

QUARTERLY REPORT

FOR THE THREE MONTHS
ENDING 31 DECEMBER 2009



PROMINENT HILL CONTAINED METAL PRODUCTION 2009

OZMINERALS.COM

TOTAL COPPER	96,310t
TOTAL GOLD	75,535oz
TOTAL SILVER	700,177oz

- Very successful first year of operations at Prominent Hill with production in excess of expectations.
- Costs of production (C1 - US70.7c/lb) world competitive.
- Underground feasibility study extended to examine alternative development scenarios.
- Exploration Heads of Agreement signed with IMX Resources secures additional highly prospective tenement area in which to explore for additional Prominent Hill-style deposits.
- Initial Resource modelling underway for Okvau gold deposit in Cambodia.
- Corporate strategy developed and launched.

A handwritten signature in black ink, appearing to read 'Terry Burgess', written over a light blue rectangular background.

Terry Burgess
Managing Director and Chief Executive Officer

**OZ MINERALS QUARTERLY ACTIVITIES TO
31 DECEMBER 2009****SAFETY**

There were eight recordable injuries for the Company during the period, including two lost time injuries at Prominent Hill. This was a disappointing result as these were the first injuries of this type to be recorded by the operation in 2009. During the calendar year, OZ Minerals recorded a 21% reduction in the total recordable injury frequency rate, from 15.1 at the end of 2008, to 11.9 at the end of 2009 (*continuing operations used to provide comparable figures*).

During the quarter, the safety strategy for the Company was reviewed and updated, with the focus now a commitment to *Zero Harm by Choice*. A range of initiatives have been identified to be embedded across the Company in the coming year to achieve this commitment.

OPERATIONS**PROMINENT HILL**

The Prominent Hill operation successfully completed its ramp-up phase, operating above annualised name-plate 8Mtpa capacity for the quarter.

Production during the final quarter exceeded expectations with 36,497 tonnes of copper and 30,526 ounces of gold produced during the period. This took full year production to 96,310 tonnes of copper and 75,535 ounces of gold, which saw copper production 6,000 tonnes in excess of the upper end of 2009 full year guidance of 85,000 to 90,000 tonnes copper and gold production 5,500 ounces in excess of 2009 guidance of 60,000 to 70,000 ounces of gold.

This strong production performance was due to increased milling rates, good recoveries and high plant utilisation.

Quarterly C1 costs of production were competitive at US63.5c/lb due to higher copper production, high US dollar gold prices and a stable unit of production cost base.

The performance of the plant during the quarter has demonstrated that throughput of 8.8Mtpa can be routinely achieved at design recoveries, and this is expected to continue in 2010. Forecast production of 100,000 to 110,000 tonnes per annum of copper and 80,000 to 90,000 ounces of gold has been provided

for the 2010 to 2012 period with C1 cash costs forecast at US85c/lb to US95c/lb for 2010.

Mining

Volumes of ore mined increased to 2.9Mt in the quarter following periods of impeded access due to a series of misfires in the pit in the previous quarter.

Pit wall sloughing events in the upper shale units in the pit continued, but did not materially affect mine production. Monitoring equipment continued to accurately predict the events, and unloading the affected areas to stabilise the pit walls in the overburden has been successful. Revised designs for the final pit walls in the upper overburden sequence have been developed with minimal impact expected on the final stripping ratio.

Processing

Improved recoveries were achieved from all ore-types for the period with a revised reagent regime, and increased periods of continuous runtime.

Processing of chalcocite dominant ore achieved average copper recoveries of 88% with periods of up to 90%. Better than expected results were returned from bornite dominant ore trials under an adjusted reagent regime, following some relatively poor results earlier in the year, with excellent recoveries (averaging 83%) routinely achieved. Further successful trials of a blend of chalcocite, gold-only and bornite dominant ore were also carried out with recoveries averaging 88%. Approximately 27% of the copper ore fed to the plant during the period was bornite dominant, seeing an overall average recovery for the quarter of 86.4%. These successful trials have allowed cessation of the 'engineered stockpiles' blending strategy and allowed more efficient 'direct tipping' to the plant to be implemented. (More detail on reagent trials is included in the accompanying presentation).

