

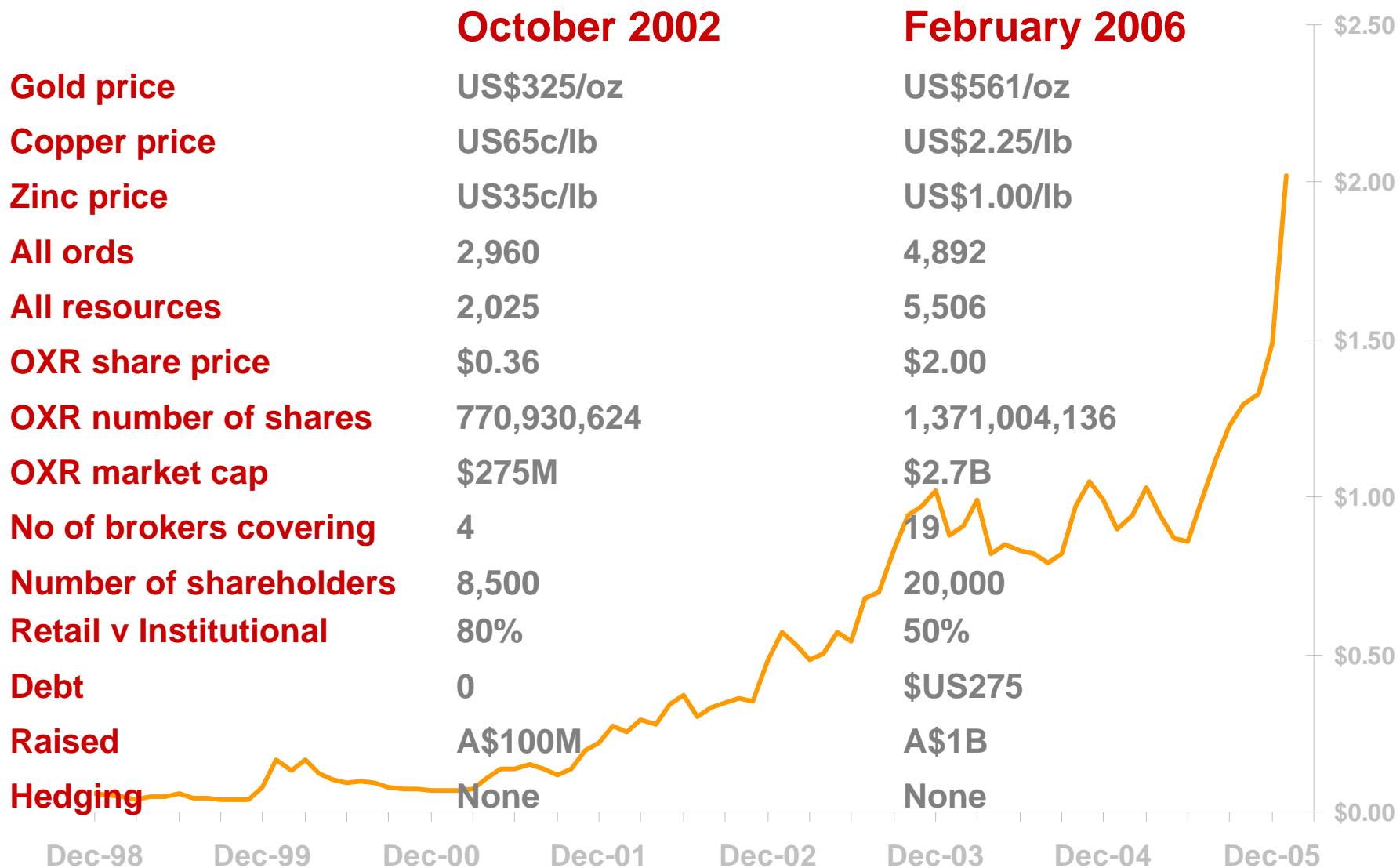


Sydney Mining Club Oxiana Limited Committing and Delivering

Owen L Hegarty
Managing Director
February 2006



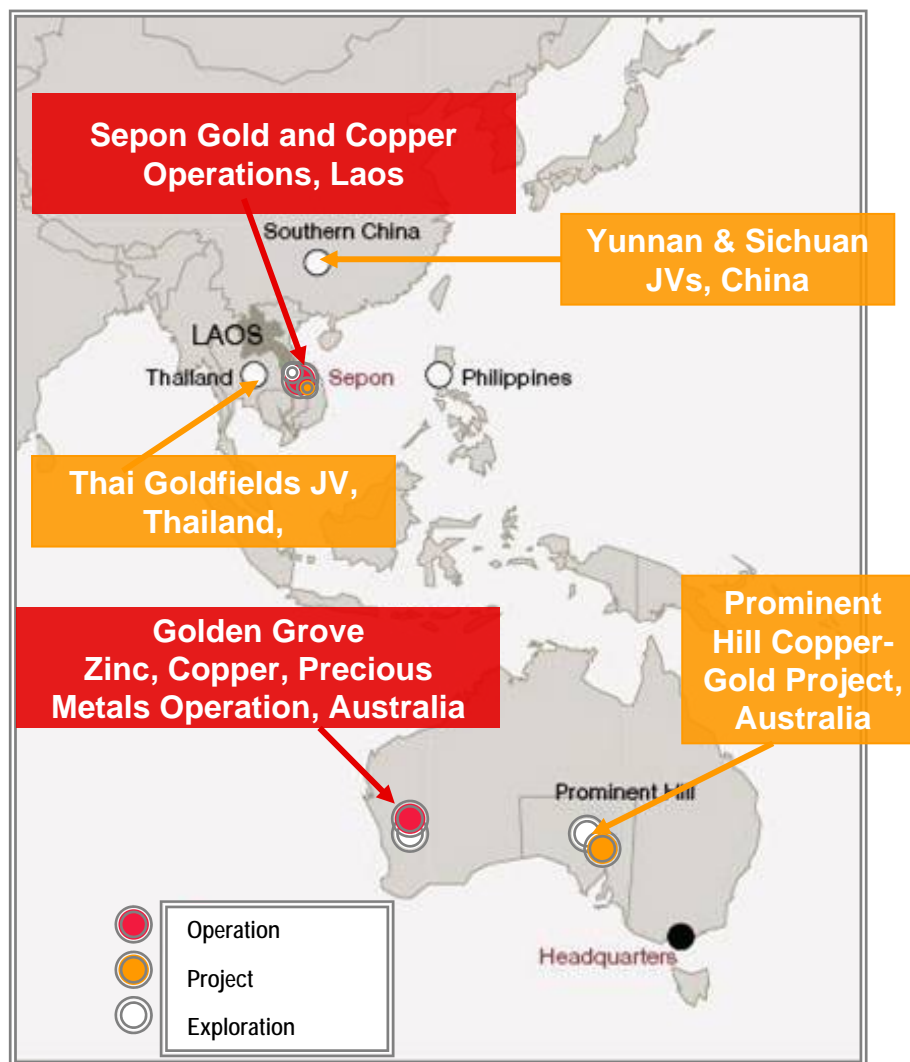
Oxiana – a strong growth story





Strategy

- Base & precious metals
- Gold and copper
- Asia & Australia
- High margin
- Long life
- Upside



Mid term goals

- Multi-billion dollar market cap
- ASX Top 50
- Based on a growing production, development and cash flow profile
- Australia's next major mining house

