



Equatorial Mining Limited

A.C.N. 009 199 482

A.B.N. 22 009 199 482

Level 4
1 York Street
Sydney NSW 2000
Australia

Tel: (61 2) 9247 3222
Fax: (61 2) 9247 9333
e-mail: equamin@equatorial.com.au

TO: Australian Stock Exchange Limited
Company Announcements Office

ATTENTION: The Manager CAP

DATE: 05 January 2004 ASX Code: EQM

RE: Litigation against Kvaerner US

Equatorial Mining Limited (EQM) wishes to announce that on 2 January 2004 the Fifth Judicial District Court of Nevada made orders requiring Kvaerner US Inc. to post a supersedeas bond in the amount of US\$170 million by 12 January 2004.

The bond is required to be posted under Nevada law in order to obtain a stay of the Equatorial Plaintiffs right to enforce the judgement previously obtained by them in the amount of US\$164 million which was previously announced to the market. The stay of the Equatorial Plaintiffs right to enforce their judgement is designed to operate during any Appeal against the judgement which Kvaerner US Inc. may make to the Supreme Court of Nevada.

It is anticipated that Kvaerner US Inc. will lodge an appeal with the Supreme Court of Nevada against the amount of the bond as determined by the District Court. However, EQM has no information as at today's date as to when any such appeal will be filed and when any such appeal will be heard by the Supreme Court of Nevada.

In the event that Kvaerner US Inc. fails to post the bond in the amount ordered by the due date (or in such amount and by such date as may be varied by the Supreme Court of Nevada), the Equatorial Plaintiffs shall have the right to immediately commence proceedings to enforce their judgement.

At a separate hearing on 17 December 2003 the Fifth Judicial District Court of Nevada found in favour of the Equatorial Plaintiff's in respect of all six post judgement motions which had been filed by Kvaerner US Inc. In doing so, the Court affirmed the judgement in all respects.

Settlement negotiations, which have taken place between senior executives of and legal advisors to both EQM and Kvaerner ASA, have to date been unsuccessful.

Yours faithfully,



Alan Macdonald
Company Secretary