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## AUSTRALIAN STOCK EXCHANGE AND MEDIA RELEASE

### OXIANA EXPANDS ITS INDONESIAN STRATEGY IN AGREEMENT WITH PT ANTAM

**Oxiana Limited (ASX: OXR) has executed a Memorandum of Understanding (“MOU”) with the major Indonesian mining company PT Antam Tbk (“Antam”). Execution of the MOU represents an important step in Oxiana’s broader strategy in developing a strong presence in the highly prospective mining environment in Indonesia.**

The basis of the MOU is the agreement of both Companies to cooperate in examining opportunities and form joint ventures or other cooperative ventures for the exploration, development and operation of precious or base metal or bulk commodity projects within Indonesia.

The first transaction to be considered under the MOU is the acquisition by Antam of an interest in Oxiana’s Martabe gold and silver project in the Indonesian Province of North Sumatra. Subject to the approval of both Boards, the completion of necessary documentation and approval of relevant Indonesian Government authorities, Oxiana will:

- Sell 10% of the Martabe project to Antam for US\$66.5 million, which is based on the independent valuation of the project recently completed by Grant Samuel (published in the Zinifex Scheme of Arrangement Explanatory Memorandum).
- Grant an option (“the first option”) to Antam to enable Antam to acquire a further 10% of the Martabe project for a further US\$66.5 million, subject to adjustments for movements in the market prices for gold and silver, operating and capital costs and other matters on successful commissioning of the project.
- Grant a further option to Antam to enable Antam to acquire a further 5% of the Martabe project for a consideration based on the market value of the project at the time. This further option is subject to Oxiana approving the expansion of the Martabe project to an annual production rate of not less than 300,000 ounces of gold equivalent production per annum. The current approved annual production rate for the Martabe project is 250,000 ounces of gold equivalent per annum.

Antam will contribute its proportionate share of the development costs for the Martabe project following transfer of the interest.

Antam is one of Indonesia’s largest mining companies and its vertically integrated operations include exploration, development, mining, refining, processing and marketing. Antam’s expertise and place in the Indonesian mining sector makes it an excellent strategic partner for Oxiana as it aims to expand its business in Indonesia.

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## About the Martabe Project

Oxiana is currently constructing the Martabe gold operation in Northern Sumatra, Indonesia, at an estimated capital cost of US\$310 million. Mining will be via open-pit and is initially based on a resource of 6 million ounces of gold and 60 million ounces of silver. Planned annual production from Martabe will be 200,000oz of gold and 2 million ounces of silver. Commissioning and early production is on schedule for late 2009 with the first full year of production in 2010. Initial mine life at Martabe is 9 years with potential for extensions to the deposit in the near mine environment and for the discovery of further deposits in the greater 1600km<sup>2</sup> Contract of Work area held by Oxiana.

## About Oxiana:

Oxiana is an international mining and exploration company listed on the Australian Stock Exchange.

Shareholder and Court approvals for a merger between Oxiana and fellow Australian based miner Zinifex Limited were obtained last week. The new Company, which will be re-named OZ Minerals – drawing on the heritage of both Oxiana and Zinifex – subject to the approval of shareholders at an extraordinary General Meeting to be held on 18 July 2008, is now Australia's third largest diversified mining company and the world's second largest producer of zinc as well as a substantial producer of copper, lead, gold and silver.

With a strong production base, attractive development pipeline, prospective exploration portfolio and a sound financial position, the merged Company is well-positioned to succeed, especially in the current environment defined by growing world-wide demand for all basic commodities.

The company currently has five mining operations located in Australia and Asia, three new mining projects in development and a large portfolio of exploration projects throughout Australia, Asia and North America.

## About Antam:

Antam (ASX: ATM, IDX: ANTM) is a major diversified Indonesian mining company. It is 65% owned by the Government of Indonesia, with the balance of its equity listed on the Indonesia and Australian Stock Exchanges. Antam's market capitalisation, based on 100% of its shares on issue, is US\$3.3 billion. Antam's activities are vertically integrated through exploration, development, mining, refining and processing, and marketing. Its current operations include activities in precious metals, nickel and bauxite. Antam operates the Pongkor gold underground mine in West Java, Indonesia.

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