What has happened



Laos

Built Sepon gold operation

Doubled the gold operation

Built a major SX-EW copper operation

Discovered new resources

Regionally

Exploration JV's in China

JV in Thailand

Prominent Hill

Initial farm in, exploration

Acquisition

Bankable Feasibility Study Underway

Golden Grove

Quality operation

Hit the target on timing and price

Worked to plan in 05

Demonstrated our capacity to operate

Awards

Gold company of the year

Engineering Excellence Award

Lao National Development Award

At the kick point to the next level

Sepon oxide gold operation



South Eastern Laos

Strong Government support

80% acquired from Rio Tinto in 2000

One title exploration to production

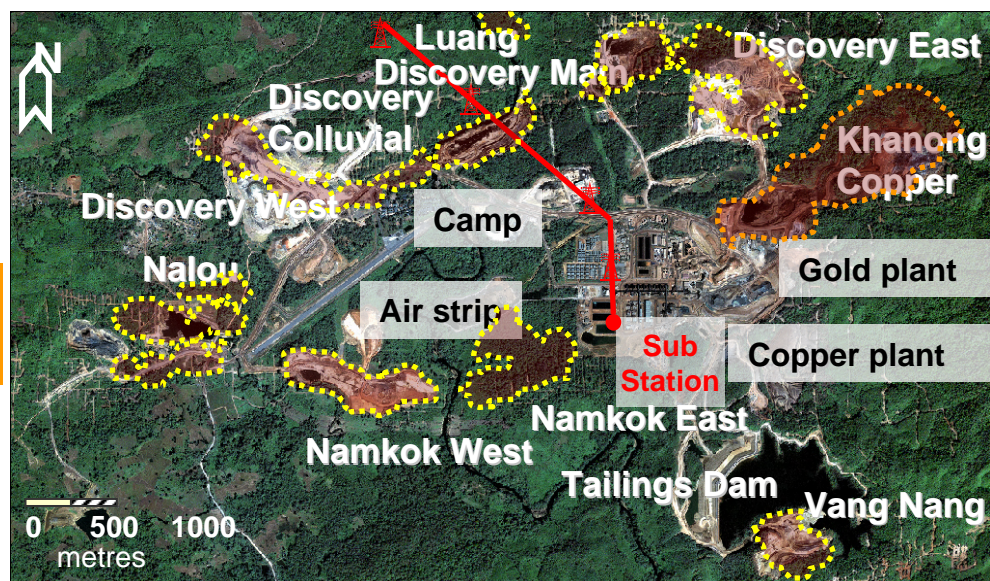
Oxide plant commissioned 2002

Expansion commissioned 2005

Mining	Open pit
Treatment	2.5Mtpa CIL circuit
Production 2005	200,000 oz pa

Primary gold feasibility study
Heap leach feasibility study

Significant exploration program



Oxiana – Producing copper cathodes at Sepon



Gold first, copper second

