

Quarterly Report

for the three months ending 31 March 2008

Highlights

	Mar Qtr 2008	
Gold produced at Sepon	24,235oz	• Record group copper production.
Gold produced at Golden Grove	6,700oz	• Martabe approvals and project on schedule.
Silver produced at Sepon	13,841oz	• Prominent Hill first production due end 2008.
Silver produced at Golden Grove	486,230oz	• Merger with Zinifex planned.
Average received Gold Price	US\$919/oz	
Copper produced at Sepon	17,132t	
Average LME Cash Copper Price	US\$3.53/lb	
Copper produced at Golden Grove	7,958t	
Zinc produced at Golden Grove	18,614t	
Average LME Cash Zinc Price	US\$1.10/lb	

Sepon Copper

- Record quarterly copper production at Sepon.
- The Sepon copper expansion is on track for completion at the end of 2009.
- Significant primary copper Resources are beginning to be delineated.

Sepon Gold

- Strong gold production of 24,235oz.
- The oxide gold Resource at Houay Yeng continues to be extended.

Golden Grove

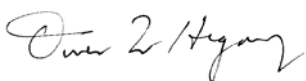
- Record volumes of ore mined and milled saw record copper production for the quarter.
- Expansion studies on schedule for open-pit mining of surface gold and copper orebodies in 2009 and expanded underground mining in 2012.
- Updated Resource modelling increases zinc Resources by 25% to 1.49Mt and copper Resources by 32% to 748,000t.

Prominent Hill

- Construction and installation work during the quarter progressed well. Mining is ahead of schedule and infrastructure is 58% complete.
- Delays in delivery of key equipment will see first production in the fourth quarter of 2008.
- Underground mining scoping studies nearing completion with first expanded production scheduled for 2011.

Martabe

- Final approvals for Indonesia proceeding on schedule.
- Preferred EPCM contractor named.



Owen L. Hegarty
Managing Director and CEO
16th April 2008

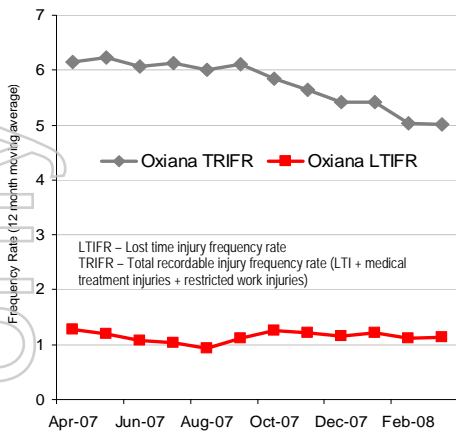


Figure 1. Oxiana Limited group safety performance year to date.

Safety

Safety performance as measured by the Total Recordable Injury Rate improved further during the quarter, with the 12 month moving average decreasing from 5.41 to 5.02. At Sepon, safety and health performance management continued to improve with 10 million man hours without a lost time injury completed.

The improvement in group performance was particularly pleasing as the scale and complexity of activity at Prominent Hill increases as the construction program accelerates.

Sepon

Sepon copper

Mining and production

Sepon copper production was at record highs with 17,132t produced due to higher volumes mined and milled and improvements in the processing circuit.

During the remainder of 2008 the mining fleet will be expanded to deliver increased tonnages to both the copper and gold plants.

Copper production for the year is forecast to be in line with previous guidance of 60,000t to 65,000t.

Detailed mine planning for the development of the Thengkhamb orebodies has commenced and first mining from Thengkhamb is expected in late 2009 for the first year of expanded copper production in 2010.

Quarterly copper production statistics

Table 1

	Units	Mar Qtr 2008
Ore Mined	t	639,393
Grade	%	4.9
Strip Ratio	w/o	1.2
Ore Milled	t	344,318
Grade	%	5.6
Recovery	%	92.2
Production (Stripped)	t	17,132
Cathode Sold	t	16,935

Costs

Higher consumable costs were more than offset by record production, seeing the direct cash cost for the quarter below the expected range. Increases in the costs of sulphuric acid, grinding balls and fuel may see an increase for the remainder of the year.

Royalties for the quarter were slightly higher in line with the higher copper price.

Quarterly Sepon copper costs

Table 2

All US\$ / lb*	Mar Qtr 2008
Direct Cash Costs	70
Market Premium	(4)
Royalties	15
Total Cash Costs	81
Depreciation & Amortisation	15
Rehabilitation	2
Total Production Costs	97

* Figures may not always add due to rounding.

