



NEWCREST
MINING
LIMITED

ACN 005 683 625

to: Company Announcements Office
from: **Stephen Creese**
date: 6 January 2011
subject: **Hidden Valley mine denies nuisance claim over mine sediment**

Please find attached a statement from the Hidden Valley Joint Venture regarding the purported service of a writ upon the Hidden Valley Joint Venturers.

Hidden Valley mine is in the Morobe Province of Papua New Guinea. It is a 50:50 joint venture between PNG subsidiaries of Harmony Gold Mining Company Limited of South Africa and Newcrest Mining Limited of Australia.

Yours sincerely

Stephen Creese
Company Secretary

6 January 2011

Hidden Valley Joint Venture denies nuisance claim brought by the Member for Bulolo

The Hidden Valley Joint Venture denies allegations made against it in a writ purportedly served upon the PNG Joint Venture companies late yesterday by the legal advisor acting for the Member of Parliament for Bulolo and a number of customary landowners living along the Watut River.

The Joint Venturers will vigorously defend the litigation should it proceed.

The writ alleges nuisance relating to mine-related sediment and seeks damages and injunctive relief in relation to the Hidden Valley Mine operations.

The issue and purported service of the writ is contrary to the agreement reached between the Member and the Joint Venture (jointly publicly announced on 6 December) to establish an expert technical advisory panel as a vehicle for constructive resolution of sediment related issues in a transparent and cooperative forum.

The pending legal action now prejudices the ability of the Member and his legal advisor to participate in this process.

The issue and purported service of the writ by the Member's legal advisor appears to be prompted by voluntary compensation payments being made by the Joint Venture to communities along the Watut River. The payments were for flood damage to crops and gardens, to which mine related sediment may have contributed, along with natural events including land slips and major rain events.

These payments have been underway since November and are now almost complete. The vast majority of eligible people have now received their payment. The Member has been fully aware of the status of the payments throughout the payment period.

Additionally, in mid December the Joint Venture formally confirmed with the Member and his legal advisor, that by accepting these compensation payments landowners do not in any way infringe on their future rights to claim further compensation.

Importantly, at Hidden Valley Mine all tailings from the processing of ore are stored permanently in an engineered Tailings Storage Facility. No tailings are discharged from our site.

Hidden Valley Mine has a demonstrated track record of working with communities. A range of effective environmental and community programs are in place and ongoing. The Hidden Valley mine has a 2000-strong workforce, most of whom are local people.

HIDDEN VALLEY SERVICES LIMITED

The Joint Venture remains committed to addressing issues with affected communities in a constructive and expeditious manner.

Media inquiries:

David Wissink
General Manager Sustainability & External Relations
Tel. +675 7100 2406
Email. david.wissink@morobejv.com