



OZ MINERALS CORPORATE UPDATE

September 2010

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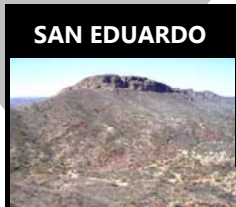
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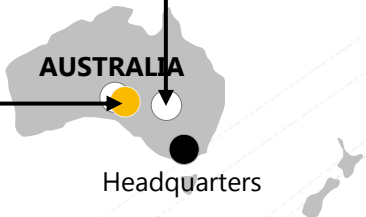
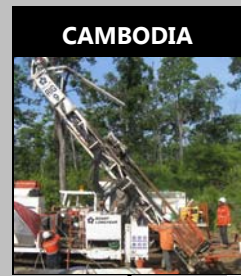
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MEXICO



Operation

Exploration

OZ MINERALS - SNAPSHOT



OZ Minerals relative share price performance vs. S&P/ASX 200



~A\$3.9b:

Market capitalisation.

Prominent Hill:

Open-pit copper and gold operation.

Underground development underway.

Exploration:

Priority area – Prominent Hill.
Advanced gold project in Cambodia.

Further global and regional opportunities.

Business Development:

Recent acquisition 19.9% of Sandfire Resources NL.

Pursuing other opportunities.

A\$1.43b:

Cash at 30 June 1010

US\$105m convertible bond only debt.

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- Focus on Copper
- Maximise value from Prominent Hill.
- Growing our pipeline – through acquisitions and exploration.
- Exploration is a core business.
- Disciplined capital management.
- Well placed for opportunity.

HALF-YEAR FINANCIAL RESULTS



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	A\$M	H1 2010
Prominent Hill Revenue		589.9
Prominent Hill EBITDA		391.2
Underlying net profit (excl, reversal of impairment & discontinued operations)		230.5
Reversal of Impairment (less tax impact)		141.1
Discontinued operations after tax		34.1
Group NPAT		405.7
Cash balance at 30 June		\$1,432.5
Tax losses remaining at 30 June		\$307 million
Dividend (unfranked)		3 cps

Solid production and buoyant commodity prices

Strong cash flow

Non-recurring

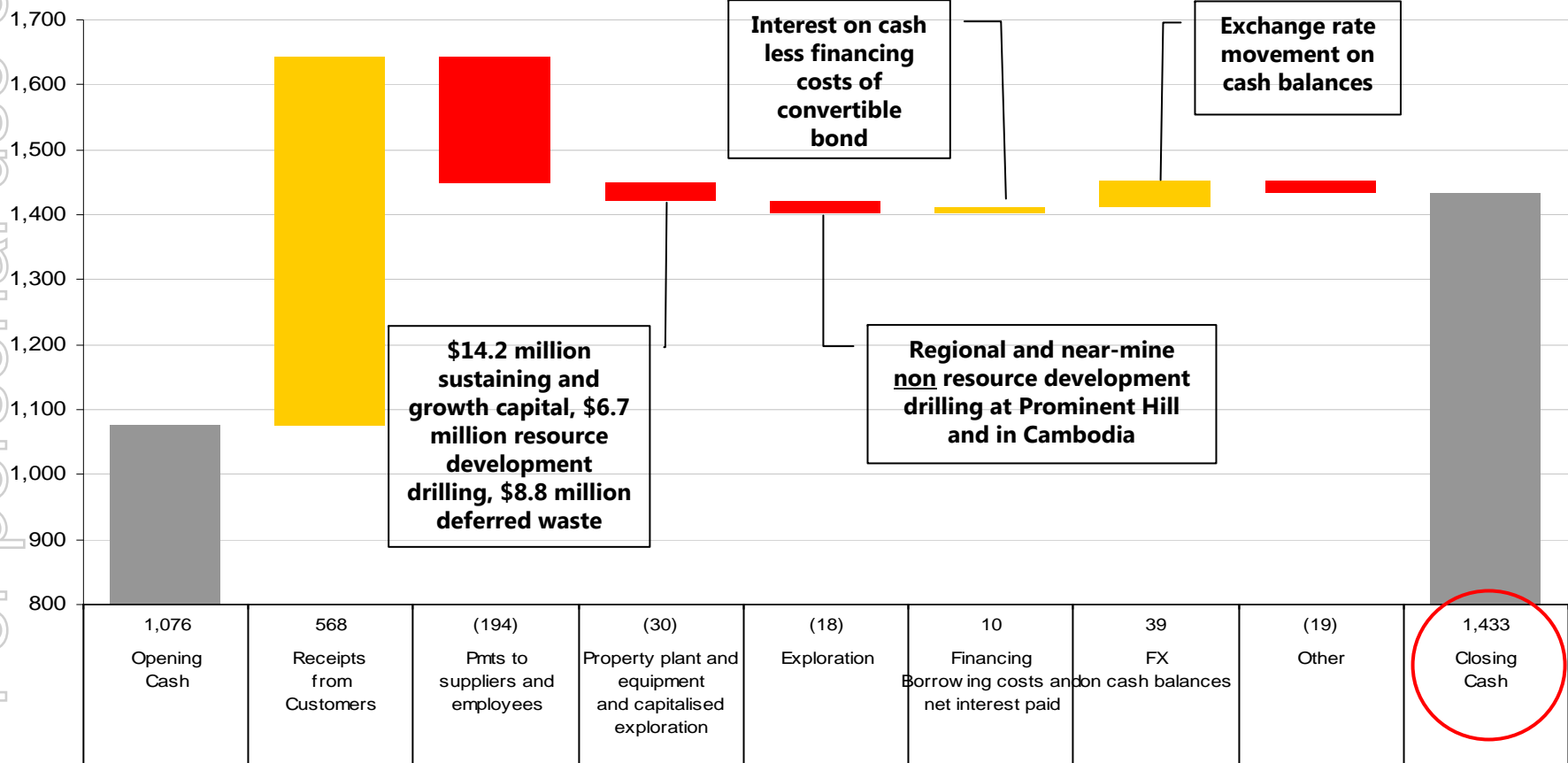
Related to 2009 asset sales

CASH FLOW H1 2010



(A\$M)