Sepon copper expansion

Detailed engineering for the planned copper expansion to take production to 80,000t/a in 2010, is 25% complete. During the first quarter orders were placed for long lead items and other major process equipment for the electro-winning and leaching areas of the process plant. Early civil construction commenced. Award of contracts is nearing completion. The project is on schedule for completion in the fourth quarter of 2009.

The second autoclave project, which will improve the reliability and throughput capability of the

plant, progressed with detailed engineering reaching 95% completion. Inspections of the autoclave vessels in fabrication were conducted, with the first vessels due to be shipped on time in the second quarter. The second autoclave project is on schedule for completion in the first quarter of 2009.

Sepon copper exploration

Up to 20 drill rigs were active on copper and gold exploration and Resource definition programs during the quarter. Surface exploration programmes also continued to generate new drill targets for a range of metals, including gold, copper, zinc, lead and molybdenum in the Sepon Mineral District.

Resource evaluation drilling at Thengkhamb South, from which part of the ore will be sourced when the Sepon copper plant is expanded from 2010, continued to return results in line with expectations of the current Resource model.

In particular, recent intersections confirm the existence of higher grade lenses of oxide copper localised along an east-west structure. Better intersections include:

Table 3

Hole	From (m)	Interval (m)	Cu (%)
TKM521	26	22	2.7
TKM548	24.8	7	8.0
TKM555	13	41	2.0
TKM579	34	45.6	1.9
TKM583	14	32	7.4
TKM585	6	65	1.5
TKM601	13	35.9	8.3
TKM602	32	16.6	24.5
TKM611	6	31	3.5
TKM612	49	31.4	4.4
TKM618	41.5	32.5	2.2
TKM624	6	36	4.1
TKM626	16	31	5.3
TKM640	56.7	23.2	2.5
TKM691	32	26	3.5
TKM775	44	23.7	4.8

Cu: *intercepts are weighted averages calculated using a 0.5% copper cut-off; maximum internal waste is 2 metres*.

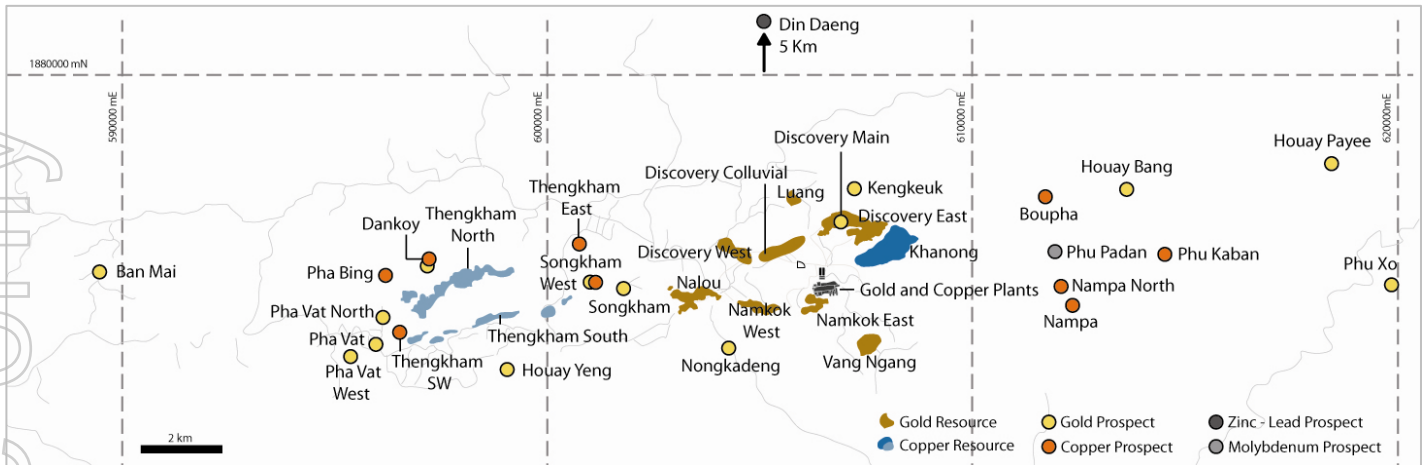


Figure 2. Sepon Mineral District. Location of pits, resources and prospects.

