

## Q4 Production Report



Jan 30, 2008

## Forward-looking statements



This presentation may contain certain forward-looking statements, including but not limited to (i) estimated reserves, (ii) anticipated production profiles and characteristics, (iii) expected capital requirements, (iv) forecast cost profiles or (v) plans, strategies and objectives of management.

Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Lihir, which may cause actual results to differ materially from those contained in this announcement. Important factors that could cause actual results to materially differ from the forward looking statements in this presentation include but are not limited to the market price of gold, anticipated ore grades, tonnage, recovery rates, production and equipment operating costs, the impact of foreign currency exchange rates on cost inputs and the activities of governmental authorities in Papua New Guinea and elsewhere, as set forth more fully under the caption "Risk Factors" in Lihir's most recent Annual Report on Form 20-F, which has been filed with the US Securities and Exchange Commission ("SEC").

Gold reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice, and may require revision based on actual production experience. Such estimates are necessarily imprecise and depend to some extent on statistical inferences and other assumptions, such as gold prices, cut-off grades and operating costs, which may prove to be inaccurate. Ballarat Goldfields N.L. does not have any ore reserves and the level of its estimated mineral resources and exploration potential are necessarily imprecise and may prove to be inaccurate. Accordingly, no assurance can be given that the indicated amount of gold will be recovered or at the rates estimated.

Lihir can therefore give no assurances that any of the estimates, production profiles, capital, cost profiles and plans will not materially differ from the statements contained in this release and their inclusion in this presentation should not be regarded as a representation by any person that they will be achieved.

The foregoing material is a presentation of general background information about Lihir's activities as of the date of the presentation. It is information given in a summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate.

Some of the information contained in this presentation includes certain un-audited non-GAAP measures, such as "cash costs". Such unaudited non-GAAP measures are intended to provide information about the cash generating capacity and performance of Lihir's mining operations. In particular, cash costs is a measure that is used in the gold mining industry and was developed in conjunction with gold mining companies associated with the Gold Institute in an effort to provide a level of comparability. However, Lihir's measures may not be comparable to similarly titled measures of other companies. Management uses this measure for the same purpose when monitoring and evaluating the performance of Lihir. This information differs from measures of performance determined in accordance with GAAP and should not be considered in isolation or as a substitute for measures of performance determined in accordance with GAAP.

Cautionary Note to U.S. Investors – The United States Securities and Exchange Commission permits U.S. mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. We use certain terms in this presentation, such as "measured," "indicated" and "inferred" resources, which the SEC guidelines strictly prohibit U.S.-registered companies from including in their filings with the SEC. U.S. Investors are urged to consider closely the disclosure in our Form 20-F, File No. 000-26860, which may be secured from us, or from the SEC's website at [www.sec.gov/edgar.shtml](http://www.sec.gov/edgar.shtml)

## Another record year



Record material movements  
+  
Record mill throughput  
+  
Record autoclave throughput

=

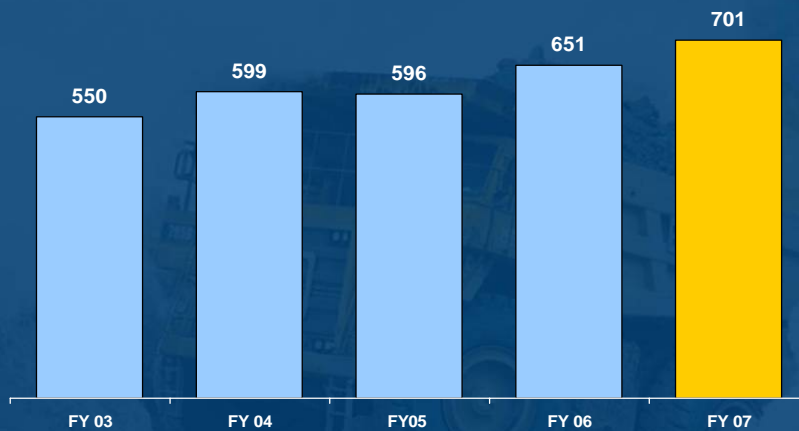
Record gold  
production of  
701 kozs

- Flotation expansion and additional milling capacity installed and commissioned
- Geothermal power plant expansion commissioned
- A\$1.2 billion capital raising complete. Hedge book eliminated
- Good progress on +1 million oz feasibility study
- Ballarat on track for commercial production by year end.