Overall, plant utilisation for the period was improved at 91%, in spite of several planned maintenance shutdowns, including a major quarterly shutdown to reline the SAG mill. Mill throughput rates averaged 1,138t/hr, exceeding nameplate rates of 1,000t/hr. As the operation matures, work continues to reduce the number of planned and unplanned shutdowns in the plant and further improved plant utilisation can be expected.

In 2010, further optimisation work is planned for the Jameson Cell to provide improved concentrate quality and increase copper recovery.

Seasonal heavy rain affected the road link to the railhead for a period during the quarter and, in January 2010, a section of the rail line to Darwin north of Alice Springs became impassable due to further heavy rain. The damage was repaired by the rail operator, Freightlink, and normal rail operations recommenced after six days. Shipping has been re-scheduled to ensure contracted volumes can still be shipped in the period.

TABLE 1
PROMINENT HILL PRODUCTION STATISTICS

		DEC QTR '09	YTD 09
MINED	ORE (TONNES)	2,922,609	9,120,226
	WASTE (TONNES)	11,015,693	38,467,993
MINED GRADE	COPPER (%)	1.24	1.32
	GOLD (G/T)	0.76	0.75
	SILVER (G/T)	3.44	3.55
ORE MILLED	(TONNES)	2,285,890	6,538,276
MILLED GRADE	COPPER(%)	1.85	1.86
	GOLD (G/T)	0.57	0.56
	SILVER (G/T)	6.07	4.97
RECOVERY	COPPER (%)	86.4	79.4
	GOLD (%)	72.4	64.7
	SILVER (%)	76.2	67.0
COPPER CONCENTRATE PRODUCED	(TONNES)	69,388	178,066
CONCENTRATE GRADE	COPPER (%)	53	54
	GOLD (G/T)	13.7	13.2
	SILVER (G/T)	152.4	122.3
CONTAINED METAL IN CONCENTRATES	COPPER (TONNES)	36,497	96,310
	GOLD (OZ)	30,526	75,535
	SILVER (OZ)	339,937	700,177
TOTAL CONCENTRATE SOLD	(DM TONNES)	66,627	158,736

Costs

In spite of elevated costs of inputs to production and a higher exchange rate, 2009 full year C1 cash costs of US70.7c/lb were at the low end of guidance (US70c/lb to US75c/lb). This was due to higher production, a robust gold price contributing strong by-product credits and a stable unit of production cost base. Costs for 2010 are expected to be within the range of US85c-95c/lb due to lower head grades and a higher forecast average exchange rate.

TABLE 2
PROMINENT HILL COSTS (US CENTS PER LB)

	DEC QTR '09	YTD 09
MINING COSTS	66.8	71.3
TOTAL SITE PROCESSING COSTS	25.0	22.2
TC AND TRANSPORT	25.8	25.4
NET BY-PRODUCT (INCLUDING PROCESSING TC/RC/TRANSPORT)	(47.5)	(39.6)
OTHER DIRECT CASH COSTS	(6.5)	(8.6)
TOTAL C1 COSTS	63.5	70.7
ROYALTIES	4.9	4.1
OTHER INDIRECT COSTS	4.5	4.0
TOTAL CASH COSTS	72.8	78.8
DD&A	37.3	32.9
OTHER NON CASH COSTS	0.3	0.6
TOTAL PRODUCTION COSTS	110.4	112.4

DEVELOPMENT

PROMINENT HILL UNDERGROUND

Feasibility Studies

Work on the feasibility studies into underground mining at Prominent Hill continued during the quarter.

The preliminary results of these studies indicate that the mining of the higher grade Western Copper Resource should meet internal hurdle rates for projects. This should provide synergies that improve the economics of the overall underground project, including the Main deposit.

The surface drilling program for the Western Copper Resource, located 800 metres to the west of the open pit, continued during the quarter, with encouraging results confirming the potential of this Resource for underground mining.

This drilling, due to be completed at the end of the first quarter, will enable conversion of Resources from Inferred to Indicated status in the second quarter. This will then be available to feed into studies to evaluate various underground development plans.