At Thengkhamb East, exploration drilling continues to outline potential for an additional new copper deposit in the area with highly encouraging intercepts now reported over 600 metres of strike. Primary copper mineralisation in this area also appears to be continuous and a program to formally follow primary copper will delineate. Results suggest the area has bulk tonnage Cu-(Au) potential. Better intersections include:

Table 4

Hole	From (m)	Interval (m)	Cu (%)	Au (g/t)
TKE079	20	4	11.8	
TKE087	11	25	1.4	0.6
TKE087*	47	17	0.9	
TKE093*	66	7	0.9	2.7
TKE093*	95	44	1.0	0.5
TKE098	41	13	6.0	1.2
TKE098	47	3	6.7	
TKE098*	54	7	3.0	0.9
TKE100*	53	12	2.8	0.6
TKE101	22	22	1.0	
TKE101*	51	22	0.9	
TKE105	30	10	2.6	1.2
TKE105	31	17	3.2	1.2
TKE105	42.7	5.3	5.7	

*indicates primary mineralisation.

Cu: "intercepts are weighted averages calculated using a 0.5% copper cut-off ; maximum internal waste is 2 metres".
 Au: "Fire assay, weighted averages of approximate 1 metre sample intervals, 0.5g/t Au lower cut-off, max 2m internal waste".

Excellent oxide copper drill results were also returned from Songkhamb West, upgrading the Resource potential of this prospect. Further drilling is required to test extensions to mineralisation. Better intersections include:

Table 5

Hole	From (m)	Interval (m)	Cu (%)	Au (g/t)
SKW018	31	40	2.7	0.2
SKW024	15	7	1.3	
SKW025	22	3	-	2.7
SKW030	73	32	3.0	0.3
SKW032	40	8	6.4	1.1

Cu: "intercepts are weighted averages calculated using a 0.5% copper cut-off ; maximum internal waste is 2 metres".
 Au: "Fire assay, weighted averages of approximate 1 metre sample intervals, 0.5g/t Au lower cut-off, max 2m internal waste".

Drilling is also underway at Thengkhamb North to test the primary copper potential in the area indicated by previous drilling. Visual results are encouraging with assay results awaited.

Elsewhere in the Sepon Mineral District, surface exploration programs continue to generate new high potential copper targets. Recent mapping at Nampa North has identified an extensive zone of oxide copper mineralisation at surface (often up to 15% malachite) over several hundred metres and drill testing of this high priority target is planned for the following quarter. Rock chip sampling at Phu Kaban has also returned values up to 2.6% copper.

Sepon gold

Mining and production

Total material mined was significantly higher in line with the 2008 mine plan.

Changes to the mine plan have upgraded the volumes of mineable inventory at the Pha Vat North and Houay Yang deposits and mining from these deposits will commence in the second quarter following receipt of necessary statutory approvals.

The ore head grade was higher with the introduction of higher grade partially oxidised ore as part of a plant scale trial. This higher grade was offset by lower recovery from this material.

Gold production for the quarter was 24,235oz. Gold production in the second quarter of 2008 is forecast to be slightly lower (at 17,000-19,000 oz) due to a decline in mill feed grade, but higher production in the second half, with the addition of mining from the Houay Yeng and Pha Vat North deposits, is expected to see annual production to achieve forecasts of 90,000oz to 100,000oz.

Quarterly Sepon gold production statistics

Table 6

	Units	Mar Qtr 2008
Ore Mined	t	568,900
Grade	g/t	2.0
Strip Ratio	w/o	1.3
Ore Milled	t	564,855
Gold Grade	g/t	1.8
Silver Grade	g/t	5.7
Gold Recovery	%	61.2
Silver Recovery	%	18.0
Production*		
Gold	oz	24,235
Silver	oz	13,841
Gold Sold	oz	22,440

* Production reported is gold poured.

Costs

Direct operating cash costs of \$489/oz were within guidance. Royalties for the quarter were slightly higher in line with the higher gold price.

Rehabilitation costs are higher in line with an increase in the provision.

Quarterly Sepon gold costs

Table 7

US\$ / oz	Mar Qtr 2008
Operating ⁽¹⁾	489
Refining & Transport	2
By Product Credit ⁽²⁾	(7)
Royalties	38
Total Cash Costs	523
Depreciation & Amortisation ⁽³⁾	237
Rehabilitation ⁽⁴⁾	14
Total Production Costs	773

1) All costs incurred by the site, including inventory changes. Exploration and Resource drilling expenditures are not included in mine site cash costs.

2) Revenue from silver at spot price.

3) Includes amortisation of the pre-production capital, and depreciation of mine operations capital expenditure, which includes exploration, Resource drilling and sustaining capital.

4) Provision for final site reclamation in addition to ongoing rehabilitation.

Figures may not always add due to rounding.