## Record annual production



(Gold production, oz, 000)



## Quarterly production



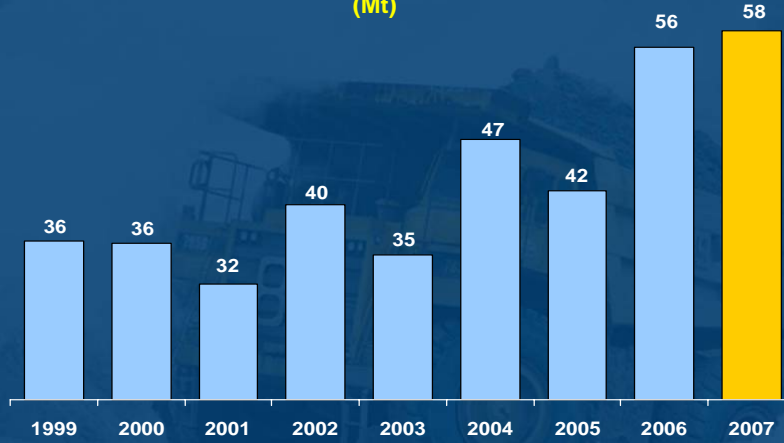
### Gold production (oz, 000)



## Record material movements



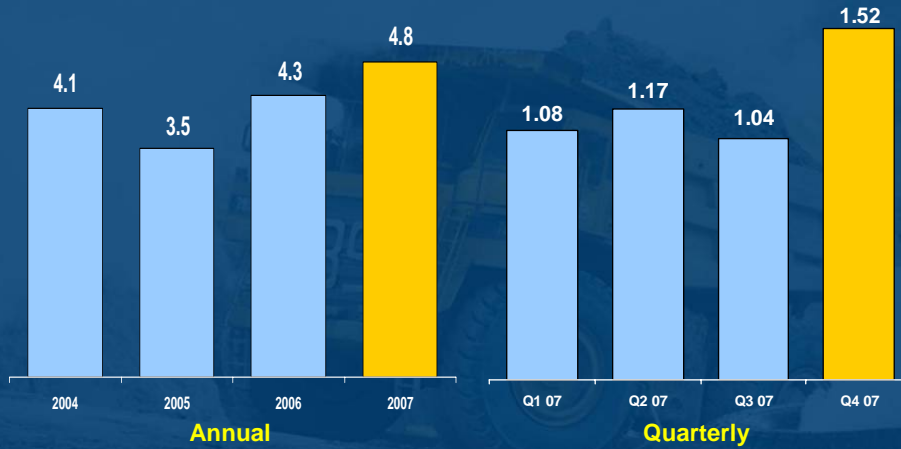
### Material Movements (Mt)



## Record mill throughput



Ore Milled  
(Tonnes, mln)



## Record autoclave throughput

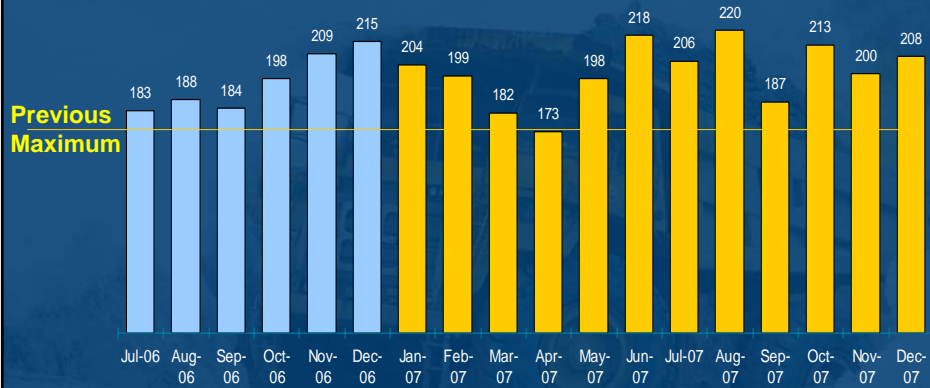


Autoclave Throughput  
(Annual, Mt)