While OZ Minerals remains optimistic about the ability of the Prominent Hill system to support an underground mining operation, and work is ongoing to establish the optimum development scenario, it is essential that returns justify the inherent development and operational risks.

It is now likely that work on the Main and the Western Copper deposits will be finalised for consideration in the second quarter.

In December, one of the key project approvals required for mining in South Australia, the Mining and Rehabilitation Plan (MARF), was granted for the potential Prominent Hill underground mine by the State Government of South Australia.

Resource development

During the quarter drilling continued to infill the Western Copper deposit with 25 holes and approximately 15,476 metres drilled.

High grade results were returned from this infill drilling and significant results are tabulated below. NB - these results include intersections reported previously at the 30 November strategy day.

HOLE	INTERVAL	CU%	AU G/T	FROM
D442	4.5M	4.58	0.18	274.3M
D450	184.0M	2.65	0.61	289M
INCLUDES	120.2M	2.98	0.72	297.8M
	24.8M	4.18	0.49	435.0M
	33M	2.08	0.30	485M
INCLUDES	17.0M	3.59	0.28	494.0M
D451	29.0M	2.91	0.19	338M
INCLUDES	18.3M	4.30	0.25	341M
	9.1M	2.95	0.51	392M
	27.7M	2.91	0.22	424.3M
INCLUDES	14.0M	5.28	0.24	436.8M
D453	118.8M	2.33	0.75	405M
	26.8M	3.88	0.93	497M
D455	130.1M	4.18	0.07	346.9M
D469	135.0	2.62	0.52	371.0
INCLUDES	66.0M	3.73	0.49	373M
D462	8.4	2.65	0.16	425.0
	20.0	2.60	1.12	440.0

ASSAY HIGHLIGHTS IN TABLE ABOVE - CUT-OFF 0.3% CU (DOWN-HOLE DEPTH <550M); DEPTHS IN METRES DOWN HOLE

Drilling results to date appear to support the existing interpretation for the Western Copper Resource.

Under the Main copper deposit, step-out drilling commenced to test for further extensions to the current Resource with a parent hole and two daughter holes drilled. This program will continue throughout 2010.

An annual update of OZ Minerals' Prominent Hill Mineral Resources and Ore Reserves was released on 30 November 2009. For Resource and Reserve details go to www.ozminerals.com.

EXPLORATION

PROMINENT HILL REGIONAL EXPLORATION

In addition to exploration adjacent to the mine aimed at extending the known deposit at Prominent Hill, regional exploration in the surrounding tenement package is OZ Minerals' highest exploration priority. Expenditure of \$20 million is expected for the year, but will be increased should promising results require additional follow-up.

A drilling program testing some of the targets in the regional tenement package at Prominent Hill continued during the quarter.

14 holes were drilled into nine prospects, totalling 7,947 metres.

As reported at the 30 November Strategy presentation, mineralised intervals were returned from the Triton and Nichol Well prospects. This low-grade, yet encouraging, mineralisation occurs in broad zones of Prominent Hill-style IOCG mineralisation and will be followed up by further drilling in 2010.

Results included:

Triton:

DD09TR1006

182.8m at 0.25% Cu from 261m

Including 75m at 0.39% Cu from 261m and

Including 15m at 0.53% Cu from 428m

Nichol Well:

DD09NWL001

115.5m at 0.16% Cu from 149.4m

Including 71m at 0.16% Cu from 149.4m

Including 19.3m at 0.21% Cu from 231.7m

Also at the Zeus prospect, a narrow interval of massive pyrrhotite mineralisation containing nickel and copper was intersected, with best result returning 3.1m at 1.45% Cu and 0.52% Ni.

Drilling is also ongoing at several other prospects, which include Hathorn Bluff, Juliet, Proteus, Caliban and Taurus. These drill holes are testing a variety of gravity and magnetic features. All results are pending.

Initial inline dipole-dipole IP lines have been completed over Manxman, Joes Dam, Taurus, Larissa, Nichol Well and Zeus prospects. Detailed phase 2 IP programs will commence shortly over Triton-Nichol Well and Manxman.