Primary gold

Resource development drilling continues in order to increase the primary gold Resource base. An independent review of the project development strategy was completed.

Sepon gold exploration

Resource definition and step out drilling continued at Houay Yeng, a new gold deposit that first contributed to Resources during 2007. Recent results extend the known oxide gold Resource at least 160 metres northwest, and confirm the presence of higher grade lenses within the deposit. Better intersections include:

Table 8

Hole	From (m)	Interval (m)	Au (g/t)
YNG138	92	9.5	15.2
YNG138	102	11	2.7
YNG169	108	4.4	3.3
YNG502	92	2	9.4
YNG503	73	6.8	13.9
YNG504	57	20.8	8.8
YNG504	78.5	7.5	2.1

Au: *Fire assay, weighted averages of approximate 1 metre sample intervals, 0.5g/t Au lower cut-off, max 2m internal waste*.

Results of Resource drilling at the Pha Vat deposit, another new gold deposit has future mining potential, continued to return results in line with expectations. Oxide gold is partially underlain by primary gold (copper) mineralisation. Better intersections obtained during the quarter include:

Table 9

Hole	From (m)	Interval (m)	Au (g/t)	Cu (%)
VAT154	surface	27	1.5	0.9
VAT154	28	5.3	1.2	0.8
VAT154	36	6	4.4	
VAT154*	172	3	5.9	
VAT156	5	6	2.1	1.6
VAT171*	90	13	1.2	0.9
VAT174	39	4	4.6	
VAT174	48	6	1.7	
VAT174*	99	6.8	0.9	1.6
VAT178	5	5.3	1.0	
VAT180	27	9.6	1.5	2.5
VAT182	37	19	1.1	0.5

*indicates primary mineralisation

Cu: *intercepts are weighted averages calculated using a 0.5% copper cut-off; maximum internal waste is 2 metres*.

Au: *Fire assay, weighted averages of approximate 1 metre sample intervals, 0.5g/t Au lower cut-off, max 2m internal waste*.

At Ban Mai, located approximately 8km west of the gold plant, results of exploration drilling continue to highlight the potential for higher grade zones of primary gold mineralisation although continuity is proving difficult to establish. New results include:

Table 10

Hole	From (m)	Interval (m)	Au (g/t)
MAI091	45.1	5.9	2.1
MAI105	89	5	20.8

Au: *Fire assay, weighted averages of approximate 1 metre sample intervals, 0.5g/t Au lower cut-off, max 2m internal waste*.

Initial drill testing of primary gold targets commenced at Bouppha and Houay Bang. Assays are awaited.

In exploration throughout the larger Sepon Mineral District, numerous excellent rock chip results were returned including 94.3g/t gold and 0.5% copper at Bouppha, 45.4 g/t gold at Nongkadeng and 85.4 g/t gold at Vang Ngang. Detailed mapping and field evaluation of these prospects is ongoing, and follow-up drilling is planned.

Sepon molybdenum exploration

Mapping and surface sampling programmes to assess Molybdenum potential at Sepon commenced at the eastern intrusive centres of Phu Padan and Phu Kaban. Early findings are encouraging, with several zones of visible molybdenite in stockwork veining identified at both prospects. Rock chips at Phu Kaban have returned up to 1.1% Mo and soil sampling has delineated a broad zone of significant anomalism (>100 ppm Mo). Following receipt of all assays, a scout drilling programme will be completed.

Sepon zinc-lead exploration

At the Din Daeng carbonate-hosted Zn-Pb prospect, 7 km north of the Sepon plants, rock chip sampling has returned up to 6% Zn and 3% Pb with numerous samples also reporting elevated silver (up to 7.9 g/t Ag). Geophysical surveys are in progress and drilling to test the higher tenor parts of this 15 km long Zn-Pb anomalous trend will commence early in the second quarter.

Golden Grove

Mining and production

Record volumes of ore were mined from Gossan Hill during the quarter and a record tonnage processed through the plant. Production focus was on copper mineralised zones in the upper areas of the mine while a planned ventilation upgrade was completed. The resulting quarterly copper production was also a record with 7,958t produced.

Production ramp up from the Scuddles underground mine continues but has been impacted by labour and equipment shortages. Production from Scuddles is due to increase in the coming quarter.

A scheduled mill shutdown in the second quarter will allow additional components of the mill improvement project to be commissioned. This will enable annual milling of 1.75 Mt of ore and zinc and copper production forecasts to be achieved.

In the first quarter of 2008, Oxiana had provisionally priced 8,750t of contained copper in concentrate at \$8,175t and 28,150t of contained zinc metal at US\$2,400t.

