director of Oxiana from April 2002 until November 2007.

Dr Cassidy is also a Non-Executive Director of Energy Developments Ltd (since April 2003), Lihir Gold Ltd (since January 2003) and Sino Gold Mining Ltd (since October 2002) and Chairman of Allegiance Mining N.L. (since 1 April 2008), which is a subsidiary of Zinifex.

Mr Anthony Larkin

Anthony Larkin joined the Zinifex Board in March 2004. Mr Larkin was Executive Director - Finance of Orica Ltd from 1998 to 2002. Prior to that he had a successful career with BHP spanning 39 years, during which he held various senior finance executive roles including Group General Manager Finance, BHP Minerals, for seven years and Corporate Treasurer. In 1993 he was seconded to the position of Chief Financial Officer of Fosters Brewing Group until 1997. He was the Chairman of Ausmelt Ltd from 2004 to 2007.

Mr Larkin is also a Non-Executive Director of Corporate Express Limited (since July 2004), Incitec Pivot Ltd (since May 2003) and Eyecare Partners Limited (since August 2007).

Mr Richard Knight

Richard Knight joined the Zinifex Board in March 2004. Mr Knight is a mining engineer with more than 40 years experience both in Australia and internationally. He has previously been Chief Executive Officer of Energy Resources of Australia Limited, an Executive Director of North Limited and Managing Director of Inco Australia Management Pty Ltd. He was a Non-Executive Director of St Barbara Mines Ltd from May 2005 to December 2006.

Mr Knight is also the Non-Executive Chairman of Heuris Partners, a Melbourne based advisory and strategic planning practice and a Non-Executive Director of Newcrest Mining Limited (since February 2008).

Mr Dean Pritchard

Dean Pritchard joined the Zinifex Board in March 2004. Mr Pritchard is a civil engineer with over 30 years experience in the engineering and construction industry. He was Chief Executive Officer of Baulderstone Hornibrook from 1991 to 1997. He was Chairman of ICS Global Limited from 1999 to 2007.

Mr Pritchard is also a Non-Executive Director of Spotless Group Limited (since May 2007) and Onesteel Ltd (since October 2000). He is also the Chairman of Steel & Tube Holdings Limited (since May 2005), which is a New Zealand subsidiary of OneSteel Ltd.

Resolution 3 – Increase in Directors' Fee Limit

As stated above, on 20 June 2008, the Company intends to appoint six additional Non-Executive Directors in connection with the merger with Zinifex and therefore to cater for the increase in the size of the Board the Company proposes to increase the maximum total fee pool for fees payable to Directors by \$1,500,000 to \$2,700,000 per annum.

The Board has taken the advice of independent remuneration consultants to ensure that the proposed increase in the Directors' fee limit is appropriate and in line with the market and to ensure that the increased fee limit will provide the capacity to cater for the increase in the size of the Board.

Article 6.5(a) of the Company's Constitution provides that the amount of fees paid to Non-Executive Directors must not exceed in aggregate the amount determined by the members in general meeting. ASX Listing Rule 10.17 also requires member approval prior to an increase in the total amount of fees payable to Non-Executive Directors of the Company.

The last increase to the maximum aggregate remuneration payable to Non-Executive Directors of the Company was approved by shareholders on 17 April 2008. Zinifex currently has a maximum fee pool limit of \$2,000,000 per annum. If combined with the Oxiana \$1,200,000 per annum limit, the fee pool would total \$3,200,000 per annum. We are proposing a maximum of \$2,700,000 per annum.

Accordingly, Resolution 3 seeks member approval to increase the maximum aggregate remuneration payable to Non-Executive Directors of the Company.

Given their interest in the subject matter of this Resolution, the Directors make no recommendation to shareholders in relation to this Resolution.

Resolution 4 – Approval of Mr Owen Hegarty's Managing Director and CEO Termination Payments

Background

This Resolution seeks shareholder approval for certain termination payments to Mr Owen Hegarty in connection with his formal resignation as the Managing Director and CEO of the Company on 20 June 2008.

Mr Owen Hegarty was appointed as the Managing Director of the Company on 30 September 1994. Mr Hegarty later assumed the title of Managing Director and CEO. On 3 March 2008 the Company announced that Mr Owen Hegarty had agreed to stand aside as Managing Director and CEO to allow Mr Andrew Michelmore to assume the role to facilitate the merger of the Company with Zinifex Limited and in accordance with clause 5.9 of the MIA.

Mr Hegarty's employment contract, dated 7 December 2006, provided for the following:

- three year term with a base salary of \$1.3 million per annum (inclusive of superannuation) and subject to annual review;
- annual short term incentives of up to 50% of the base salary dependant upon meeting key performance targets and corporate objectives;
- 2 million options per year exercisable at a 35% premium to the 30 day Volume Weighted Average Price (VWAP). The vesting of the options is to be based on Oxiana's three-year total shareholder returns (TSR) exceeding comparator companies with vesting of the options being 50% at the median and the remaining 50% on a pro-rata basis between the median and the 75th percentile; and
- 250,000 retention shares, to be purchased on-market and to be delivered for continuous service at each of the 1st, 2nd and 3rd anniversaries of contract commencement.