BFS undertaken at US80c copper

Commissioned 2005 on time on budget

Financed by cashflow and debt

Mining: open pit 1.3Mtpa

Processing: Whole of ore atmospheric leach, SXEW

Product: LME Grade A copper cathodes

Production: 30,000 tonnes 2005
60,000 tonnes 2006

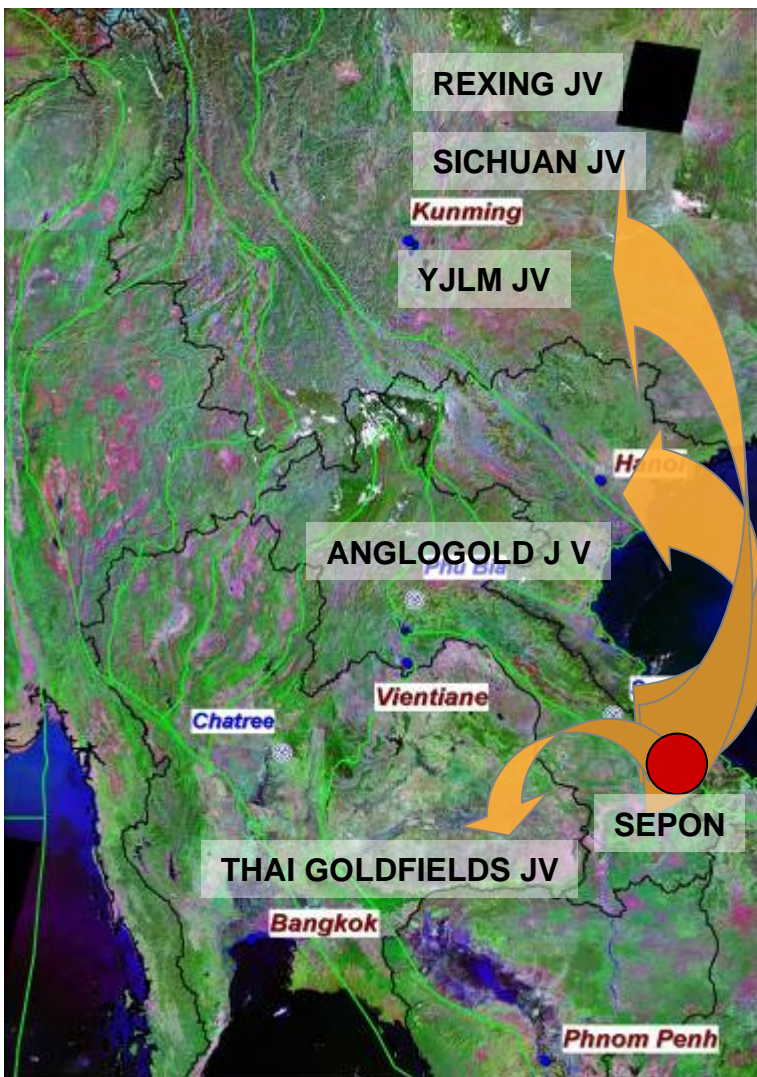
Mine Life (initial) 13 years

New deposits to be discovered – eg Thengkhamb





Regional Exploration – Strategic focus on Asia



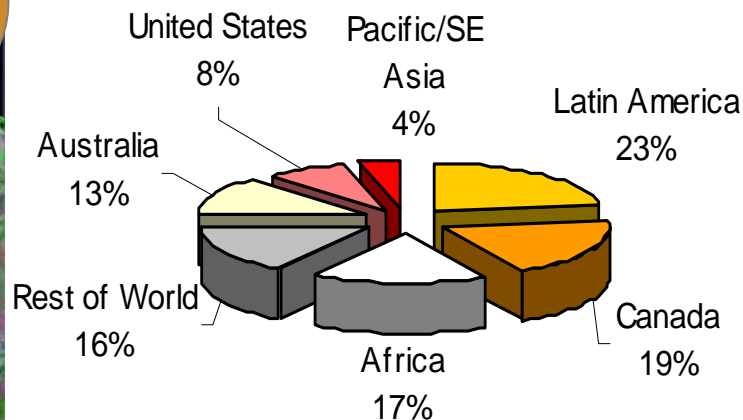
Strategic commitment to exploration

Regional competitive advantage

Leveraging from technical and operating base in Laos

Joint ventures

Under-explored region



World-wide exploration spending in Asia is low

2005 Worldwide Exploration Spending by Region. Source: MEG

Golden Grove – A sound acquisition



Acquired from Newmont July 2005

Buyer of choice

**Mining
Produces**

**Underground
3 concentrates; Zn,
Cu, HPM**

Production 2006

130,000t to 140,000t zinc
10,000t to 12,500t copper
40,000oz to 45,000oz gold
3 to 3.5Moz silver
8,000t to 10,000t of lead