Quarterly Golden Grove production statistics Table 11

	Units	Mar Qtr 2008
Mined Zn Ore	t	142,503
Mined Cu Ore	t	285,235
Grade Zn	%	14.0
Grade Cu	%	3.7
Milled Zn Ore	t	139,675
Grade Zn	%	14.3
Recovery Zn	%	93.4
Milled Cu Ore	t	260,097
Grade Cu	%	3.8
Recovery Cu	%	81.4
Zn Concentrate	t	35,191
Zn Grade	%	52.9
Cu Concentrate	t	38,161
Cu Grade	%	20.9
HPM Concentrate	t	3,535
Cu Grade	%	7.3
Pb Grade	%	43.8
Au Grade	g/t	45.45
Ag Grade	g/t	2,802.54
Contained Metal in Concentrates*		
Zn	t	18,614
Cu	t	7,958
Au	oz	6,700
Ag	oz	486,230
Pb	t	1,547

* Where there are payable terms

Costs

Operating costs were as planned with lower zinc production seeing higher unit costs.

Realisation costs were higher due to increased shipping charges.

Record copper production, along with strong copper prices, saw the by-product credit entirely offset all other cash costs.

Record milled ore for the quarter incurred higher non-cash costs and this, combined with lower zinc production, increased the non-cash unit costs to 32c/lb.

Golden Grove quarterly costs Table 12

All USc / lb*	Mar Qtr 2008
Operating	115
Realization	35
By-product credits	(166)
Royalties	16
Total Cash Costs	0
Depreciation & Amortisation	32
Rehabilitation	1
Total Production Costs	33

* Costs are per lb of zinc produced. Gold, silver, copper and lead are taken as credits.

Golden Grove expansion studies

Expansion studies investigating the feasibility of mining extensions to the underground mines and potential for open-pit mining to supplement ore production from underground are ongoing at Golden Grove. These studies aim to increase the mine life to beyond 2020.

Development to access platforms from which to continue drill testing required for these studies has commenced at the bottom of the Scuddles and Gossan Hill ore systems. Drilling at Cervantes, located beneath Scuddles, is scheduled for the second half of 2008 and drilling of the Xantho extension is planned for 2009. Development, ventilation and haulage studies are ongoing in parallel with development and drilling to facilitate a 2012 target for expanded production.

Geotechnical, sterilisation and resource drilling for the open-pits has commenced and work to collect information required for permitting of potential open-pits is underway. The target for copper production from the copper oxide pit is 2009/2010. Mining of material from a copper

sulphide open-pit, subject to feasibility and permitting, is targeted for 2013.

Golden Grove exploration

Resource drilling programs beneath the Xantho and Scuddles deposits were recently completed with substantial new Inferred Resources estimated.

A total 295,000t of contained zinc and 183,000t of contained copper were added to the Resource inventory at Golden Grove with zinc Resources increasing by 25% to 1.49Mt and copper Resources increasing 32% to 748,000t.

Both deposits remain open vertically and to the south where some of the best results still remain to be followed up. Promising results received from Xantho extensions post the Resource cut-off include 37m at 2.7% copper (from 1892m).

For full details of the Resources go to www.oxiana.com.au/ReservesResources.asp.

Golden Grove regional exploration

An exploration drilling program on the tenements immediately south of Golden Grove commenced. Four diamond drill holes were completed with several zones of alteration identified and some smaller intervals of zinc and copper sulphide mineralisation intersected. Assays are awaited and follow-up of these mineralised zones is in progress.

Metal markets

Base and precious metal prices in general strengthened during the quarter as investors returned to commodities and the US Dollar continued to weaken. Physical supply constraints, particularly in China and Africa fuelled sentiment.

The LME cash copper price averaged US\$3.53/lb for the quarter, 9% higher than the previous quarter, and 31% higher than the first quarter of 2007. Mine supply continued to lag demand, driving inventory lower and supporting price levels.

Zinc prices were 7% lower, with LME zinc stocks increasing 40% during the quarter to 124,000 tonnes; still less than 5 days of global consumption. Global refined zinc consumption appears to be sustaining annual growth levels in excess of 4%, despite lower consumption in the US.

The gold price was buoyant with spot gold trading above US\$1,000/oz for the first time.

Prominent Hill

Mining and construction

Pre-strip and ore mining at Prominent Hill continued to proceed ahead of schedule.

