

Ok Tedi Mining Limited

Second Quarter Results (Period Ended 30 June 2006)

	2nd Quarter		Year to date	
	2006	2005	2006	2005
Production				
Head grade copper (%)	0.74	0.87	0.82	0.90
Head grade gold (grams per tonne)	0.80	0.91	0.88	0.92
Mill Throughput ('000 tonnes)	7,483	6,646	14,148	12,690
Copper (tonnes)	48,460	48,745	99,779	94,367
Gold (oz)	144,168	139,155	282,564	272,541
Sales				
Concentrate (tonnes)	193,788	153,454	346,307	355,094
Contained copper (tonnes)	54,843	45,525	100,502	103,019
Contained gold (oz)	155,131	125,684	275,916	287,442

Production

Copper production for the quarter was similar to that of the corresponding quarter of 2005, with lower grades being offset by higher mill throughput. The high mill throughput was a reflection of the improved performance in the mills, softer ore blend and higher recoveries for the period.

Sales

Second quarter 2006 sales were 26.3% higher than the corresponding period for 2005 with high rainfall and river levels resulting in no constraints to ship movement on the Fly River.

Environment

During the quarter, the company's Board gave in principle approval to the proposed project to remove pyrite from the tailings stream by flotation, piping of concentrate to the company's dredging site at Bige and storage in a sub-aqueous environment covered by non-acid forming sands. The estimated capital cost is around US\$150 million with on-going operating costs of \$15 - \$25 million per annum. The company is targeting finalisation of costings in the 3rd quarter with commencement of construction in the 4th quarter and completion before the end of 2007.

Negotiations are underway with the impacted communities for a review of the benefits they receive from the mine. It is intended that those negotiations will be successfully completed by early 2007.