## Autoclave throughput

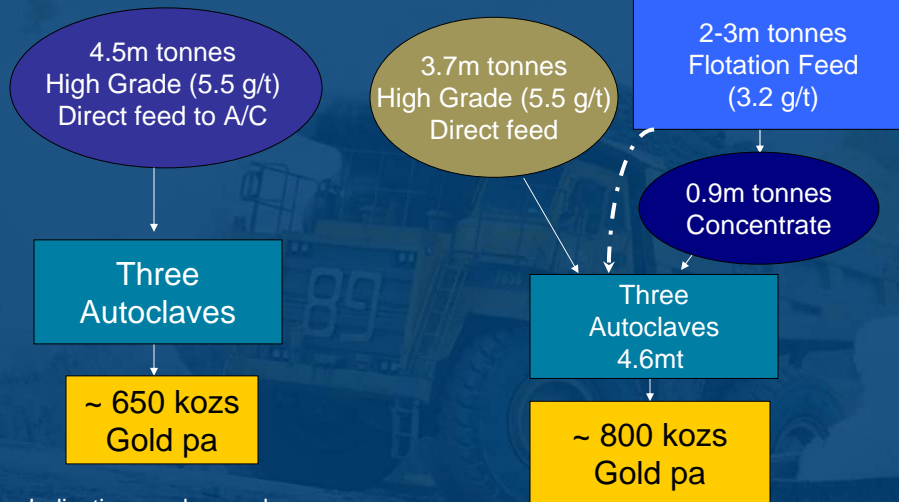
**Throughput**  
(tonnes / op hr / per autoclave)



## Flotation expansion

Original process stream

Post flotation project



Indicative numbers only

## Gold grade



### Mill head grade, (g/t)



## More tonnes, lower grade, more oz



Per Model (light blue) As Mined (olive green)

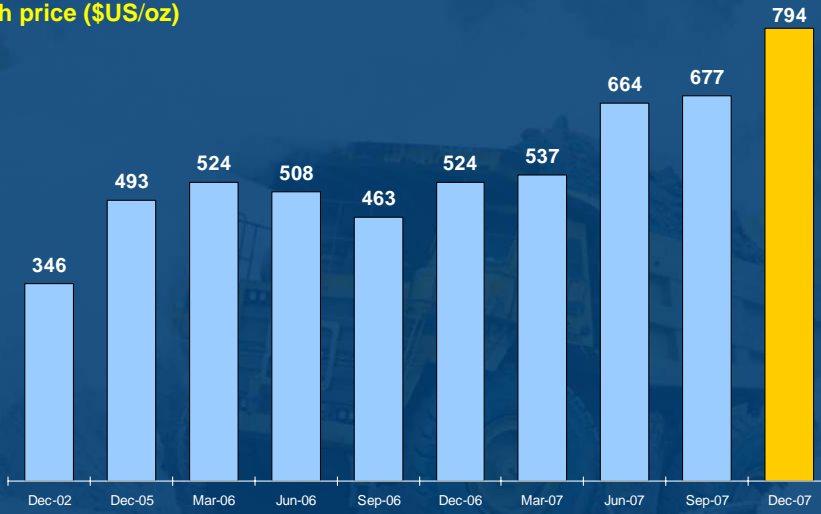


In situ, ex pit. Excludes low grade ore

## Rising gold price



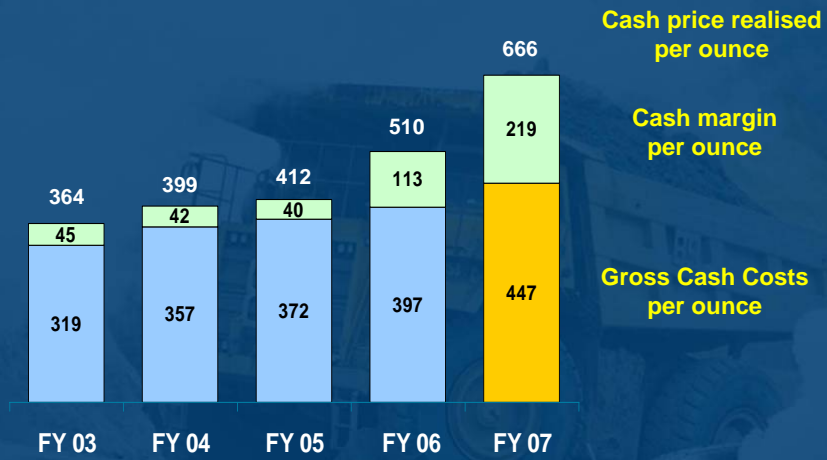
Cash price (\$US/oz)



