

30 DECEMBER 2008

# ASX Release

## Refinancing dates extended

OZ Minerals has negotiated an extension (to 27 February 2009) of the date by which certain of its financing facilities must be refinanced. The Company has also made further progress towards achieving selected asset sales, although no binding agreements have as yet been completed.

Because of the circumstances pertaining to the extension of the refinancing date, OZ Minerals has requested the ASX to continue to suspend OZ Minerals' shares from trading while the Company continues to negotiate refinancing of the affected lending facilities. The ASX has agreed to grant this request.

### Facilities A and B

On 2 December 2008, OZ Minerals was suspended from quotation at the request of the Company, pending completion of the refinancing of some of its current loan facilities (referred to in various Company announcements as Facilities A and B). As noted in its letter to the ASX on 1 December 2008, the Company indicated it would use its best endeavours to achieve the refinancing of facilities A and B by 29 December 2008. The Company stated that it expected to seek re-instatement of normal trading by 29 December 2008, subject to it completing its refinancing negotiations.

In its release of 10 December 2008, the Company stated that completion of negotiations to refinance Facilities A and B by 29 December 2008 was highly unlikely. The refinancing has not been completed by 29 December 2008, but the Company has successfully negotiated with its lenders for a new extension of the refinancing date to 27 February 2009, subject to compliance with certain conditions which are confidential.

Metal markets have not improved since OZ Minerals' shares have been suspended from trading and the Company has been negotiating with its current lenders in relation to the provision of bridging facilities to cover expected cash shortfalls in respect of its operations and projects at Golden Grove, Prominent Hill and Martabe between now and 27 February 2009. The lenders under Facility A have agreed to seek internal approvals to provide the necessary bridge facilities on terms to be agreed, and have been requested to formally respond by 9 January 2009.

While the lenders to Facilities A and B have agreed to extend the refinancing date on those facilities to 27 February 2009, there is necessarily some uncertainty as to whether refinancing can be achieved by this date. Accordingly, the Company is pursuing asset sales and other measures (referred to below) to raise additional funds to repay or reduce the facilities by 27 February 2009. The basis for extension by the lenders includes provisions relating to the Company's asset sale initiatives including, as previously announced, the sale of up to 100% of Prominent Hill. There is also an obligation on the Company not to pay or declare any dividends or make any other distribution to its shareholders during this period.



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## Facility C

The Company has also been negotiating with Societe Generale in relation to the Company's loan with it (referred to as Facility C in previous announcements). Whilst reserving its rights in relation to the alleged breach, Societe Generale has also agreed to extend the repayment date of Facility C to 27 February 2009.

The basis for the extension of Facility C to 27 February 2009 includes requirements that Societe Generale will be granted security over the assets of the former Zinifex group of companies (including the former Allegiance group of companies) by 9 January 2009 in relation to the Australian assets, and 16 January 2009 in relation to the overseas assets, and to agree by 16 January 2009, upon the manner in which the proceeds of assets sales will be distributed amongst the lenders.

The remainder of these milestones provisions and conditions are confidential.

Whilst the Company will use its best endeavours to agree upon the manner in which the proceeds of asset sales are distributed, the achievement of this requirement is not entirely within the control of the Company and will be the subject of negotiation between the lenders under Facilities A, B and C.

## Facility D

The Company will make a scheduled repayment of US\$12.6 million by 31 December 2008.

## Cash Balance

As at close of business 23 December, OZ Minerals' cash balance was A\$169.2 million.

## Asset Sales

The Company has received a number of expressions of interest for selected assets of the Company, including for a majority stake in Prominent Hill. Some of the expressions of interest received include non-binding indications of price in respect of some assets. The Company expects material progress in the asset sale initiatives in January 2009.

## Further initiatives for reduction in cash demand for 2009

On 25 November 2008, OZ Minerals announced substantial reductions in planned operating and capital expenditures for 2009. Since then, the Company has placed its Avebury mine on care and maintenance, and has reduced activity levels at its Century mine. The Company will continue to pursue opportunities for further expenditure reductions.

OZ Minerals' Managing Director and CEO, Mr Andrew Michelmore, said

*"We remain very focused on achieving a refinancing of our facilities by early 2009 and have made considerable progress in negotiations with the Company's lenders. However, we have still a lot of work to do to achieve the refinancing."*

*"The Company's Board and management remain entirely focused on exploring all options in order to deliver tangible results from the perspective of operational improvements and asset sales, as these will be important steps leading to a successful refinancing."*

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