Overall construction of the process plant and infrastructure is 58% complete. The tailings dam civil work is essentially complete and construction of the well field, power line and haul road are well advanced. The production water license for the project was issued during the quarter and first water delivered from the well field located 45 km from the site. Concrete work and site erected tankage for the process plant is nearing completion and steelwork erection is well advanced. Electrical and instrumentation contractors are in the process of mobilising to site.

The delivery of the Semi-Autogenous-Grinding (SAG) Mill – a major plant component - has been delayed due to faults in fabrication identified during final inspection. These faults have been repaired and the SAG Mill is now undergoing re-inspection prior to being prepared for shipping to site. All available measures are being taken in conjunction with the manufacturer to expedite delivery of the Mill.

The SAG Mill is the critical path item for completion of the project and this delay will impact the overall project schedule. All other items of major equipment including the Ball Mill and Primary Crusher are on site and in the process of being installed. Late delivery of the SAG Mill means that first ore to the mill will now be achieved during the fourth quarter.

Production for 2008 is now expected to be 10,000t copper and 6,000oz gold.

Production for 2009 is expected to remain at 110,000t to 120,000t of copper and 75,000oz to 85,000oz of gold.

Project costs remain in line with the current forecast of \$1.08 billion.

Prominent Hill expansion studies

A scoping study into mining the Resources which sit immediately below the open-pit is nearing completion. This study is expected to lead straight into a feasibility study on a 1–2 million tonne per annum sublevel open stoping (SLOS) underground mine below the open pit to a depth of 1,000 metres. This mine would produce higher grade copper and gold ore to supplement the 8 million tonnes per annum produced from the open-pit. Plans currently have an access decline commencing in late 2008 or early 2009 to allow

first production from the underground operations in late 2011. It is expected only minor upgrades will be required to the crushing circuit to accommodate the extra throughput and increased annual copper production.

Prominent Hill near mine exploration

Drilling to expand the Prominent Hill Resource beyond its current known boundaries and to identify satellite deposits continued.

Significant copper and gold results were returned from hole PH07D353, approximately 100m east of the open-pit. Better intersections include 16m at 2.4% Cu and 0.6g/t Au from 199m, and 68.8m at 1.3% Cu and 0.8 g/t Au from 348m.

Previously reported results on the same drill section include 71m at 2.3% Cu and 0.5 g/t Au from 336m, and 65m at 1.0g/t Au from 177m. The new results further upgrade the Resource potential of this area, and infill drilling is planned.

Eight hundred metres west of the open-pit, further encouraging results were returned from PH07D344, highlighting the existence of higher grade gold domains. Better results include:

Table 13

Hole	From (m)	Interval (m)	Cu (%)	Au (g/t)
PH07D344	414	13		2.6
incl.	421	6		4.6
	435	44		2.7
incl.	464	15		4.1
	503	31.4	0.6	

Cu: *intercepts are weighted averages calculated using a 0.3% copper cut-off ; maximum internal waste is 2 metres".
Au: *Fire assay, weighted averages of approximate 1 metre sample intervals, 0.5g/t Au lower cut-off, max 2m internal waste".

Additional work in the near mine area included ground gravity surveys over several kilometres both east and west of the open-pit. Initial processing of this newly acquired data has identified several new anomalies representing Prominent Hill-style targets localised along north-west structural trends southeast of the mine.

Prominent Hill regional exploration

Systematic drill testing of both the key geological domains and discrete regional magnetic/gravity targets in the 4,175 km² Prominent Hill tenement area continued. Drilling has defined an easterly continuation of the highly prospective mine sequence geology. Assays are awaited for all holes.

Results returned for earlier drilling at the Neptune prospect, which recorded broad zones of anomalous copper in magnetite-altered volcanics, were generally low tenor and failed to upgrade the prospect.

A detailed airborne magnetic survey was completed over the Mt Woods area to assist ongoing target generation and geological terrain assessment.

Martabe Gold Project

Permitting for the Martabe project proceeded to plan with the AMDAL (Environmental and Social Impact Statement) and Feasibility Study approved during the quarter and the final permit (Construction Permit) applied for in mid-March, with all final approvals expected in April.

Final approval will allow construction to commence immediately. Pending receipt of this permit, earth works are scheduled to commence late in the third quarter or early in fourth quarter of 2008.

Ausenco has been named as the preferred Engineering, Procurement and Construction Management (EPCM) contractor. Ausenco was the EPCM contractor for the Sepon gold operation, and in conjunction with Bateman Limited, for the Sepon copper operation.

Detailed engineering is well underway with the process design fixed and a review of Indonesian based design, engineering, manufacturing and construction underway.