Cash costs

0.30 US\$/lb Zn

First 6 months of operation on plan

**Significant exploration and development
commitment**



Prominent Hill – Adding Value – 100% Oxiana



Acquired from Minotaur

650km NW of Adelaide in South Australia

Close to established infrastructure

Pre-feasibility study complete

Open pit initially

Ore treatable by flotation – high quality cons

Annual production

90,000-100,000t Cu

110,000-130,000oz Au

420,000oz Ag

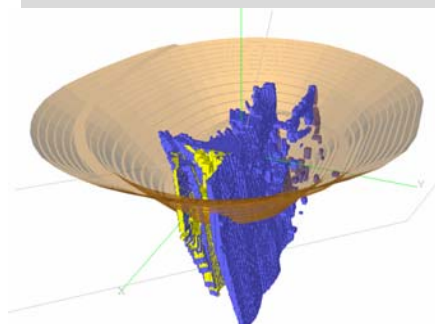
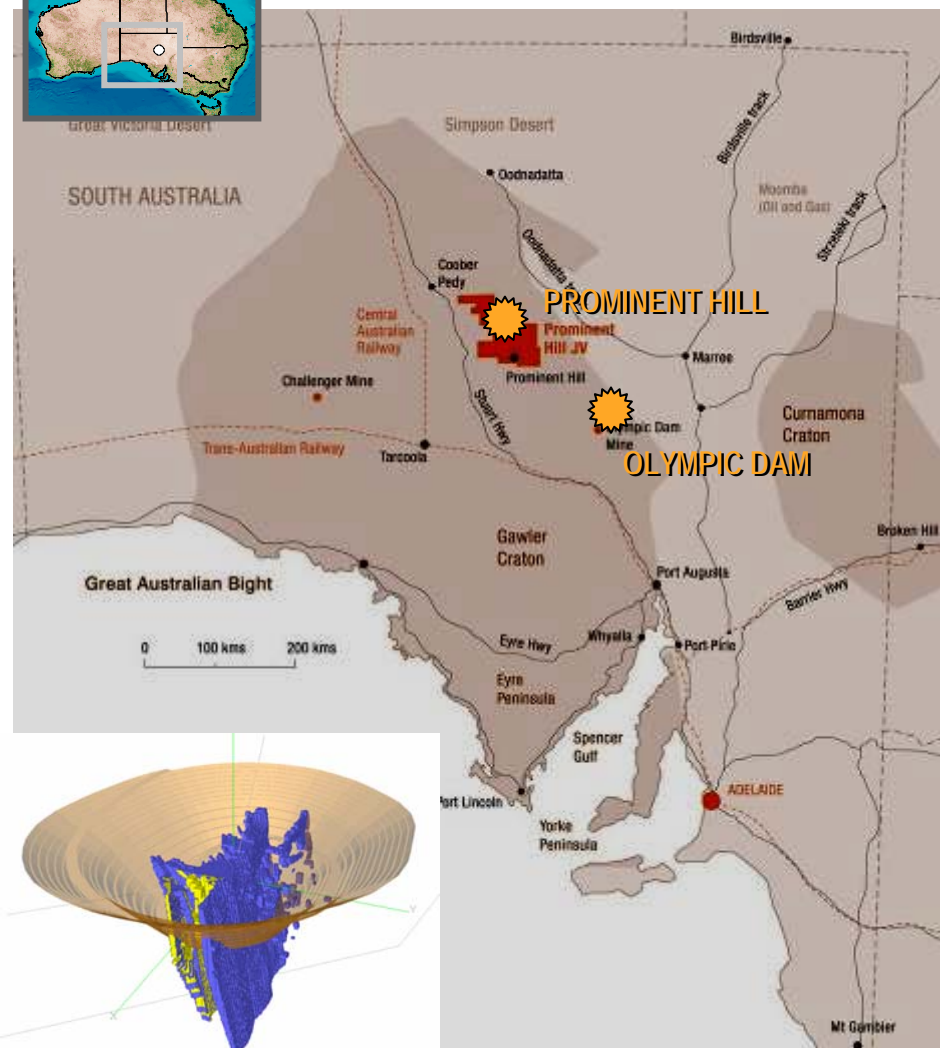
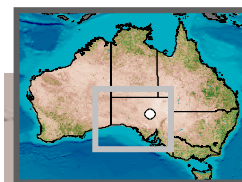
On schedule for production H2, 2008

\$15M Bankable Feasibility Study underway

Exploration

Regional program started

Walk up drill targets identified



Gold market strong



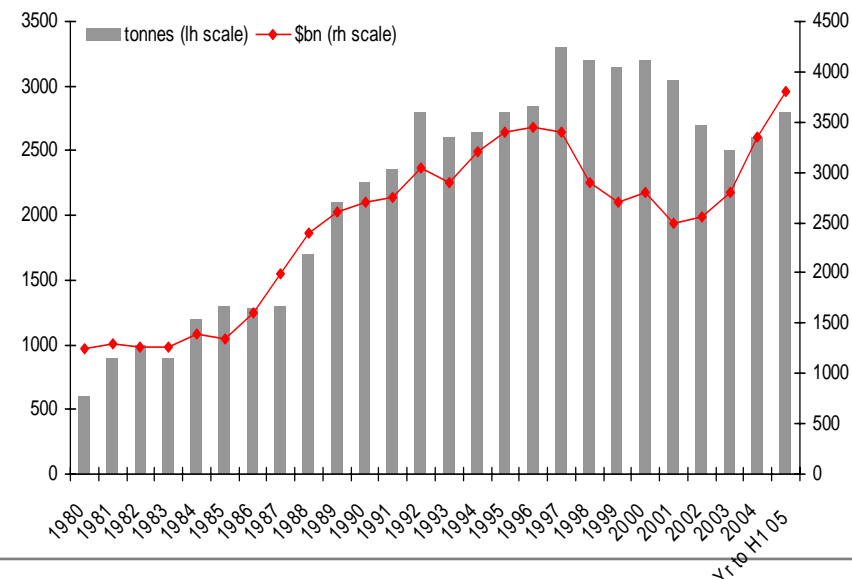
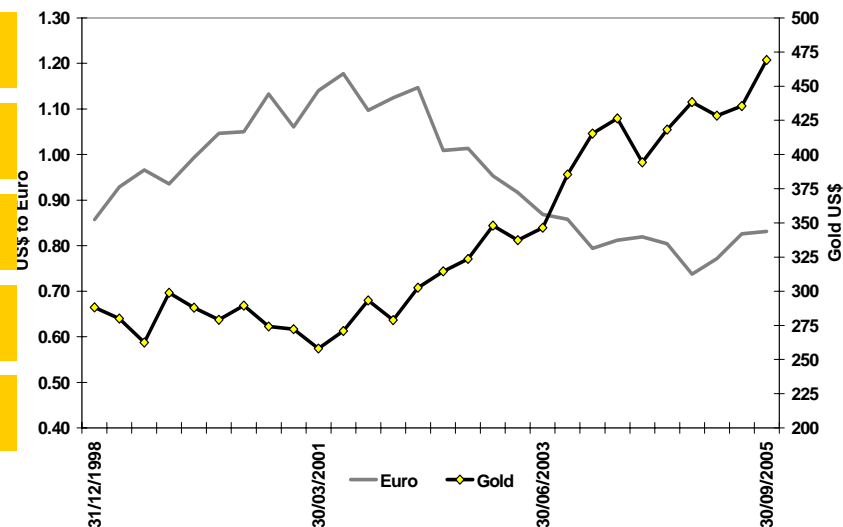
Fundamentals strong

