Dear Shareholder,

You are receiving the 2008 Annual Report and 2008 Business Review as you have previously elected to be sent them in hard copy form.


OZ Minerals Business Review contains information on the performance of our operations in 2008 and on our development projects and exploration activities.

In 2008, in response to the deterioration of market conditions, OZ Minerals implemented a number of cash saving measures across the organisation, deferring $495 million of capital projects and reducing operating expenditure by $185 million. An ongoing Business Improvement Challenge to identify and implement further maintainable savings and efficiencies across the business was also initiated. Our cost saving initiatives have extended to the Business Review and this year we have produced it in a lower-cost format to last year, while continuing our commitment to communicate with our shareholders.

In preparing this report we have attempted to minimise resources used wherever possible. We have kept the report concise providing only the most important information about our operating performance; have used economical paper stocks; and reused existing photography. By encouraging shareholders to view the report on-line and making hard copies available only on request we have also reduced print numbers by approximately 86%. These measures have seen the costs associated with production and distribution of this report reduced by approximately 25%, even though the number of shareholders has almost doubled.

Despite the challenges presented by external market factors and our refinancing difficulties during 2008, we focused on operational performance and had strong production results from all of our operations which are discussed in the Business Review.

The Business Review also contains summarised information on our sustainability performance. The OZ Minerals full Sustainability Report is this year produced in online format only and will be available at www.ozminerals.com from late May. It is a comprehensive review of our environmental and social standards and performance. It has been prepared according to the Global Reporting Initiative which allows it to be transparently compared with other organisations and this year it has been externally verified for the first time.
Minmetals proposal and Annual General Meeting

Your Board has unanimously recommended that, in the absence of a superior proposal, shareholders should approve the sale to China Minmetals Non-ferrous Metals Company Ltd (“Minmetals”) of all the company’s assets except for Prominent Hill and related explorations leases, Martabe and related exploration leases and certain other assets, for an agreed price of US$1,206 million.

This proposal would see a complete solution to OZ Minerals’ refinancing issues within the timeframe required by OZ Minerals financiers and also allows OZ Minerals shareholders to retain full ownership of the new Prominent Hill operation.

While good progress towards completing the transaction is being made, there remain approvals to be met, including Chinese government approvals and, importantly, approval by our shareholders. Subject to receiving the relevant approvals, we expect the resolution authorising the sale of assets will be put to shareholders at the upcoming Annual General Meeting.

Shareholders will be asked to vote on an ordinary resolution to approve the proposed transaction with Minmetals at the OZ Minerals Annual General Meeting, to be held on a date on or around the 12 June 2009, which is yet to be confirmed. Shareholders will be sent a pack containing a Notice of Meeting along with further explanatory materials about the Minmetals proposal.

Further information

If you have any questions regarding your shareholdings please contact Link Market Services on 1300 306 089 or international +61 2 8280 7763. If you have any other questions for the company please call our Investor Relations department on +61 3 9288 0333.

In the interests of reducing costs to the company and minimising the consumption of paper resources we encourage you to receive future communications from the company via email. Please call Link market Services on 1300 306 089 or +61 2 8280 7763 visit www.linkmarketservices.com.au to update your preferences.

We hope you find the enclosed reports informative and we thank you for your continued support of OZ Minerals.

Yours sincerely

Barry Cusack
Chairman