

ASX Release

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Zinifex's offer for Allegiance – Jinchuan accepts offer

Today Zinifex Australia Limited ("Zinifex") and Jinchuan Group Ltd ("Jinchuan") announced that Jinchuan had accepted Zinifex's offer for its 10.4% interest in Allegiance Mining NL.

With Jinchuan's acceptance, Zinifex will own more than 90% of Allegiance and will move to compulsorily acquire the outstanding shares and de-list the company.

Zinifex's CEO, Mr Andrew Michelmore, said that Zinifex was very pleased to have gained Jinchuan's support. "We view Jinchuan as a strategic partner particularly given Jinchuan's leading position in China's commodity markets which are growing rapidly. We are excited by the potential for expanding the relationship between the companies in relation to other base metal projects."

Mr Michelmore said that the recently announced merger between Zinifex and Oxiana opens up a whole new suite of possibilities to extend the relationship with Jinchuan. "The merged company will be a substantial producer of copper, nickel, and zinc which are all metals that are part of Jinchuan's business. These markets present multiple opportunities to grow together."

Zinifex assumes a number of the commitments with Jinchuan through its acquisition of Allegiance, including:

1. Zinifex will implement Allegiance's commitments under the "Agreement for the Purchase and Sale of Nickel Concentrate" between Allegiance and Jinchuan, dated 13 April 2006, despite any changes which have occurred in respect of Allegiance, including but not limited to delisting, shareholders' changing, capital reorganisation, company's merger and acquisition etc.

The first delivery of concentrate from the Avebury nickel mine to Jinchuan is expected in June or July 2008.

2. Zinifex will also implement Allegiance's commitments under the "Agreement for Purchase and Sale of All Mineral Products – Tasmania Projects (other than Avebury)" between Allegiance and Jinchuan, dated 30 April 2006, (the Agreement). Zinifex undertakes that all the nickel resources discovered in Tasmania within the Agreement area will be produced and delivered to Jinchuan in accordance with the Agreement. Mineral products that are produced from Zinifex's Rosebery mine and any discoveries arising on Zinifex's existing Tasmanian exploration tenements (as shown in Annex 1) are excluded from the above Agreement.



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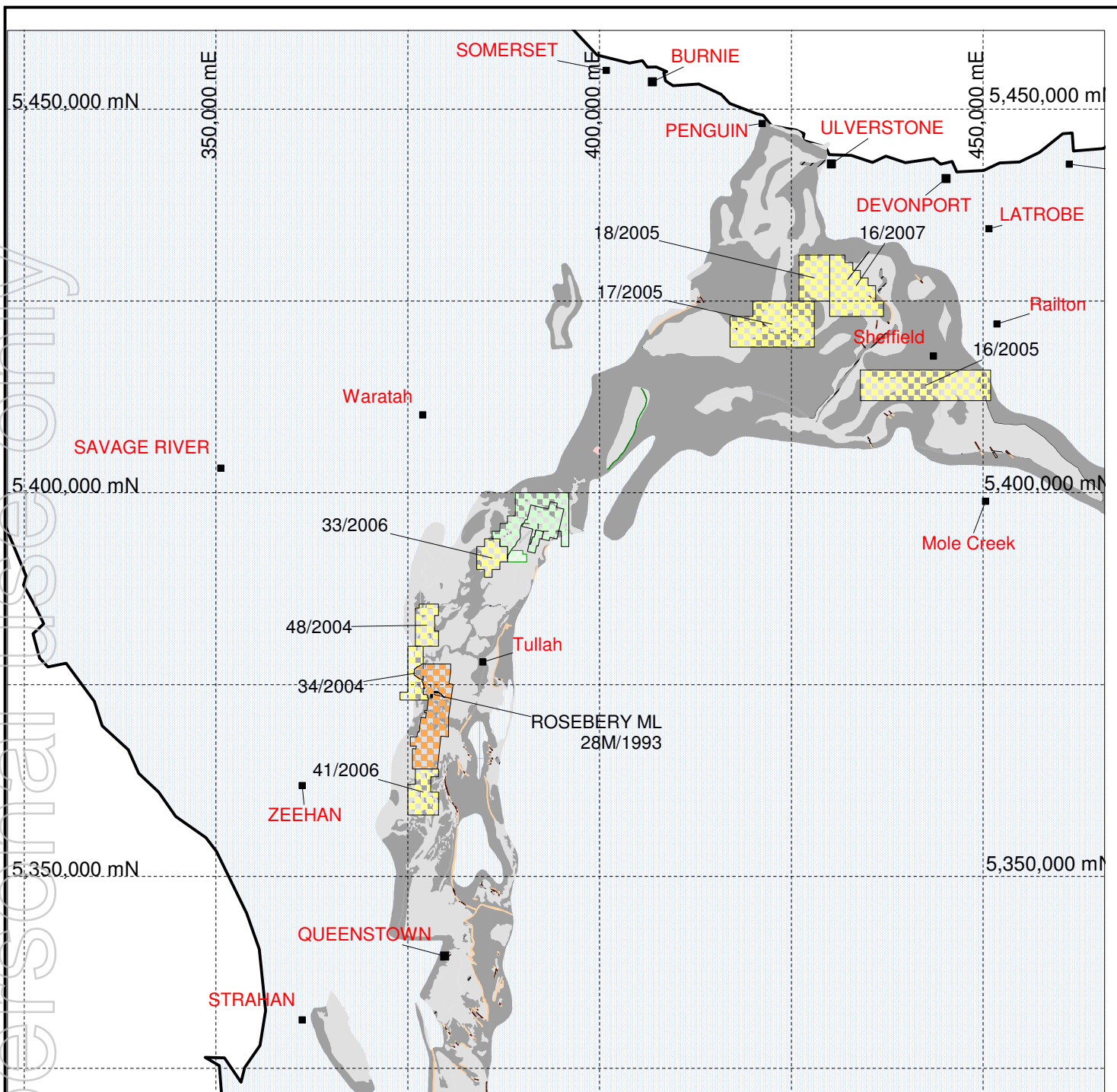
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3. Plans to expand nickel production at Avebury and increase exploration with the aim of extending the mine life. All of the increased output would be delivered to Jinchuan under the existing supply contract.
 4. Enhancing the performance of Avebury and our joint expertise in nickel mining and processing, through technical collaboration, sharing of operating information and bilateral site visits.

Zinifex's Offer for Allegiance mining is currently scheduled to close at 7pm on 16 May 2008 and will not be extended. Any Allegiance shareholders who have not already done so are encouraged to accept the Offer before it closes.




Accepting shareholders will be **paid within 5 business days** of receipt of a valid acceptance. Payment for shares acquired compulsorily after the Offer closes could take significantly longer than by accepting the Offer. If Allegiance shareholders have any queries in relation to how to accept the offer or any other matter relating to the takeover bid, please contact the Zinifex offer information line on 1300 658 985 (within Australia) and +61 2 8986 9352 (outside Australia).

For more information contact:

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LEGEND:

-  = Zinifex Exploration Licences
-  = Zinifex Mining Lease
-  = Hellyer JV tenements (Bass Metals)



AUTHOR: DJH
 DATE: April, 2008
 Plan
 Drawn: DJH
 Ref:
 Projection: AMG z55 (AGD66)

**TASMANIAN EXPLORATION
 TENEMENT LOCATION DIAGRAM
 DRAPED ON Mt READ VOLCANICS**

current at: 30 April, 2008

Scale: 1:750,000