

## Ok Tedi Mining Limited

### Second Quarter Results (Period Ended 30 June 2007)

	2nd Quarter		Year To Date	
	2007	2006	2007	2006
<b>Production</b>				
Head grade copper (%)	0.67	0.74	0.74	0.82
Head grade gold (grams per tonne)	0.75	0.82	0.79	0.88
Mill Throughput ('000 tonnes)	6,418	7,483	13,011	14,148
Contained copper (tonnes)	37,186	48,460	82,527	99,779
Contained gold (oz)	109,303	144,173	236,027	282,564
<b>Sales</b>				
Concentrate (tonnes)	203,543	193,788	391,408	346,307
Contained copper (tonnes)	56,861	54,843	109,960	100,502
Contained gold (oz)	161,599	155,131	306,939	275,916

#### **Production**

Copper and gold production for the quarter was 23% and 24% lower respectively compared to that of the corresponding quarter for 2006. Production for the first half of the year was 17% lower for copper and 16% lower for gold compared to the same period for 2006. Production was impacted by a combination of lower ore grades and throughput.

#### **Sales**

Export shipments of copper/gold concentrates were 5% higher for the second quarter of 2007 compared to the same period for 2006. There were no navigability constraints in the Fly river system as rainfall was high for the first half of the year.

#### **Environment**

Work has commenced on the process plant building for the Mine Waste and Tailings Project to extract pyrite from Mill tailings and pipe to the storage area near the lower Ok Tedi. Half of the line pipe has been received on site and dredging of the access channel to the storage site is about 50% complete.

Design has reached 70% which has resulted in commitments of US\$88.3 million or 57% of the current forecast total cost of US\$153.6 million. The targeted completion date remains as the 2nd quarter of 2008.

The project team has recruited 18 personnel and a total of 48 contractor personnel are on site involved in mobilisation and site set up for the construction of the process plant and the pipeline.

#### **Community**

Negotiations were successfully concluded during the quarter with the communities downstream of the mine concerning new benefits they will receive from the company. The new benefits provided by the company are approximately four times the previous package. The total benefits package, including those to be provided by the other key stakeholders (PNGSDP and the PNG Government), are estimated to total Kina 1.01billion (US\$342 million) over the seven years to 2013.