CASH FLOW FOR THE HALF ENDED 30 JUNE 2010



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CASH/DEBT SUMMARY



- Cash position A\$1,433 million at June
 - Cash holdings of US\$692.7 million (A\$816.9 million equivalent) & A\$615.6 million
 - Invested with highly rated counterparties with short term Standard & Poors rating of A 1+(or equiv.)
- Convertible bond terms
 - Face value US\$105 million
 - Interest: 5.25% p.a. payable semi-annually in arrears
 - Maturity Date: 15 April 2012; classified as a Non Current Liability

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PROMINENT HILL SITE



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PROMINENT HILL PRODUCTION



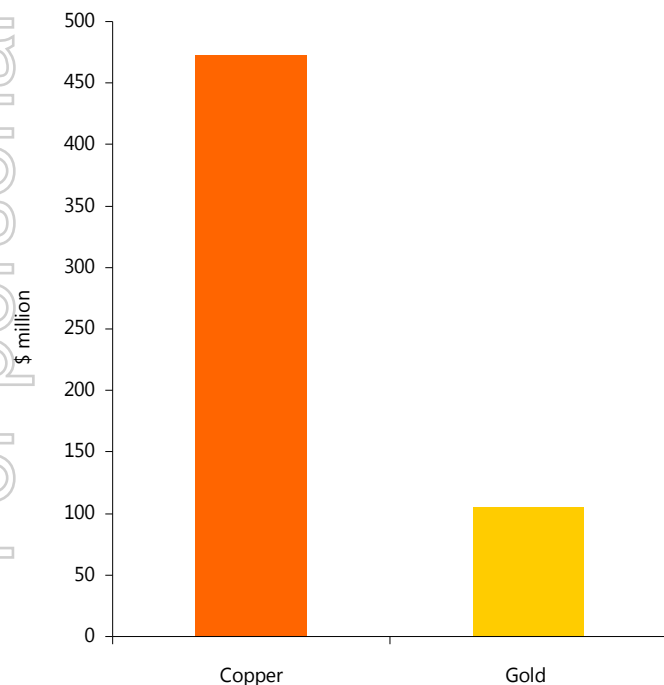
Product:	High grade (+50% Cu), high quality, copper concentrate.
Production Guidance:	Contained Copper 100,000t to 110,000t (2010-12) 160,000oz to 170,000oz gold (2010).
Production 2009:	96,310t contained copper, 75,535oz gold.
Production (first half 2010):	60,145t contained copper, 90,821oz gold.
Mine and Plant:	55Mtpa open pit, 5-6:1 (waste to ore, tonnes basis), 8.8Mtpa crush, grind, flotation.
Remaining mine life:	8 years for open pit.
Cash costs:	Competitive C1 cash costs (first half 2010) US49.1c/lb.
Estimated C1 costs 2010:	US\$0.65 – US\$0.75/lb.
Workforce:	Approximately 800 (including contractors).

PROMINENT HILL - FIRST HALF PERFORMANCE

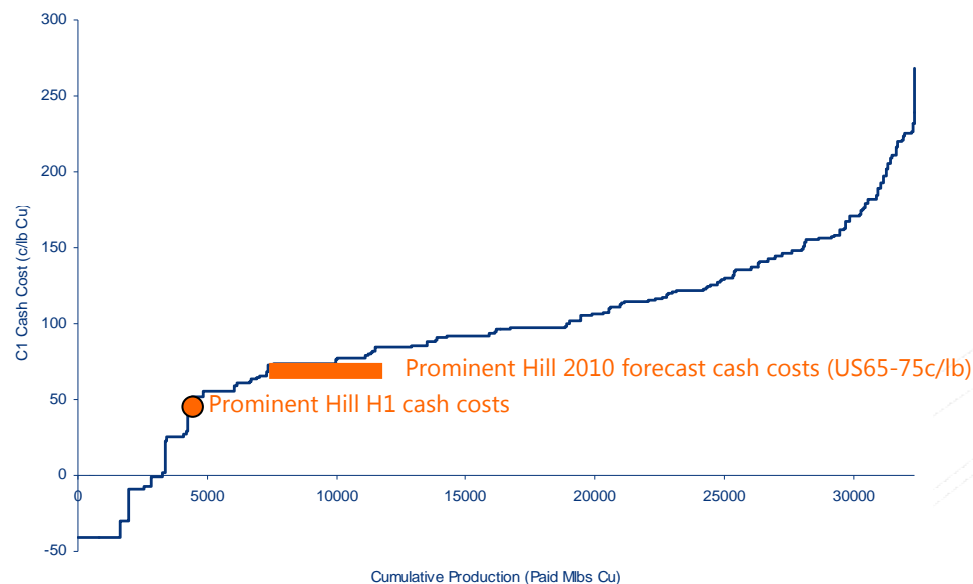


- Strong first half production from Prominent Hill of 60,145t of copper and 90,821oz of gold at competitive C1 cash costs of US49.1c/lb.
- Revenue from Prominent Hill of A\$589.9 million for the first half of 2010.