Project works completed during the quarter included planning for the new jetty facility and access road and development of camp facilities.

Martabe near mine exploration

The Purnama Resource model is being updated following completion of an infill drilling program and is expected to improve confidence and confirm previous guidance.

Drilling has commenced to test extensions to the north and south of the Purnama deposit and to test geophysical targets to the west. Results indicate there is additional potential to the north and south of the current Resource with drill results of 18.5m at 4.91g/t gold and 31.8g/t silver from 91.5m, 50m to north west of the planned pit and 43m at 2.98g/t gold and 22.8g/t silver from 21m, 50m to south of the planned pit.

The revised model for the nearby Barani Resource is nearing completion.

Martabe regional exploration

Regional exploration activity increased during the quarter, generating new drill targets, and refining existing geochemical/geophysical targets within the 1,600 km² Martabe Contract of Work area.

A seven hole first pass drilling program was completed at the Natas prospect in the Kapur-Gambir district, 30km south-east of Martabe, targeting gold mineralisation associated with (low sulphidation) epithermal quartz veins assaying up to 7.9g/t gold at surface. Several holes intersected quartz-carbonate veining and assays are pending.

At Natas West, soil sampling returned mostly low gold values. Grid soil sampling and an IP survey are planned to assist drill target definition.

Regional Exploration

Australia

Mt Gibson JV (Legend Mining, Oxiana earning 75%)

Re-logging of historical drill core was completed with a view to base metal targeting. Evaluation of regional targets within the tenement holding continued.

Thailand

Lampang Base Metals JV (Oxiana earning 75%)

Reconnaissance mapping and surface exploration completed at the project area in north-central Thailand confirmed the high potential for Volcanic Hosted Massive Sulphide-style polymetallic base metals deposits. Numerous historical mine workings are present and several new outcrops of base metal mineralisation have been identified. Assays from soil samples and rock chip samples are awaited.

Iron Ore Projects (Oxiana 100%)

Tenement applications for areas prospective for iron ore were made in the previous quarter and are progressing steadily. Field mapping and surface evaluation was ongoing during the quarter with a prospective Banded-Iron-Formation (BIF) horizon extending for up to 8km of strike identified. Follow up magnetic and gravity surveys are planned for the second quarter.

China

Inner Mongolia Aoning Minerals JV (Oxiana 80%)

A Joint Venture contract was signed with the Ningxia Institute of Nuclear Geological Exploration covering a high potential nickel-copper sulphide exploration project in the Jinchuan Nickel belt, Inner Mongolia. Detailed geophysical surveys of prospective areas are planned for the second quarter.

Elsewhere in China, project generation teams continued to assess other base metals opportunities. Several higher priority projects have been identified and these are being actively pursued.

Cambodia

Shin Ha JV (Oxiana 80%)

Diamond drilling has recommenced at the Okvau gold project in north eastern Cambodia to follow up exceptional results reported from the initial program. The first hole completed contains positive visual indications and appears to confirm down-dip continuity of previously intersected high grade mineralisation (including 33m at 9.9g/t gold).

Trench sampling completed 800m north-west of the current drilling area has also returned 14m at 6.5g/t gold.

The Resource potential of this area will be further tested in the second quarter with 5000m of step out drilling planned for Okvau and immediately north at the Oput prospect.

At the Phnom Chi gold project, north-east of Phnom Penh assays from previous drilling returned 7m at 1.5g/t gold from the Rolous prospect and 14m at 1.0g/t gold from the Snongon prospect. Follow-up ground magnetic surveys are planned to better define drill targets. Interpretation of a ground magnetic survey completed at Opau has generated at least one new drill target zone.

Surface evaluation of the Ou Anlong sediment-hosted copper prospect continued. Field mapping has confirmed strong continuity of the prospective geological package over several kilometres of strike and assays are awaited from recently completed soil and stream sediment sampling programs.

Indonesia

Nickel project

During the quarter Oxiana executed an option to acquire a 25% interest in a package of

tenements in Sulawesi, Indonesia, with potential to host substantial nickel laterite deposits. Wide spaced drilling conducted previously on the property has reported ore grades and widths over a large area and an evaluation program is required to establish JORC compliant resource estimates. A US\$2.5 million exploration program will be undertaken in 2008. Oxiana also has a further option under the agreement to increase its share to 75%.

With two nickel laterite projects already in Oxiana's exploration portfolio, and a strategic commitment to diversify further into nickel, Oxiana has approved an investment in a research and development for the development of a proprietary low pressure leaching technology. This technology is aimed at delivering a process with lower capital and operating costs aimed at improving the attractiveness and economics of developing nickel laterite deposits in the future.