Gravity surveys have been completed over the Mt Woods survey grid and also at the Bulgunnia Fault grid.

IMX JOINT VENTURE

In late November, OZ Minerals Limited and IMX Resources Limited signed a binding Heads of Agreement with the intention of forming a Joint Venture Agreement to explore for and develop copper-gold projects on IMX's Mt Woods (approximately 3,200km²) tenement package in South Australia. These tenements are largely contiguous with OZ Minerals' 4,000km tenement package, which includes Prominent Hill. IMX will retain the rights to any predominantly iron ore discoveries. It is anticipated the full joint venture will be signed in early 2010.

OZ Minerals considers the area surrounding the Prominent Hill copper-gold mine to be prospective for the discovery of similar types of deposits. This proposed joint venture is strategically important to OZ Minerals as it will allow access to a majority of the Mt Woods Inlier - the geological feature which hosts Prominent Hill. Under the terms of the Agreement OZ Minerals will spend a minimum of \$4 million a year over the next five years to retain its initial 51% JV interest.

After this expenditure, both parties may elect to contribute pro rata on further exploration expenditure. Should IMX decide not to contribute then OZ Minerals can earn up to 75% by sole funding another \$20 million. IMX will then be free carried through to the conclusion of any bankable feasibility study. IMX has the right to convert its share to a varying royalty if it elects not to fund its share of development.

Depending on the magnitude and nature of any discovery, ore from any development could be processed through OZ Minerals Prominent Hill operations.

Numerous shallow, gravity and magnetic targets will be systematically evaluated with detailed geophysics and drill tested where appropriate. Planning of work programs will commence shortly.

For full details of the Heads of Agreement see ASX Release issued 30 November 2009 available at www.ozminerals.com.

NEW DISCOVERY PROGRAMS

Cambodia

A 5,800 metre drilling program was completed at the Okvau prospect in north-east Cambodia. This program was undertaken to test previously identified gold mineralisation at Okvau with an aim of outlining an initial Inferred Resource by the first quarter of 2010.

Structural and geological modelling has recently been completed and resource calculations are expected to be finalised prior to the end of the first quarter of 2010.

Better results received during the period included:

HOLE	FROM (M)	INTERVAL (M)	AU (G/T)
DD09OKV035	199	7	8.95
	240	1	10.05
DD09OKV036	0	9	4.82
	53	9	1.91
	151	4	2.57
	167	7	5.35
	186	3	4.23
	305	5	3.75
DD09OKV038	332	10	5.99
	349	4	4.71
	396	3	3.50
DD09OKV039	33	3	3.58
	202	5	4.35
	223	12	1.99
DD09OKV039	138	3	16.02
	147	6	2.78

Work including geophysics and surface sampling continued at four other prospects (Oput, Area 6, Granite Hill and Area 1) located close to Okvau. These prospects are currently being, or will be, drill tested in 2010 to ascertain the district-scale potential in the Okvau region.

Thailand

OZ Minerals sold its 75% interest in the Chatree (Thai Global Ventures joint venture in Thailand) to Tigers Realm Minerals Pty Ltd for a consideration of cash and shares.

OZ Minerals' interests in Thailand now include tenement applications for greenfield exploration opportunities.

MARKETING

The LME copper price averaged US\$3.02/lb for the quarter, the highest quarterly average since the third quarter of 2008. LME stocks reached a 10-month high in December, and have increased by 48% over the last 12 months. Mine supply of copper concentrate continues to lag smelter demand, keeping downward pressure on treatment terms. Spot TC/RC's remained below US\$20/2 for the quarter while metal premiums started to rise toward the end of the quarter.

Gold prices continued to rise during the quarter, reaching new record levels above US\$1,200/oz. The average gold price for the quarter was US\$1,100/oz.

PROVISIONAL PRICING

At 31 December 2009, a total of 11,686 tonnes of payable copper had been provisionally priced at a weighted average price of US\$7,000/t (US\$3.18/lb). This will be finally priced during the first quarter of 2010. As the effect of provisional pricing is not material due to short payment terms, it is not intended to provide this information in future.