Revenue by commodity



Competitive cash costs



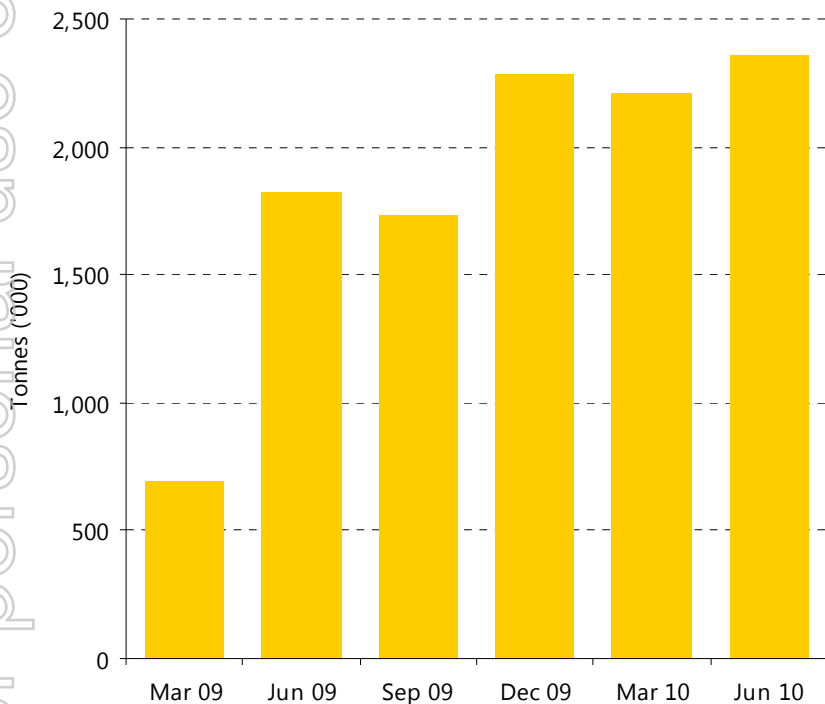
Source: Brook Hunt, Macquarie

PROMINENT HILL PLANT PERFORMING WELL

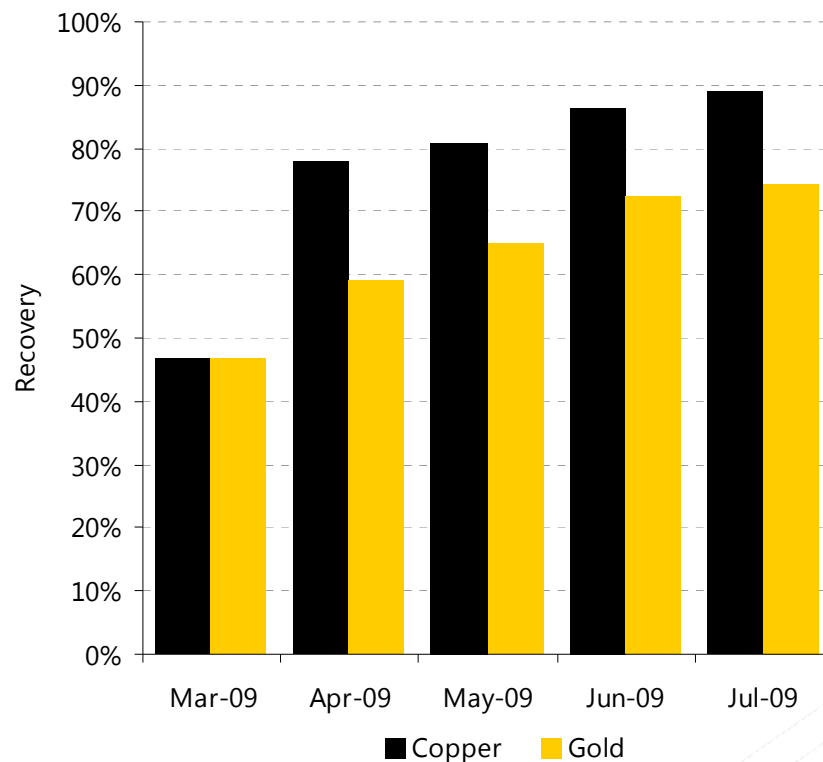


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Ore Milled



Recovery



- Plant performance above design capacity.
- Projects to increase throughput underway.

- Pleasing recoveries, better than laboratory expectations.



