



Market Release

Newcrest Mining Limited

10 September 2007

Newcrest Launches A\$2.0 Billion Entitlement Offer to Fund Financial Restructure

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Newcrest Mining Limited is seeking to raise A\$2.0 billion in new equity to fund the close out of its existing gold hedgebook, repay its gold loan, and repay the Company's USD bilateral loan facilities (subject to being redrawn in part to fund the close out of the gold bullion forward sales contracts). In addition an estimated A\$80 million of the proceeds (4%) will be used to purchase gold put options.

Newcrest's objectives under the financial restructure are to:

- provide full upside exposure to the gold price;
- strengthen and enhance the flexibility of the company's capital structure which will improve the company's ability to fund project capital expenditure at its existing sites and undertake growth opportunities; and
- improve the credit profile of the Company.

The funds will be raised through a 7 for 20 accelerated renounceable entitlement offer to shareholders. Under the offer eligible shareholders will be invited to subscribe for new Newcrest shares at a price of A\$17.40 per share. The transaction is fully underwritten.

The Offer price represents a discount of 29.8% to the closing price of Newcrest shares on the Australian Securities Exchange on Monday 10 September 2007 and a 24.0% discount to the theoretical ex-entitlements price.

The funds raised are intended to be used for the following purposes:

- The close out of the gold hedging contracts, totalling 2,049,017 ounces;
- The early repayment of the gold loan and associated embedded gold forward sales contracts, totalling 274,625 ounces;
- The purchase of 2.25 million ounces of gold put options equivalent to an average of 500,000 ounces per annum over four and a half years starting in January 2008. The strike price is A\$800 per ounce of gold; and
- The reduction in indebtedness under the USD bilateral loan facilities. These facilities will be redrawn in part to fund the close out of the gold bullion forward sales contracts (totalling 1,656,932 ounces) within 12 months.

Newcrest intends to close out all its gold hedging contracts and gold loan embedded gold forward sales contracts, totalling 2,323,642 ounces for an approximate cost of A\$842 million (subject to agreeing the terms with hedge counterparties, including the final close out price). Newcrest has pre-purchased 2.3 million ounces at an average price of A\$831 per ounce to enable settlement of these contracts when the proceeds of the Entitlement Offer are received.

The full pre-purchase of approximately 4 million ounces (to close out the entire gold hedgebook) prior to the announcement of the Entitlement Offer was deemed suboptimal as the illiquidity in the gold market could have significantly increased the gold price and therefore the cost of the hedgebook close out.

Newcrest intends to temporarily leave the longer dated gold bullion forward sales contracts in place. These contracts will be closed out within 12 months subject to the gold price, market liquidity and agreeing the terms with hedge counterparties. In the

interim, it is intended the residual net proceeds will be used to reduce outstanding indebtedness under Newcrest's USD bilateral loan facilities, with any excess of the net proceeds being retained as cash. A portion of these funds is intended to be redrawn within 12 months to close out the gold bullion forward sales contracts.

The purchase of gold put options will partially mitigate forward gold price risk.

Offer Structure

The Entitlement Offer has two components:

1. Institutional Entitlement Offer

Over the period until 5:00pm AEST on Wednesday 12 September, existing eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer. Eligible Institutional shareholders can choose to take up or not take up their entitlements in whole or in part.

A number of shares equivalent to those which would have been issued on exercise of the entitlements not taken up and those which would have been issued to institutional shareholders who are ineligible to participate in the Institutional Entitlement Offer, will then be offered for subscription to selected institutional investors through an Institutional Bookbuild process, to be undertaken on 13 and 14 September.

Any positive difference between the Institutional Bookbuild price and the issue price will be paid to the institutional shareholders who did not take up their entitlement or who were ineligible to participate in the Institutional Entitlement Offer. The Institutional Entitlement Offer has been fully underwritten and is expected to raise approximately A\$1,429 million.

2. Retail Entitlement Offer

Existing eligible retail shareholders in Australia and New Zealand will be invited to participate in the Retail Entitlement Offer on the same terms as the Institutional Entitlement Offer under a prospectus which will be sent to retail shareholders following lodgement of the prospectus with ASIC. Lodgement of the prospectus is expected to occur on Monday 17 September.

Eligible retail shareholders may choose to take up or not take up their entitlement in whole or in part. A number of shares equivalent to those which would have been issued on the exercise of the entitlements not taken up and those which would have been issued to retail shareholders who are ineligible to participate in the Retail Entitlement Offer, will be offered for subscription to selected institutional investors through a Retail Bookbuild process commencing on or around Wednesday 10 October.

Retail shareholders who do not take up their entitlement or who are ineligible to participate in the Retail Entitlement Offer will receive any positive difference between the Retail Bookbuild Price and the issue price. The Retail Entitlement Offer has been fully underwritten and is expected to raise approximately A\$613 million.

Entitlements under either the Institutional Entitlement Offer or the Retail Entitlement Offer cannot be traded on ASX or any other exchange, or privately transferred.

Key Dates

The company has requested that its shares be placed in a trading halt on ASX pending the outcome of the Institutional Entitlement Offer and Institutional Bookbuild. Its shares are expected to remain in trading halt until Monday 17 September 2007. The record date for the Entitlement Offer will be 7.00pm on Friday 14 September 2007.

Institutional Entitlement Offer	
Trading halt for Newcrest shares on ASX (2+2 business days)	Monday 10 September 2007 (after close of trading)
Institutional Entitlement Offer opens	Monday 10 September 2007
Institutional Entitlement Offer closes	5.00pm AEST, Wednesday 12 September 2007
Institutional Bookbuild opens	Thursday 13 September 2007
Institutional Bookbuild closes	12 noon AEST, Friday 14 September 2007
Settlement of Institutional Entitlement Offer and Institutional Bookbuild	Monday 24 September 2007
New Shares issued under Institutional Entitlement Offer and Institutional Bookbuild expected to commence trading (on a normal settlement basis)	Tuesday 25 September 2007

Retail Entitlement Offer	
Retail Entitlement Offer opens	Monday 17 September 2007
Retail Entitlement Offer closes	Thursday 4 October 2007
Retail Bookbuild opens	Wednesday 10 October 2007
Retail Bookbuild closes	Thursday 11 October 2007
Settlement of Retail Entitlement Offer and Retail Bookbuild	Tuesday 16 October 2007
New shares issued under Retail Entitlement Offer and Retail Bookbuild expected to commence trading (on a normal settlement basis)	Wednesday 17 October 2007
Holding statements expected to be dispatched	Friday 19 October 2007
<i>These dates are indicative only and subject to change. All times and dates refer to AEST.</i>	

Full details of the Retail Entitlement Offer will be set out in a prospectus which will be made available to eligible retail shareholders when offers are made under the Retail Entitlement Offer. The prospectus is expected to be lodged with ASIC on Monday 17 September 2007.

Any eligible shareholder who wishes to acquire Newcrest shares under the Retail Entitlement Offer will need to complete the application form that will be in or will accompany the prospectus.

I K Smith
CEO & Managing Director

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Neither the Entitlements nor the Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (Securities Act), or any U.S. state or other securities laws. The Entitlements and the Shares may not be offered, sold or otherwise transferred except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws.

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