

09 DECEMBER 2016

ATO Publication of OZ Minerals Limited Taxation Information for year ended 31 December 2014

OZ Minerals Limited (OZ Minerals) acknowledges the public disclosure by the Australian Taxation Office (ATO) of its total income, taxable income and tax paid for the year ended 31 December 2014.

The ATO is disclosing that OZ Minerals reported a zero amount of net tax payable in Australia. We would like to take this opportunity to provide an explanation as to the reasons for this below.

OZ Minerals tax consolidated group reported a net operating profit for the year of \$52million. For taxation purposes there were additional deductions available under the income tax legislation which reduced tax payable to nil, the most significant categories of which are:

- Exploration and mine development expenditure which can be deducted in advance of the accounting expense, resulting in an initial timing benefit (which will reverse in future years).
- Expenditure on research and development activities which results in tax deductions in addition to the amount expensed for accounting.
- Recoupment of carry forward tax losses.

OZ Minerals' tax affairs are overseen at an appropriate level and controls are in place to ensure the organisation acts with integrity and transparency in all tax matters. OZ Minerals endeavours to meet all of its obligations under the tax law. This is supported by the fact that the ATO has assessed OZ Minerals with the lowest possible risk rating available under their Risk Differentiation Framework (rating is Quadrant 4).

OZ Minerals acknowledges that Australian businesses and subsidiaries of multinational companies operating in Australia should pay tax on their Australian profits as required under Australian tax legislation and does not support the use of artificial structures that have no commercial purpose other than avoiding paying Australian tax.

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