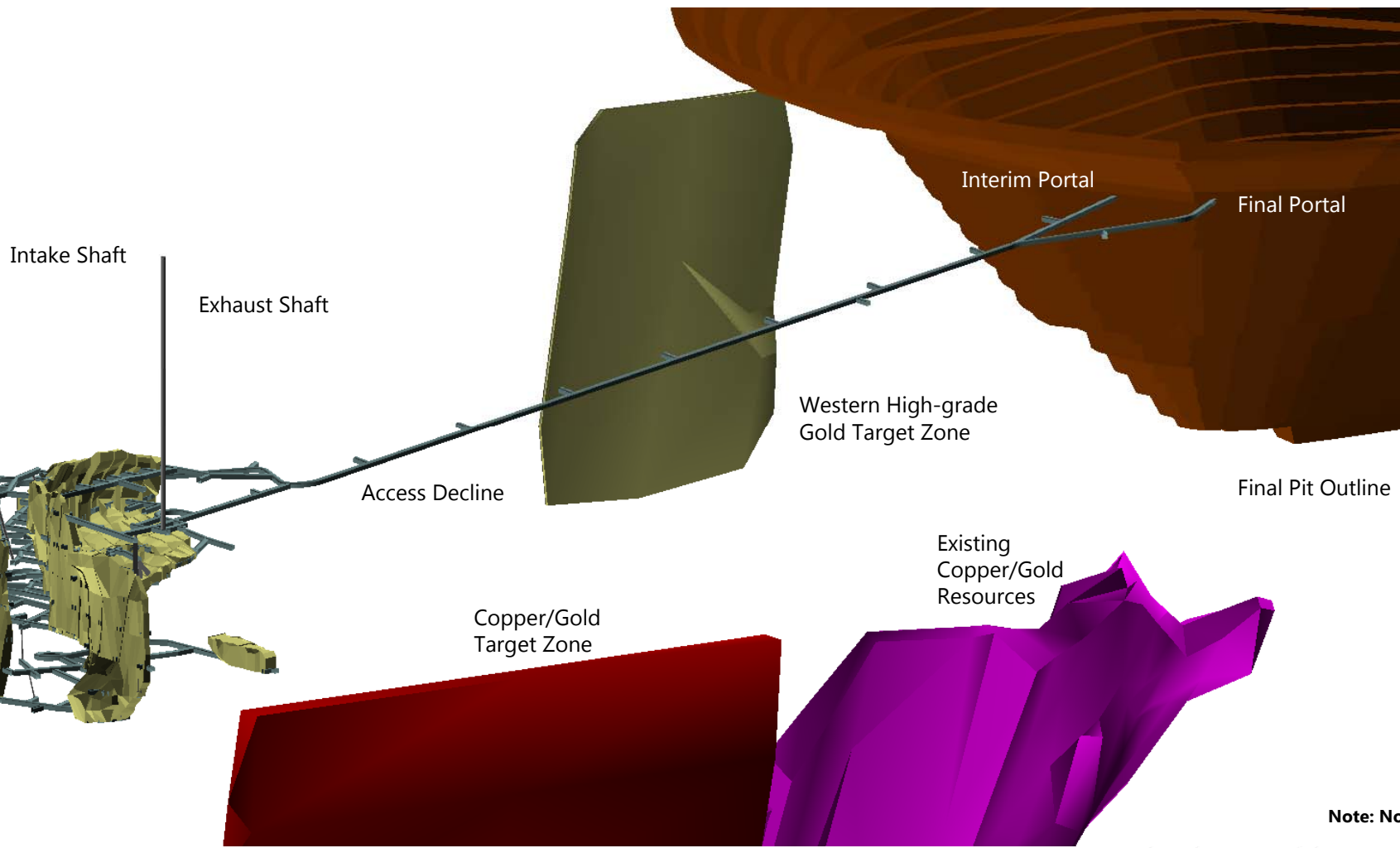
High quality concentrate

- Currently highest grade copper concentrate traded on the open market – over 50% copper.
- Ideal for blending with lower grade concentrates.
- Low impurities.
- 2-5 year contracts with customers in Europe, India and China.
- Strategy is to maintain 80-90% contracted.

WESTERN COPPER UNDERGROUND DEVELOPMENT AT PROMINENT HILL



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Note: Not to Scale

WESTERN COPPER UNDERGROUND – MILESTONES



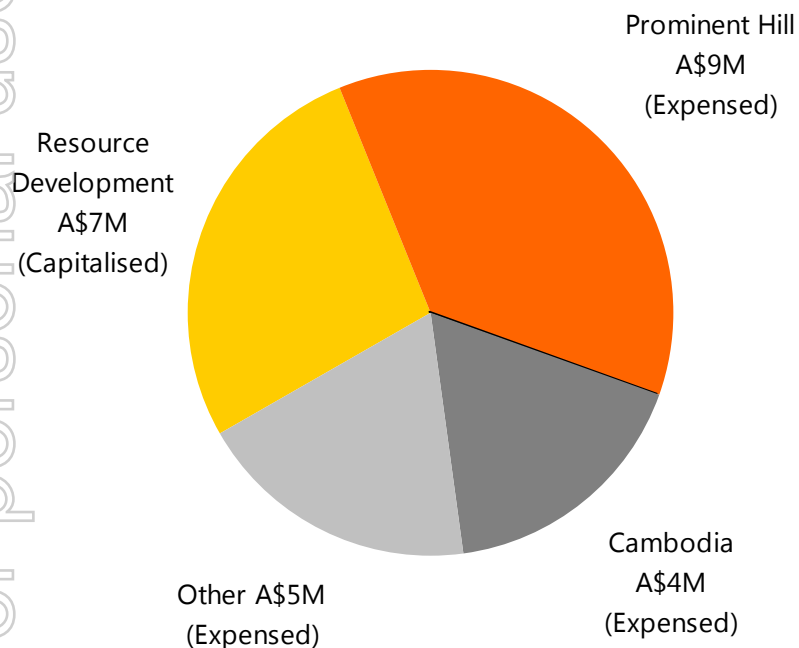
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- Maximising the value of Prominent Hill.
- Increases copper production ability, to maintain current production levels - Additional 25,000t/a copper, 12,000oz/a gold.
- Competitive cash costs less than \$US1.25/lb.
- Creates a platform for deeper exploration.
- Works commenced July 2010.
- Pre-production expenditure - A\$135M - A\$30M in H2, A\$105M in 2011.

Vent Shaft Construction	●									
Portal Establishment		●								
Development Start			●							
First Ore					●					
First Stope							●			
Full Production									●	
	Q3 2010	Q4 2011	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012