Central Banks now buying

US\$ weakness

Inflationary concern

Geopolitical tensions



Jewellery demand 1980-2005, tonnes and US\$

Strong copper market to continue



Demand

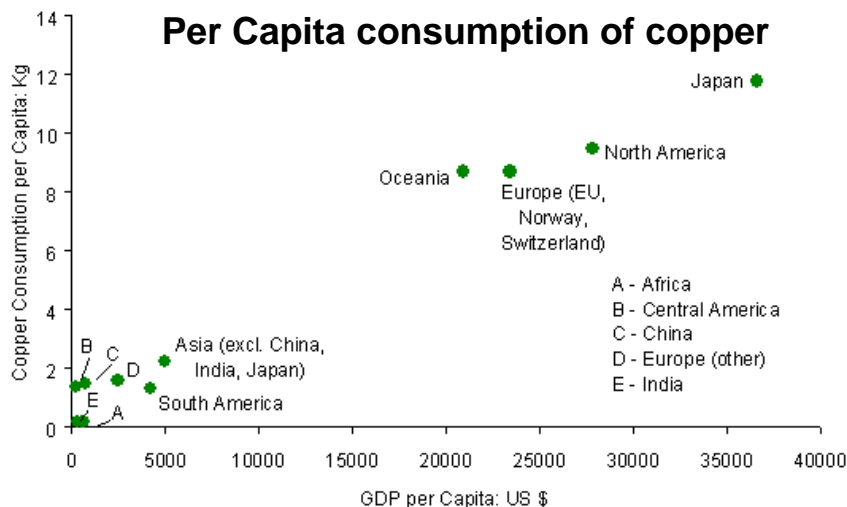
Diversity of uses
InfoTech revolution
Electrification
China the driver
Intensity growth

Supply

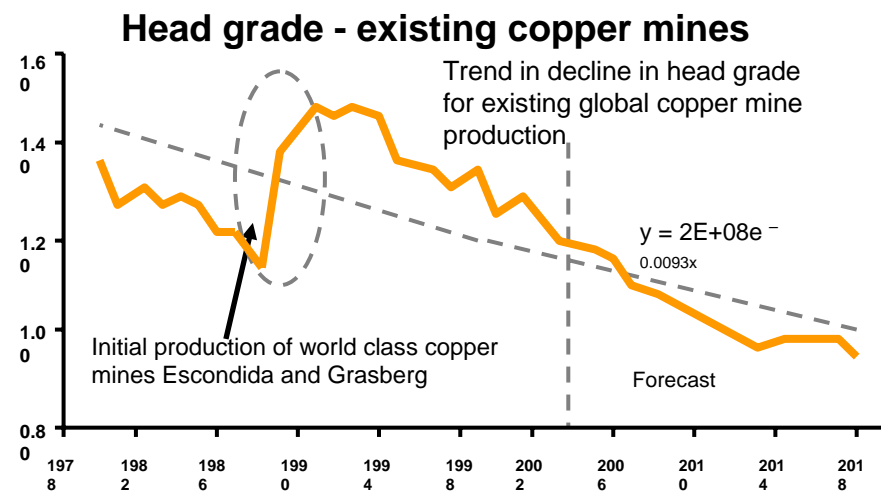
Fewer discoveries
Lower grades
Higher costs
Difficult domains