Project generation

Detailed data compilations, coupled with regional field reconnaissance mapping and sampling have identified several high priority porphyry copper-gold opportunities over which tenement applications have been submitted.

An exploration office was established in Jakarta.

Corporate

Merger plans with Zinifex

In early March, Oxiana and Zinifex Limited announced plans to merge to create a new diversified mining company.

The merger is to be effected via a Scheme of Arrangement whereby Zinifex shareholders receive 3.1931 Oxiana shares for each Zinifex share they own. This ratio is structured such that the transaction is a merger of equals with the new company to be owned 50% by Oxiana and Zinifex shareholders respectively.

The merger will create Australia's third largest diversified mining company, the world's second largest producer of zinc and a substantial producer of copper, gold and silver.

The company will have a large portfolio of operations, development projects and exploration activities throughout Australia, Asia and North America.

The new company will also have a substantial net cash balance of approximately \$1.9 billion (as at December 31 2007).

The merger is recommended by both the Zinifex and Oxiana Boards and will give the new company greater ability to grow than either of its individual parts.

Subject to court approvals, a meeting to approve the Zinifex Scheme is scheduled for May/June 2008. Subject to receiving other necessary court approvals the merger is expected to be implemented in June/July 2008.

For more information on the merger plans visit www.oxiana.com.au

Financial results

Oxiana announced its full year financial results on 20 February 2008. Oxiana's earnings before interest, tax and depreciation were \$595.1 million for the year to 31 December 2007 and net profit after tax for the Company as a whole was \$318.2 million. After deducting minority interests, the net profit after tax attributable to Oxiana shareholders was \$305.8 million.

Oxiana's balance sheet strengthened, reflecting net assets of \$1.5 billion at year end. The company maintained a low gearing ratio and has no commodity hedging.

For more information on the financial results visit www.oxiana.com.au/FinancialReports.asp

Debt facilities

During the quarter Oxiana drew down US\$220 million under an existing US\$525 million debt facility to finance the development of the Prominent Hill project. In addition, Oxiana has drawn down a newly established short-term debt facility of US\$140 million, primarily for the financing of the Oxiana Prominent Hill project.

Dividends

A final dividend of 4 cents per share unfranked was declared bringing the total dividend for the 2007 financial year to 8 cents per share. The record date for the dividend was 19 March 2008 and the dividend was paid to shareholders on 9 April 2008.

The Dividend Reinvestment Plan (DRP) was available for the dividend and provided a 2.5% discount to market price. The DRP price was \$3.0225 per share and the DRP participation rate was 30%. The dividend was fully underwritten by Morgan Stanley Australia Securities Limited and 13,907,199 shares were issued to their nominee company on the payment date at \$3.10 per share representing no discount to market price.

Annual General Meeting

Oxiana's 2008 Annual General Meeting

Date: Thursday 17th April 2008

Venue: Melbourne Exhibition Centre Auditorium
Level 2, 2 Clarendon St,
Southbank, Victoria

Time: 10am AEST

Registration: From 8.30am AEST

Webcast:

<http://www.oxiana.com.au/AGM2008.asp>

Share Registry

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Level 9, 333 Collins Street
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Telephone:
Australia: 1300 55 44 74
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Corporate Information

Board Members

Barry Cusack	Chairman
Owen Hegarty	Managing Director and CEO
Ronald Beevor	Non Executive Director
Michael Eager	Non Executive Director
Brian Jamieson	Non Executive Director

Executive Committee

Owen Hegarty	Managing Director and CEO
Peter Albert	EGM Asia
David Forsyth	Company Secretary
Russell Griffin	GM Marketing
Peter Lester	EGM Corporate Development
Antony Manini	EGM Exploration & Resources
Stephen Mullen	GM Human Resources
John Nitschke	EGM Australia
Jeff Sells	Chief Financial Officer

Issued share capital

At April 15, 2008

Ordinary shares: 1,566,236,966

Unlisted options: 29,444,280

US\$105,000,000 of convertible bonds still outstanding, which represents 111,111,111 shares to be issued.

Share price activity for the March quarter

High	\$3.97
Low	\$2.58
Last	\$3.17 (15 April 2008)
Average daily volume	16.621 million shares

Registered & principal office

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Within this statement references to Resources and exploration results have been approved for release by Mr A. Manini BSc(Hons), FAusIMM who is a Competent Person as defined by the JORC Code (2004). He has consented to the inclusion of the material in the form and context in which it appears.