Explanatory Memorandum *Continued.*

Termination Payments

As a consequence of his early retirement from the position of Managing Director and CEO of the Company, the Company has agreed (subject to shareholder approval) to pay Mr Hegarty a retirement package made up of the following termination payments:

Termination Payments	Cash	Equity
Salary (including superannuation) to be paid out in full for the duration of the current contract of employment (i.e. 20 June 2008 to 31 December 2009) based on current remuneration.	\$2,291,100	-
Short Term Incentive Payment covering the period from 1 January 2008 until the end of the contract (31 December 2009).	\$1,500,000	-
Retention Payments		
• Retention/Transition Payment	\$160,000	-
• Retention Shares		
- 250,000 shares (originally to vest 1 January 2009) to vest 18 July 2008 (subject to shareholder approval). Book value \$3.06.	-	\$765,000
- 250,000 shares (originally to vest 1 January 2010) to vest 18 July 2008 (subject to shareholder approval). Book value \$3.01.	-	\$752,500
Long Term Incentive – Unvested Options The unvested options granted in accordance with the contract of employment (details below) will be paid out in cash:		
• 2,000,000 granted 2 May 2007, were due to vest on 1 June 2010. Fair value \$0.779.	\$1,558,000	-
• 2,000,000 granted 18 April 2008, were due to vest on 1 June 2011. Fair value \$0.855.	\$1,710,000	-
• 2,000,000 were to be granted in April 2009 in accordance with Mr Hegarty's employment contract. Fair value \$0.965.	\$1,930,000	-
TOTAL	\$9,149,100	\$1,517,500

The short term incentive payment includes payments for each of the final two years of Mr Hegarty's contract based on current performance and the expectation that Mr Hegarty would have met performance targets and corporate objectives which are calculated to be a maximum of 50% of Mr Hegarty's base salary. Mr Hegarty's base salary for the final two years is \$1.5 million per annum (including superannuation).

The retention/transition payment is a payment in recognition of Mr Hegarty agreeing to fill the role as the Chairman of the Integration Sub-Committee of the Board in accordance with the Merger Implementation Agreement. This Committee is expected to operate from June to December 2008.

In relation to the retention shares granted in accordance with Mr Hegarty's contract of employment the Board has exercised its discretion to allow early vesting. The early vesting of the retention shares recognises Mr Hegarty's willingness to make himself available to

the Company in the capacity of Non-Executive Director to ensure the Company receives the ongoing benefit of his service with the Company.

In relation to the options granted in accordance with Mr Hegarty's contract of employment the Board has determined to allow cash payments in lieu of the options granted on 2 May 2007, 18 April 2008 and to be granted in April 2009. The cash payments recognise that in relinquishing his role, Mr Hegarty has given up considerable value he would have reasonably expected to receive in the future, by virtue of his continued employment as Managing Director and CEO of the Company. The valuations are based on a 30 day volume weighted average price of Oxiana shares for the period ended 30 May 2008 and the method for determining the fair value of the options stated in the above table is set out below.

Valuation Methodology Overview

The valuation methodology used by Mercer (Australia) Pty Ltd to value the options issued to Mr Hegarty under the Oxiana Limited Executive Option Plan, utilises the assumptions underlying the Black-Scholes option pricing methodology to produce a Monte-Carlo simulation model.

The aim of any option valuation method is to value the expected difference between the share price and the exercise price of the option under a given set of assumptions. The International Accounting Standards Board requires the valuation to be undertaken in a risk-neutral framework whilst allowing for variables such as volatility, dividends, the risk free rate, the withdrawal rate and performance hurdles along with constants such as the strike price, term and vesting periods.

The accepted framework developed by Black, Scholes and Merton's option pricing model can accommodate these features. The underlying premise is that a share's future price movements can be represented by a statistical formula which provides the probability of the share price being equal to a given price at a given time.

Shareholder Approval

Shareholder approval is being sought for the termination payments under section 200E of the Corporations Act 2001. Section 200B of the Corporations Act 2001 requires a company to obtain shareholder approval before giving a benefit to a Director in connection with the Director's retirement or removal from office unless the benefit falls within certain exceptions set out in the Corporations Act 2001.

A payment will only fall within those exceptions if the amount is less than a prescribed multiple of the Director's remuneration and if the nature of the payment falls within one of the categories set out in the Corporations Act 2001 (for example, an 'exempt benefit' or a payment in connection with a person's retirement from a Board or managerial office and the payment is for past services the person rendered to the Company).

The Board has received legal advice that the payments do not technically fall within any of the categories of exception set out in the Corporations Act except for the payments in relation to Mr Hegarty's accrued annual leave and long service leave. These payments amount to approximately \$950,000 as at the date of Mr Hegarty's retirement. Mr Hegarty may receive these payments without shareholder approval as they fall within an exception and are below the specified limit set out in the Corporations Act 2001.

The termination payments listed in the table above covering both cash and equity therefore require shareholder approval for the purposes of section 200E of the Corporations Act 2001 and for all other purposes.

The total value of termination payments to be approved by shareholders is \$10,666,600.

All Directors, with the exception of Mr Hegarty in abstention, recommend that shareholders vote in favour of Resolution 4. Mr Hegarty makes no recommendation in light of his personal interest in this Resolution.