Price

Short term buoyant
Long term strong
Red Gold



Source: International Copper Study Group



Source: © Brook Hunt 2005, UBS estimates

Zinc market to continue its strong performance

Demand

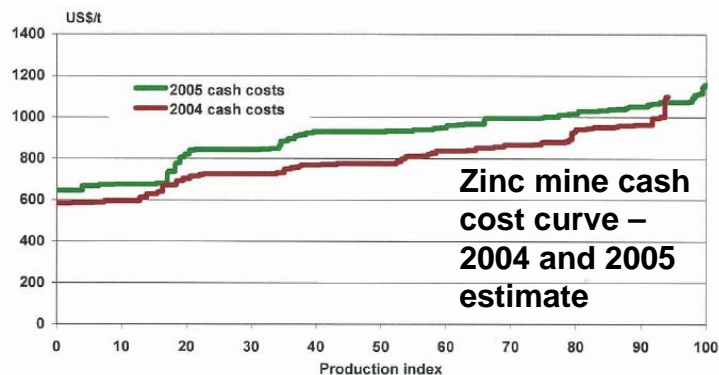
- World smelter demand up
- Driven by China
- Infrastructure, construction, manufacturing, automotive
- Protecting the world

Supply

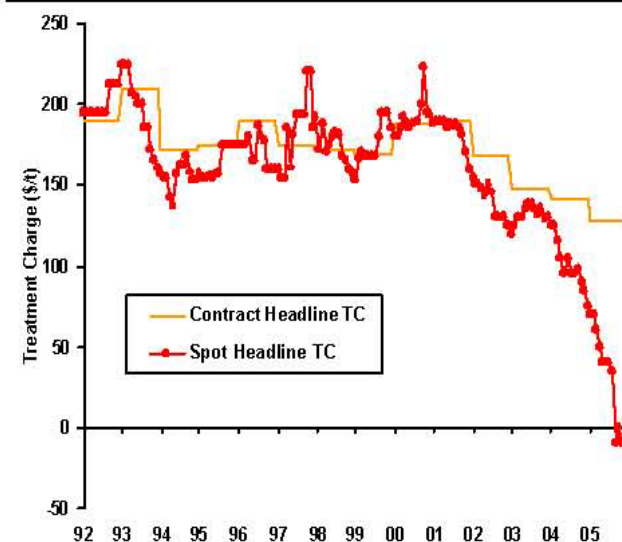
- Concentrate production weak
- Downturn in early 2000's mines closed, investment in new capacity reduced

Price

- Deficit of >700Kt this year, following a deficit of over 550Kt last year
- Inventories low
- White gold