EXPLORATION – ACTIVE PROGRAM

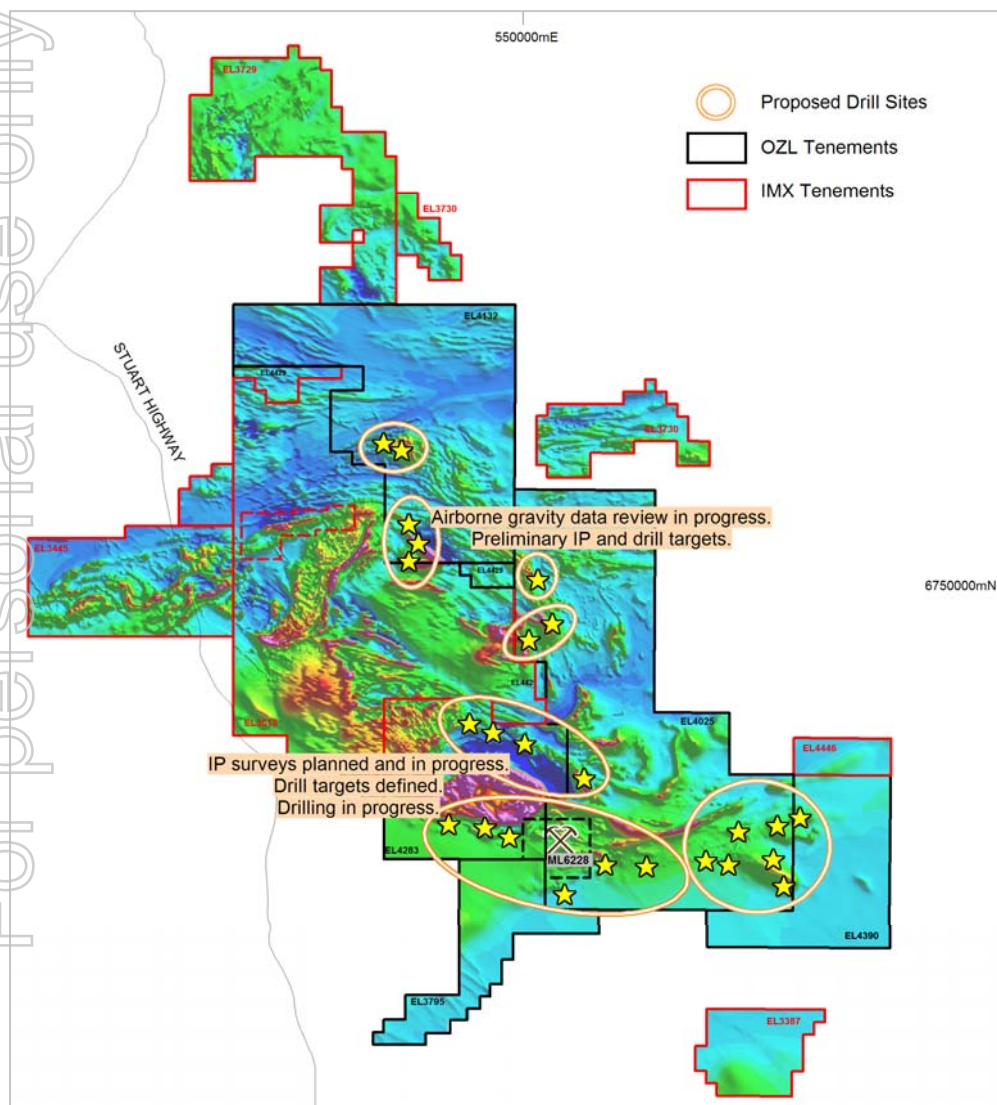
2010 H1 Exploration & Resource Development Spend



- Significant exploration budget and commitment.
- Focussed on Prominent Hill.
- A\$25 million global spend in H1.
- A\$16 million spent at Prominent Hill H1.
- Total budget for 2010 A\$55 million.
- Drilling to increase at Prominent Hill.

EXPLORATION - PROMINENT HILL AREA

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- Large 4,000km² 100% owned, under-explored tenement holding, highly prospective for IOCG deposits.
- Now in early stages of program of geophysics and drilling.
- Several broad zones of IOCG-style alteration systems have been intersected with low-grade mineralisation.
- Joint Venture Agreement with IMX Resources extends available exploration area to ~ 7,000km².
- 51% stake in JV now - expenditure of \$20 million over next 5 years required.

• Cambodia – Okvau advanced gold exploration project.

- 605,500oz Resource announced in June 2010

- Drilling to increase Resource to a target of 2Moz.

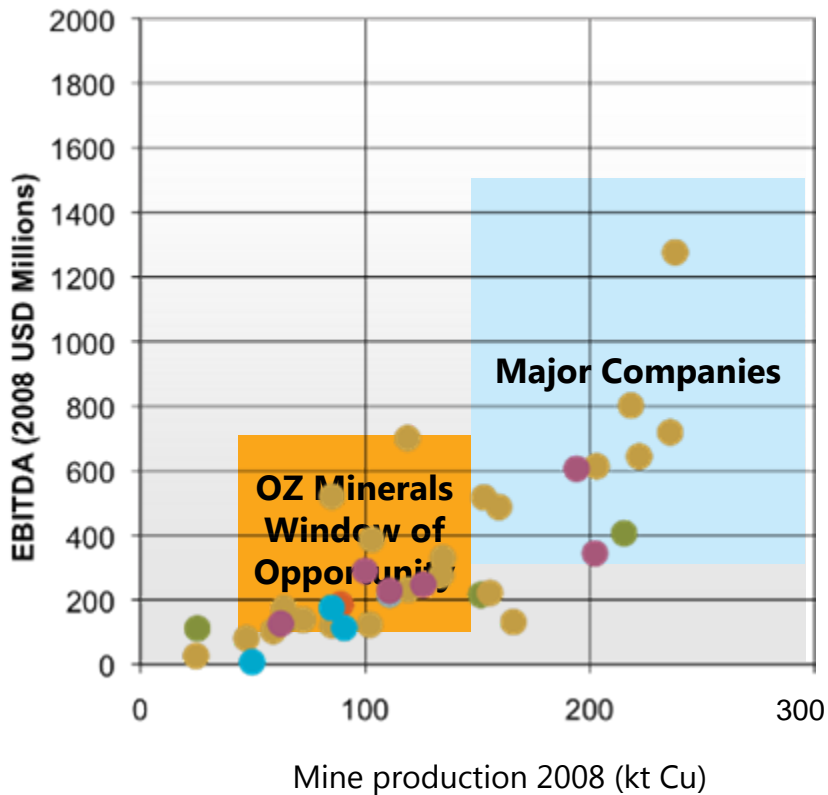
• San Eduardo – joint venture with Azure in Mexico targeting porphyry copper.

• Cobar Basin – 3400 km² of exploration ground covering a number of well defined geophysical and geological targets and unexplored ground.

• Drilling to commence before year end.

