

30 August 2017

Notice of termination of Prominent Hill Connection and Access Agreement received

This afternoon, OZ Minerals received notice of termination from BHP Olympic Dam Corporation Pty Ltd (BHP) that it will terminate the connection and access agreement between the companies with effect from 30 August 2020.

The current term of the agreement ends in July 2018 and OZ Minerals has a right to request an extension of 10 years. BHP has reserved its position that the agreement will not be extended in July 2018. OZ Minerals considers that the agreement is required to be extended for a further term and OZ Minerals is exploring its legal options to ensure continued access for at least the next three years. BHP has confirmed that it remains open to discussions with OZ Minerals regarding alternative access arrangements.

Under the existing agreement, OZ Minerals Prominent Hill mine shares BHP's power line from Davenport to Olympic Dam. OZ Minerals owns the power infrastructure from Olympic Dam to Prominent Hill.

OZ Minerals has been developing its Company-wide power strategy for some time, and is continuing to progress a range of long-term alternate power options. This power strategy and the range of solutions are expected to enhance security of supply, reduce line losses and importantly enable future mine expansion optionality at both Prominent Hill and Carrapateena.

The options being considered are not expected to affect Prominent Hill's guidance for FY17, FY18 and FY19 as set out in the Company's June quarterly report. However, it may result in an increase to the Prominent Hill Life of Mine All-In Sustaining Costs (AISC) in the range of 2% to 5% from mid-2020. This is subject to the Company maintaining access to the infrastructure during the three-year notice period.

More information will be provided once a preferred solution has been finalised.

For further information, please contact:

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