## Margins expanding



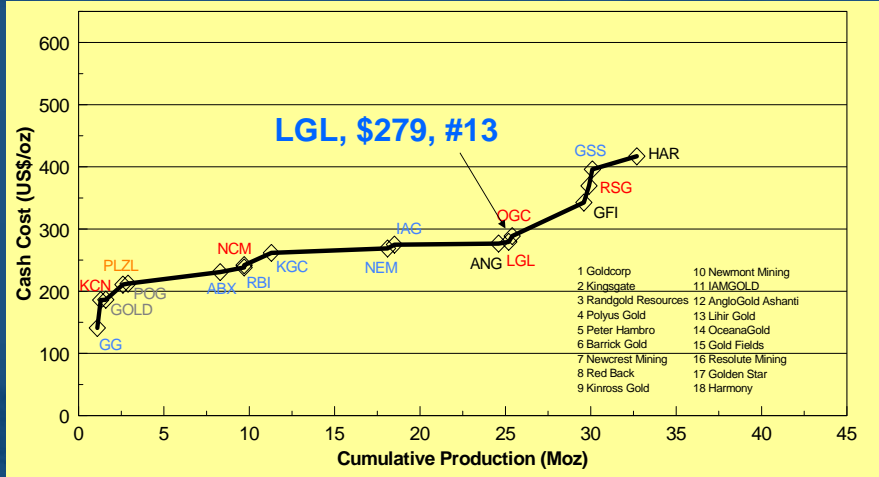
(US\$)



# Cost curve - 2005



(Total cash costs/oz)

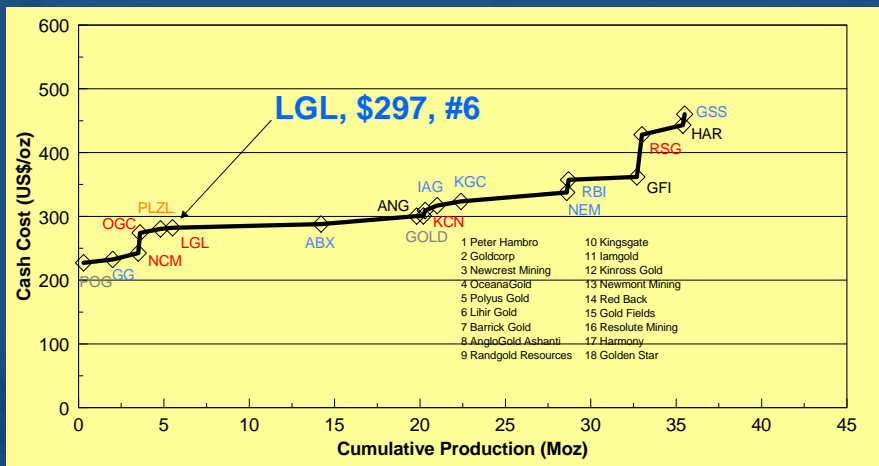


Source: BMO Capital Markets

# Cost curve - 2006



(Total cash costs/oz)