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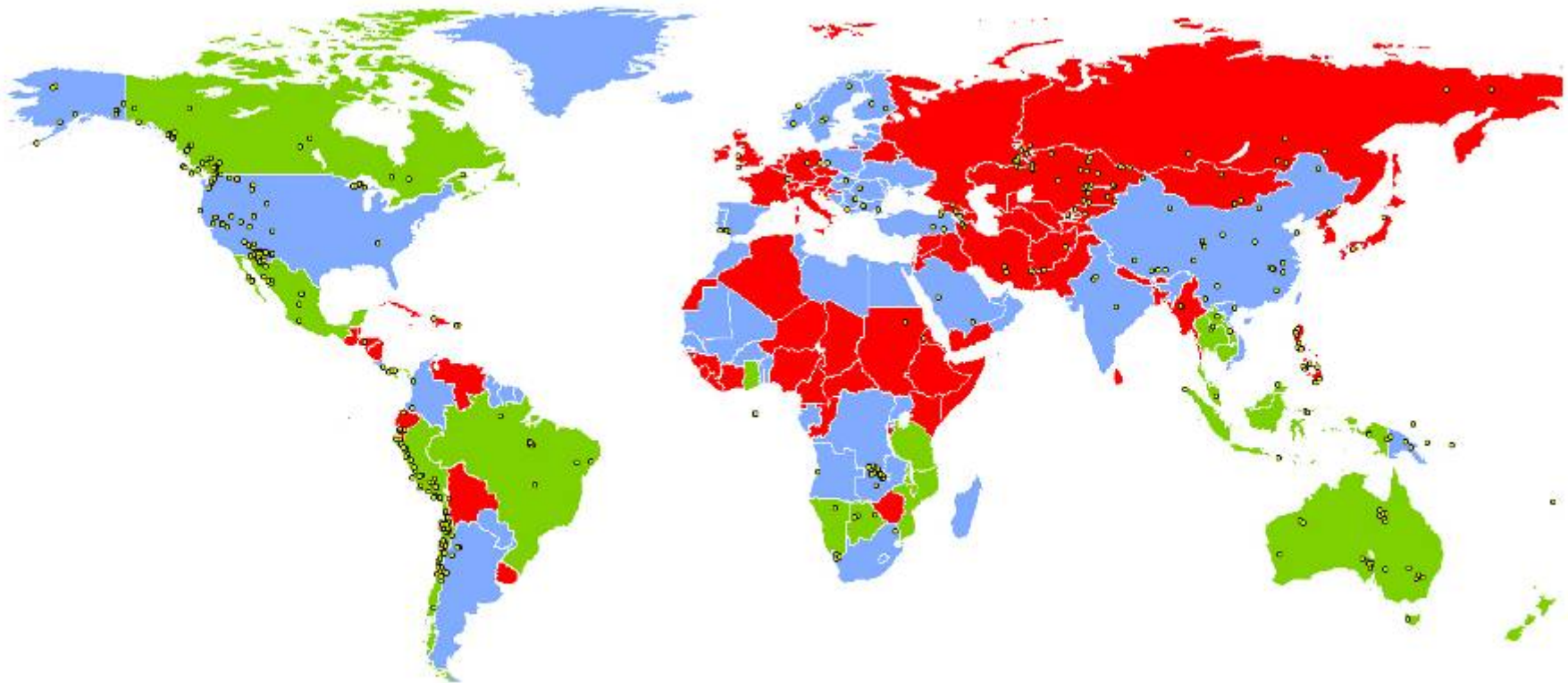
GLOBAL COPPER DEPOSITS – EBITDA VS PRODUCTION



- 50-150ktpa represents a “Window of Opportunity.”
- 50-150ktpa is a scale which can make a material difference to OZ Minerals.
- 50-150ktpa copper mines are often too small for the major companies but have significant technical, financial and marketing challenges for smaller companies.
- Assessing targets in ‘low’ to ‘medium’ risk jurisdictions.

COPPER OPPORTUNITIES – PREFERRED JURISDICTIONS

Most copper operations and projects, excluding the FSU, are located in low-moderate risk geographical jurisdictions (green & blue) which is mostly where OZ Minerals will focus.



Global distribution of copper resources containing > 500 kt of copper

Source: MinEx, MEG, OZ Minerals

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SANDFIRE RESOURCES NL STRATEGIC STAKE

- July 2010 acquisition of 19.9% strategic stake in Sandfire Resources for ~\$100 million.
- Opportunity arose to acquire from major shareholders/institutional investors.
- DeGrussa copper discovery highly regarded.
- Aligned with OZ Minerals strategy – copper, high quality asset, production potential in OZ Minerals window of opportunity.

Copper discovery at Doolgunna:

- Recent stand-out high-grade copper discovery.
- VMS style deposit.
- Current resource: **9.6Mt @ 5.5% Cu, 1.8g/t Au** (533,000t Cu, 559,000oz Au).
- Recent results continue to confirm prospectivity with discovery of new zone.



SUMMARY



- High quality copper asset at Prominent Hill
 - strong H1 production performance
 - competitive cash costs
 - new underground development
 - exploration near mine and regional
- Significant cash holdings
 - A\$1.43 billion
- Active business development
 - clear strategy
 - disciplined approach
 - flexibility of cash
 - recent acquisition of 19.9% of Sandfire Resources NL
- Commitment to adding value through exploration
 - A\$55 million budget for 2010
 - focus on large prospective area around Prominent Hill
- Strongly performing commodities
 - good outlook for copper and gold

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BALANCE SHEET - SUMMARY



A\$M	Consolidated Jun '10	Consolidated Dec '09
Assets		
Cash	1,432.5	1,076.2
Receivables	169.7	137.2
Inventories	186.4	206.0
Other	78.1	174.5
Property plant & equipment	1,354.3	1,203.3
Total Assets	3,221.0	2,797.2
Liabilities		
Creditors	59.6	107.2
Interest bearing liabilities	118.2	110.8
Net deferred tax liability	63.7	-
Provisions	11.2	14.5
Total Liabilities	252.7	232.5
Net Assets	2,968.3	2,564.7