CORPORATE

STRATEGY

OZ Minerals gave a strategy briefing on Monday 30 November which was held simultaneously in Melbourne and Sydney. The strategy was presented in detail by Managing Director and CEO Terry Burgess and OZ Minerals' senior management.

OZ Minerals' strategy has a focus on maximising value from Prominent Hill, be this through optimising mine and plant performance, further development or exploration success.

Exploration will also be important to the Company with a focus firstly on the highly prospective Prominent Hill region, but also elsewhere in Australia and internationally.

In the presentation, the Company outlined its business development plans. The Company has reiterated its intention to have a focus on copper and plans include identification of copper assets, which produce, or have the potential to produce, between 50,000 and 150,000 tonnes per annum of copper.

Projects or operations at various stages would therefore be pursued in geographies that OZ Minerals considers 'low' or 'medium' risk – depending on project attributes.

An archive of the strategy day webcast, media release and presentations is available at www.ozminerals.com.

CASH BALANCES

As at 31 December 2009, the Company had US\$517.4m and A\$497.2m in cash. This is equivalent to A\$1,076.3m at the year end exchange rate of \$0.8934.

IMX HEADS OF AGREEMENT & SHARE PLACEMENT

In addition to the exploration agreement, IMX placed 26,150,000 fully paid ordinary shares (representing 15% of its issued capital) to OZ Minerals at 38.5 cents per share (which was a 25% premium to the 30-day VWAP prior to announcement). OZ Minerals paid \$10.068m for the placement which represented a holding of 13% of the expanded capital of IMX. Post this placement, in January 2010, IMX announced a further proposed share placement to give Sichuan Taifeng Group a 19.9% shareholding, subject to Foreign Investment Review Board and shareholder approval. Assuming that the placement proceeds, OZ Minerals will participate in a further placement of 7,759,000 shares at 48.4c to maintain its holding at 13%.

TORO HOLDING

During the period, Toro Energy Limited undertook a share placement and share purchase plan raising a total of approximately \$16 million.

OZ Minerals participated in the placement taking up an additional 132,867,133 Toro shares.

Following the placement and share purchase plan, OZ Minerals' original 49% interest in Toro was reduced to 42.5%.

APEX HOLDING

During the period OZ Minerals sold its stake in Apex Minerals NL.

SHARE REGISTRY

Link Market Services
Level 9, 333 Collins Street, Melbourne
VIC, Australia 3000
Telephone Australia: 1300 55 44 74
Telephone International: +61 2 8280 7111
Facsimile: +61 2 9287 0303
registrars@linkmarketservices.com.au

CORPORATE INFORMATION

ISSUED SHARE CAPITAL AT JANUARY 20, 2010

ORDINARY SHARES	3,121,339,800
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UNLISTED OPTIONS	9,760,796
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US\$105,000,000 of convertible bonds outstanding,
which represents 114,379,085 shares to be issued.

SHARE PRICE ACTIVITY FOR THE DECEMBER QUARTER

HIGH \$1.32

LOW \$1.105

LAST \$1.16 (20 JANUARY 2009)

AVERAGE DAILY VOLUME 14.591 MILLION SHARES

REGISTERED & PRINCIPAL OFFICE

Level 10, 31 Queen Street
Melbourne, VIC 3000
GPO Box 1291K, Melbourne, VIC 3001
T 61 3 9288 0333
F 61 3 9288 0300

Investor and media enquires contact

Natalie Worley
Head of Investor and External Relations
Telephone: +61 (3) 9288 0345
Email: natalie.worley@ozminerals.com

OZ MINERALS LIMITED
WITHIN THIS STATEMENT REFERENCES TO RESOURCES AND EXPLORATION
RESULTS HAVE BEEN APPROVED FOR RELEASE BY MR A HOUSTON BSC
MEMBER OF AIG WHO IS A COMPETENT PERSON AS DEFINED BY THE JORC
CODE (2004). HE HAS CONSENTED TO THE INCLUSION OF THE MATERIAL
IN THE FORM AND CONTEXT IN WHICH IT APPEARS.

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