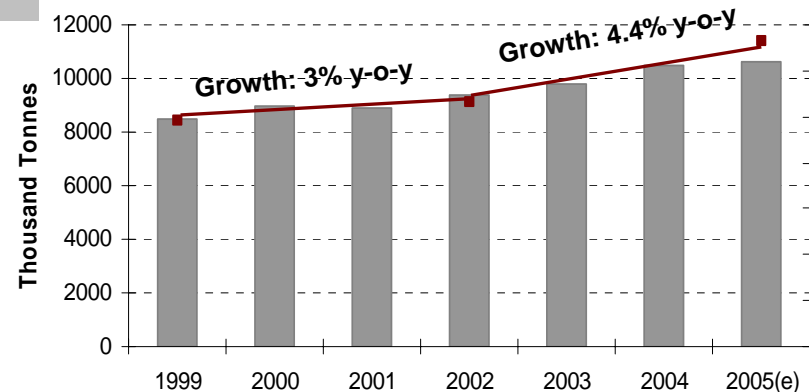


Massive gap between spot and contract terms

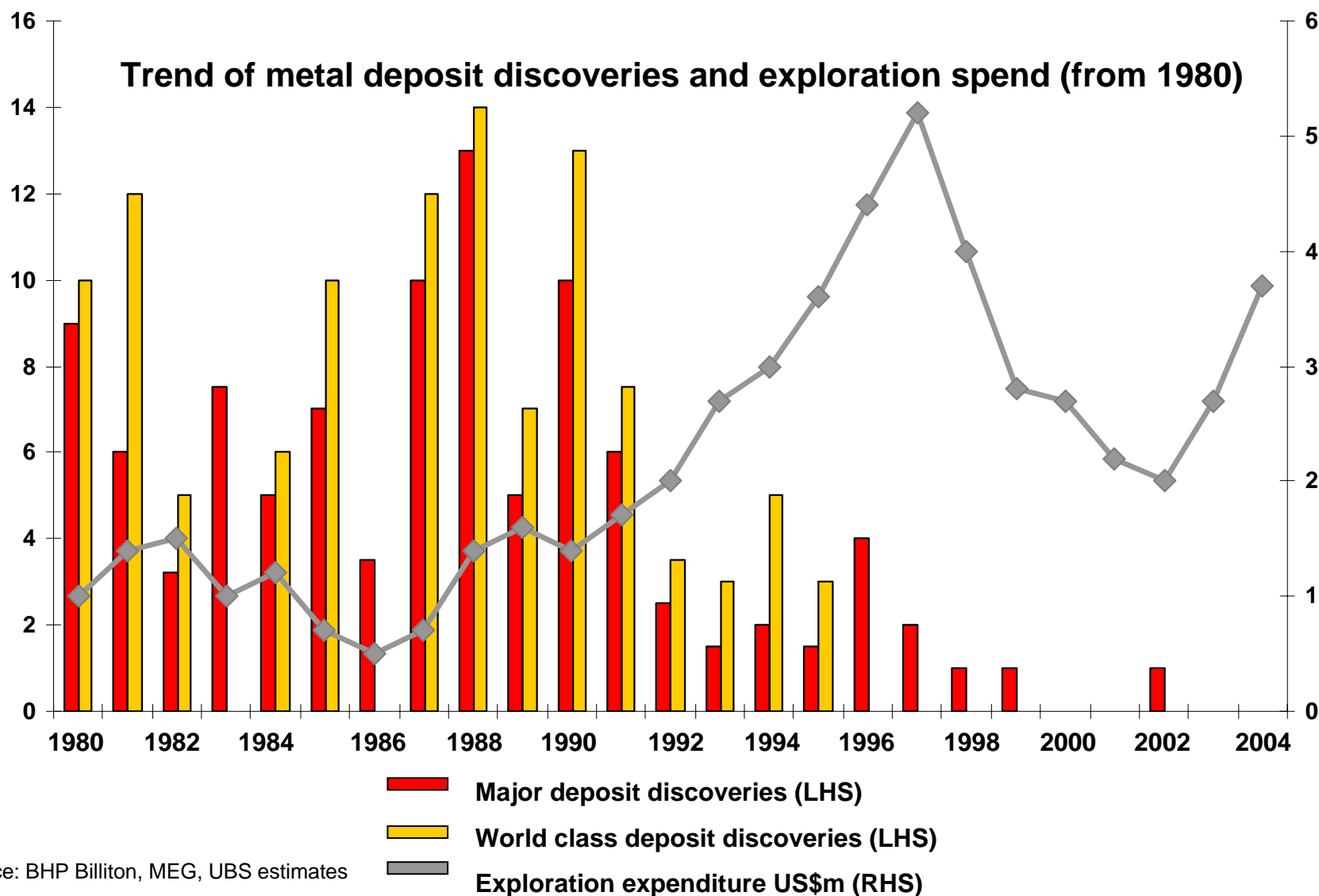


Source: Brook Hunt, Macquarie Research, December 2005

Zinc - World Consumption



New supply limited



Keys to delivering

Making a difference

Good people

Clear strategy

Right commodities

Quality assets

Doing it responsibly

Performance based culture

Passionate

Perseverance

Capitalise on opportunity

AGAINST THE TIDE



Strong 2006 ahead



Operations

Sepon

Steady gold
Full Year of copper

Golden Grove

Record year

Development

FS for Sapon gold and copper
expansions
Prominent Hill decision to mine

Exploration

Targeted on resource expansion and
new discoveries
Regional Focus

Financial Results

Positive commodity outlook
Strong cash flows and balance sheet





Thank you

Oxiana Limited is Australian Gold Company of the Year 2005

www.oxiana.com.au

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