Increase in cash of \$356.3 million

A\$M	H1 2010
Opening balance	1203.3
Cash additions	29.7
Other adjustments	-2.3
Reversal of asset impairment	201.1
Impairment of assets	-10.7
Depreciation	-66.8
Closing balance	1354.3

OPERATING SEGMENT - PROMINENT HILL MINE



A\$M	H1 '10	H1 '09*	H2 '09	2009
Revenue	589.9	89.6	518.9	608.5
Cost of goods sold	(181.8)	(27.7)	(150.6)	(178.3)
Net foreign exchange gains/(losses)	9.8	(16.9)	(7.7)	(24.6)
Exploration expense	(9.0)	-	(5.2)	(5.2)
Other expenses	(17.7)	(4.8)	(14.7)	(19.5)
EBITDA	391.2	40.2	340.7	380.9
Depreciation and amortisation	(66.6)	(20.8)	(59.4)	(80.2)
EBIT (pre impairment)	324.6	19.4	281.3	300.7
Reversal of impairment	201.1	-	-	-
Impairment of assets	(10.7)	-	-	-
EBIT	515.0	19.4	281.3	300.7
Net financing expense	(0.5)	-	(0.7)	(0.7)
Income tax expense	(157.3)	(5.8)	(91.6)	(97.4)
NPAT	357.2	13.6	189.0	202.6

Increased revenue over H2 2010 due to higher commodity prices and gold production

No cash payment due to tax losses

* 2 months of production only

- Competitive C1 cash costs of US49.1 cents due to strong gold by product credits associated with high gold grade, recovery and prices.

TAX STATUS



• Opening net deferred tax asset at 31 December 2009 (Includes asset of A\$177 million = A\$591million losses @ 30%)	A\$93 million
<u>Add:</u>	
• Tax expense on operating result & discontinued operations and adjustments for earlier periods	(A\$99 million)
• Deferred tax liability on reversal of impairment	(A\$60 million)
• Tax payment – franking deficit tax	A\$3 million
• Closing net deferred tax liability at 30 June 2010	<u>(A\$63 million)</u>
(Includes asset of \$92 million = \$307 million losses @ 30%)	
• Remaining \$307 million losses expected to be recouped during 2011	

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REVERSAL OF IMPAIRMENT



- Prominent Hill asset originally impaired in December 2008 Financial Report.
- Factors considered in determining reversal of impairment as at June 2010 included:
 - Improved outlook for the economy and copper market since Dec 2008.
 - Strong production and financial results at Prominent Hill.
 - Market valuation of Prominent Hill.
- Impairment reversal is in accordance with AASB 136 Impairment of Assets.
- Impairment reversal writes back PH asset value by A\$201.1 million, offset by deferred tax liability of A\$60.0 million = Net P&L increase: A\$141.1 million.
- Adjustment is non-cash and does not form part of operating earnings.
- Higher asset value will increase future accounting depreciation.

SENSITIVITIES



Sensitivities of Prominent Hill EBIT in \$ million for period July to December 2010.

AUD:USD +/- 1c	Copper +/- 5%	Gold +/- 5%
6.1	20.4	6.4

Based on prices as at June 30

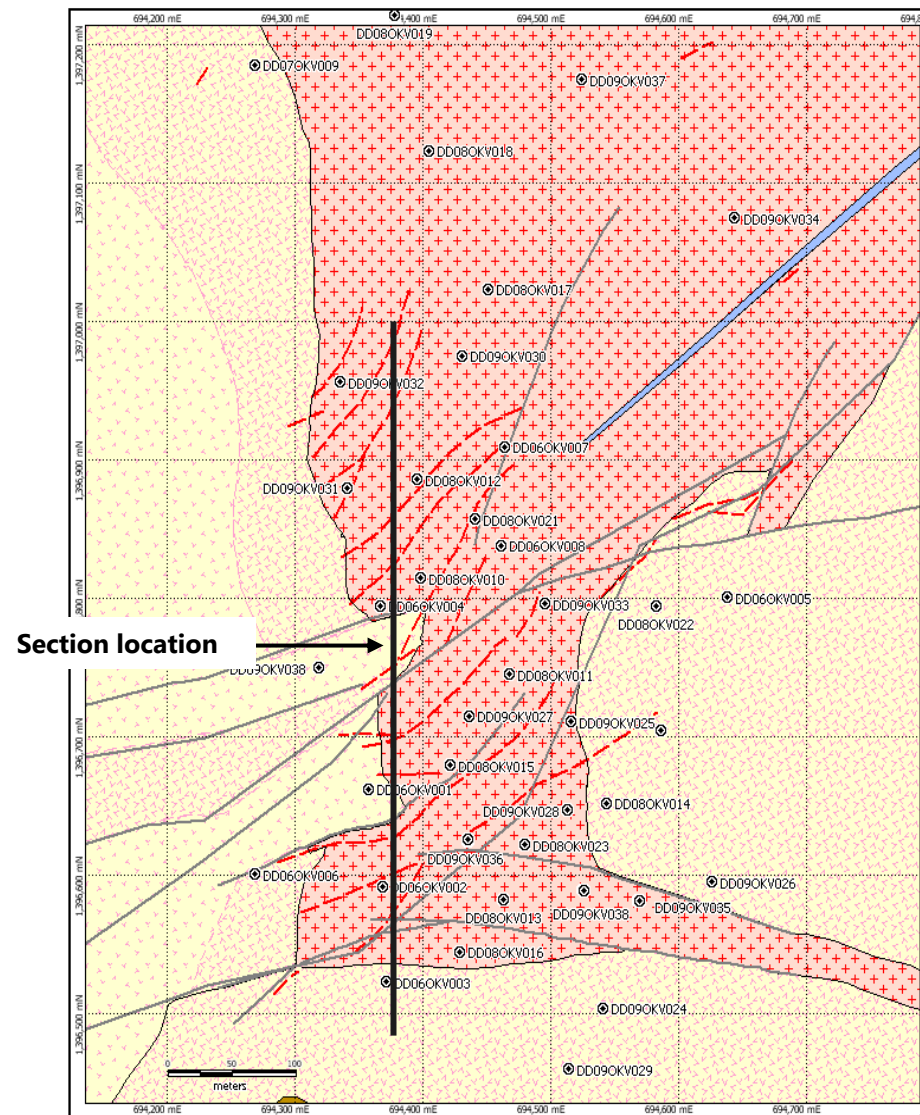
Copper	US\$2.96/lb
Gold	US\$1,242/oz
Silver	US\$18.74/oz
AUD:USD	0.8480

