



# Media Release

## Newcrest Mining Limited

11 September 2007

## Newcrest Launches A\$2billion Entitlement Offer to Fund Financial Restructure

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Newcrest Mining Limited today announced that it 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 Managing Director, Mr Ian Smith, said "Newcrest's objectives under the financial restructure are to provide full upside exposure to the gold price and to strengthen and enhance the flexibility of the Company's capital structure. This will improve the Company's ability to fund project capital expenditure at its existing sites, 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 \$17.40 per share. The transaction is fully underwritten.

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 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 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. A portion of these funds is intended to be redrawn within 12 months to close out the gold bullion forward sales contracts.

### Offer Structure

The Entitlement Offer has two components:

1. Institutional Entitlement Offer

Over the period until 5:00pm AEST Wednesday 12 September, existing eligible institutional shareholders will be invited 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.

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.

The Company has requested that its shares be placed in a trading halt on ASX pending the outcome of the Institutional Entitlement Offer. Its shares are expected to remain in trading halt until Monday 17 September 2007.

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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