Market Release

Newcrest Mining Limited

8 June 2010

Update on the proposed merger between Newcrest and Lihir

Newcrest Mining Limited ("Newcrest") today announced that it has completed the due diligence process as agreed under the Merger Implementation Agreement (MIA) with Lihir Gold Limited ("Lihir") and that the parties are working together to complete the Scheme of Arrangement between Lihir and its shareholders ("the Scheme"), under which Newcrest will acquire Lihir.

Newcrest wishes to inform the market that it is satisfied with the outcomes of the due diligence process and, as a result, the termination right under Clause 7.2 of the MIA relating to Newcrest's due diligence findings is not applicable. This decision has no effect in relation to any of Newcrest's other rights under the MIA.

From today, under the MIA, Lihir enters an Exclusivity Period with Newcrest which, subject to fiduciary carve-outs, requires Lihir to work exclusively with Newcrest to progress the merger that is to be effected via the Scheme. Accordingly, as of today and in keeping with its obligations under the MIA, Lihir is required to cease any discussions with third parties about a Competing Proposal and require the immediate return or destruction of confidential information provided to such parties.

Newcrest believes that the merger has compelling strategic logic and merit. The combined organisation would have one of the largest global gold reserves with operations in five countries. It would rank as the fourth largest gold producer in the world by market capitalisation with cash costs in the industry's lowest quartile. With low gearing, strong operating cash flows and a pro-forma market capitalisation of around A$25 billion[1], the combined entity would also have a powerful platform to deliver superior returns and future growth.

The directors of Lihir have unanimously recommended that shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to the independent expert determining that the Scheme is in the best interests of Lihir shareholders.

The parties are working to meet the timetable agreed under the MIA; however it is expected that the timetable will need to be extended by an additional 1-2 weeks to enable the independent expert to complete its report. As a result, the Scheme Meeting is likely to be held in August, with completion of the merger in September 2010, subject to Lihir shareholders approving the transaction. Newcrest will update the market once the revised timetable has been finalised.

Newcrest shareholder information

Newcrest shareholders can obtain further information via the Newcrest Shareholder Information Line on 1800 421 712 for shareholders located in Australia, or +61 2 8280 7486 for shareholders located outside Australia.

Newcrest Mining Limited is Australia's largest gold miner and third largest mining company. One of the top 10 gold mining companies in the world, Newcrest has seven operating mines in Australia, Indonesia and Papua New Guinea. With a market capitalisation of nearly A$16 billion, Newcrest is a Top 20 company listed on the Australian Securities Exchange.

1. Based on the pro-forma market capitalisation of both companies as at 4 June 2010.

For further information, please contact:

Investor Enquiries
Steve Warner
T: +61 3 9522 5316
E: steve.warner@newcrest.com.au

Media Enquiries
Kerrina Watson
T: +61 3 9522 5593
E: kerrina.watson@newcrest.com.au

This information is available on our website at www.newcrest.com.au