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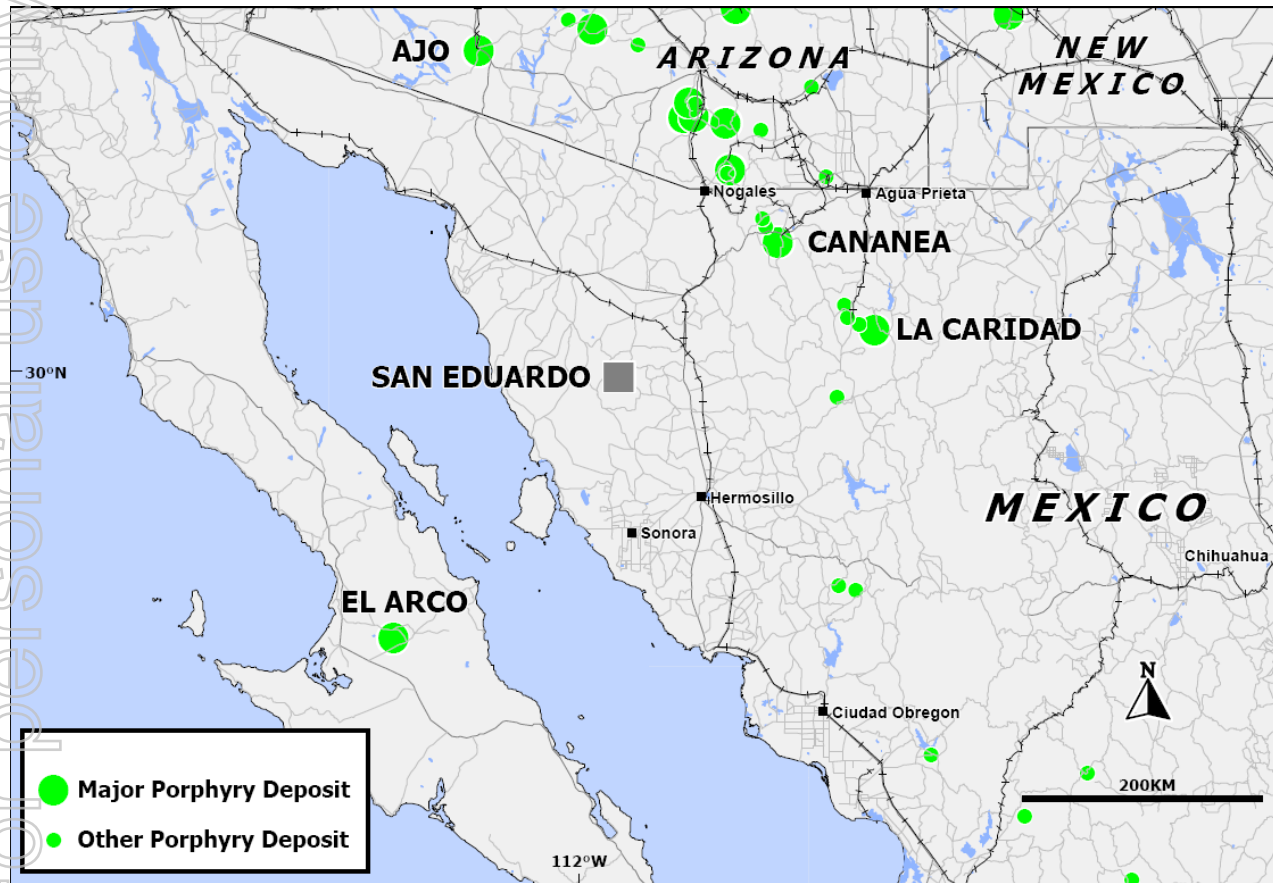
CAMBODIA – OKVAU ADVANCED GOLD PROJECT



- Advanced gold exploration project.
- 605,000oz Resource announced in June 2010.
- Drilling to increase Resource to a target of 2Moz.



SAN EDUARDO EXPLORATION JOINT VENTURE – PORPHYRY COPPER TARGET



- Targeting porphyry copper
- 2010 program
 - mapping
 - soil sampling
 - magnetic survey
 - radiometric survey
 - IP survey drilling
- Azure to manage stage 1
- 2010 – minimum expenditure US\$300,000
- If OZ Minerals elects to continue expenditure of \$3million over the next three years will earn the Company 51%.
- Expenditure of a further \$10 million to earn a further 19%

RESERVES & RESOURCES



Open pit reserves : 75.7Mt @ 1.19% Cu, 0.59g/t Au (0.9Mt Cu, 1.4Moz Au).

Western Copper underground reserves : 4.5Mt @ 2.53% Cu, 0.49g/t Au (115kt Cu, 71koz Au).

Copper-gold resources: 189.7Mt @ 1.32% Cu, 0.5g/t Au (2.5Mt Cu, 2.9 Moz Au).

Gold only resources: 78.8Mt @ 0.06% Cu, 1.4g/t Au (0.05Mt Cu, 3.4Moz Au).

Western copper underground resources: 10.3Mt @ 1.84% Cu, 0.34g/t Au (189kt Cu, 114koz Au).

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