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ASX Release

FIRST PRODUCTION FROM PROMINENT HILL COPPER- GOLD OPERATION



OZ Minerals' Prominent Hill operation in South Australia has today delivered its first copper-gold concentrates following successful commissioning to date. First revenue from Prominent Hill will begin to accrue at the end of the current quarter and escalate as production rates and sales increase.

All concentrates produced at Prominent Hill will be sold under contracts with smelters in China, India, Australia and Europe. Concentrates will be shipped to international customers via the Adelaide to Darwin Railway and the Port of Darwin and will be delivered to local customers by road.

Prominent Hill concentrates are characterised by their high copper grades and low arsenic content. The grade of the initial shipment of Prominent Hill concentrates was more than 50% copper with all other elements well within normal contract specifications.

The ramp-up phase of the processing plant will continue over the coming 3-4 months with the plant expected to reach 85% of nameplate production capacity of 8 million tonnes per annum by mid-year and full capacity by year-end. Production for 2009 is expected to be between 85,000 tonnes to 100,000 tonnes of contained copper and 60,000 ounces to 70,000 ounces of gold at a competitive C1 cash cost of US\$0.65-US\$0.75/lb*

The forecast capital cost of the project is in line with the previously advised A\$1.15 billion. Capital expenditure of \$90 million to \$100 million is still to be outlaid.

This project continues OZ Minerals' record of successful project execution and commissioning.

"Production of first concentrates, since the discovery of Prominent Hill only 8 years ago, is a very significant achievement for the Company and in our industry.

"The project has been successful due to the dedication and skills of the entire project team and workforce and the commitment to this high quality project by management over the years.

"An extremely productive working relationship with the project's various stakeholders, not least the Government of South Australia, has also been key to its success."

The Prominent Hill area remains highly prospective. Recent work in the Western Copper Zone, located one kilometre west of the Prominent Hill mine, has confirmed good continuity of high

* Not included in this is around US\$0.15c/lb of ore inventory adjustment due to waste stripping above the Life of Mine strip ratio. Production guidance is as previously stated in the OZ Minerals 2008 December quarterly report.

grade copper mineralisation and extended the deposit. Recent intersections include 129.3m at 2.6% copper and 0.6g/t gold and 59m at 3.9% copper and 0.3g/t gold. The deposit remains open in most directions and further drilling is required to determine the ultimate size potential and bring this material into the mine plan.

About Prominent Hill

OZ Minerals' Prominent Hill project is located 650 kilometres north west of Adelaide and 130 kilometres south east of the town of Coober Pedy in the Gawler Craton of South Australia.

The Prominent Hill copper-gold deposit was discovered in 2001 by Adelaide based Minotaur Exploration Limited and has been the stand-out green-fields discovery of this decade in Australia. The project was formally approved for development in August 2006.

Prominent Hill includes an open-pit mine, a processing plant with an 8mtpa capacity, a permanent village to accommodate a steady state workforce of approximately 500 and a haulage road, power line and bore field.

Prominent Hill concentrates will travel directly to international customers, including smelters in China and India via the Adelaide to Darwin railway (which passes within 116km of the Prominent Hill mine) to the deepwater Port of Darwin and then via ship to smelters. Concentrates will also be transported to domestic customers.

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