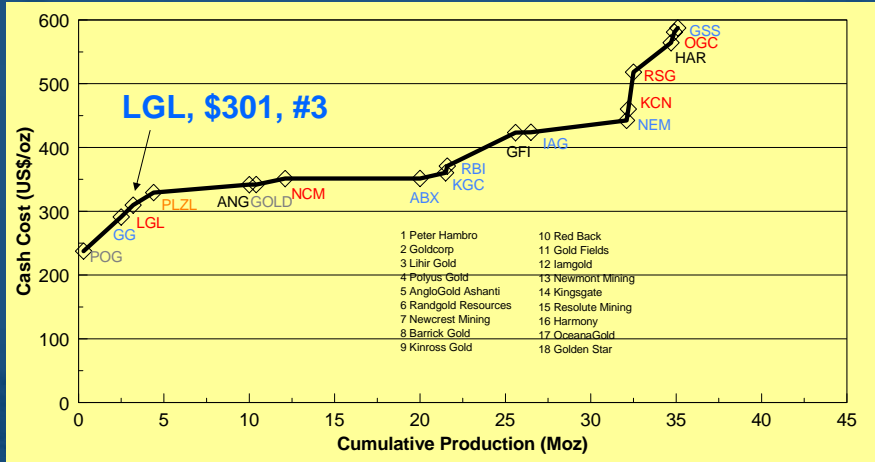


Source: BMO Capital Markets

## Cost curve - 2007

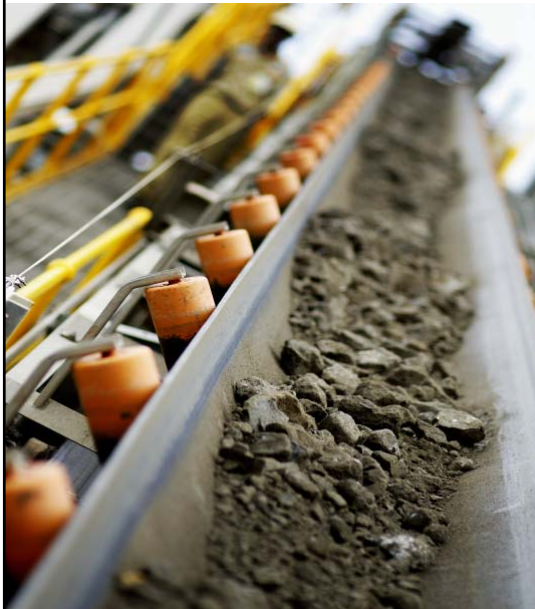


(Total cash costs/oz)



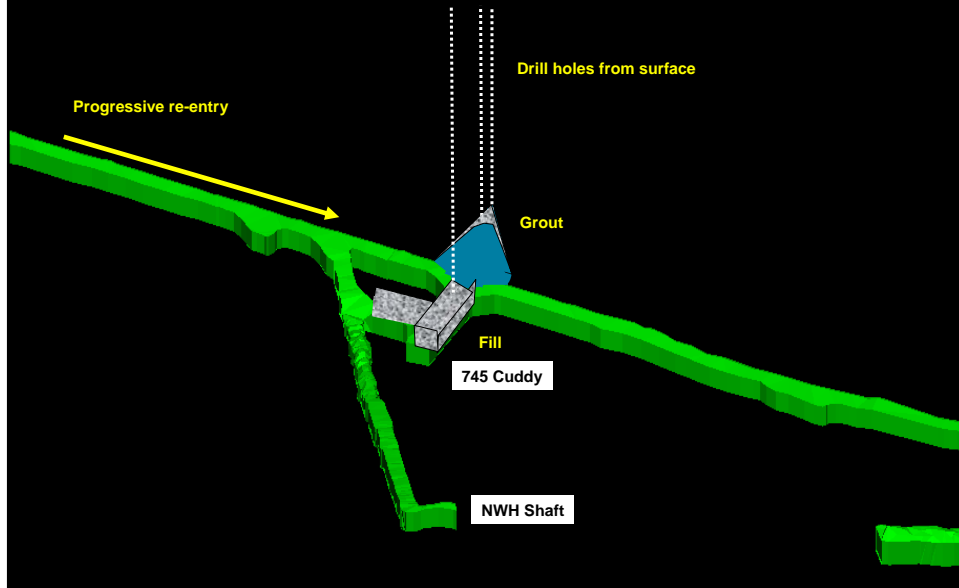
Source: BMO Capital Markets

## +1mozpa project



- Feasibility study design and engineering complete
- Major equipment budget quotations received
- Construction budget and schedule being finalised
- Benefits identified in early construction of crushing circuit, leach circuit and water supply
- Geothermal power supply options being progressed

## Remediation completed



## Ballarat infrastructure progressing



- Golden Point shaft progressing well
- Stage two of process plant in commissioning
- Aiming for commercial production by end of 2008



## 2008 Outlook



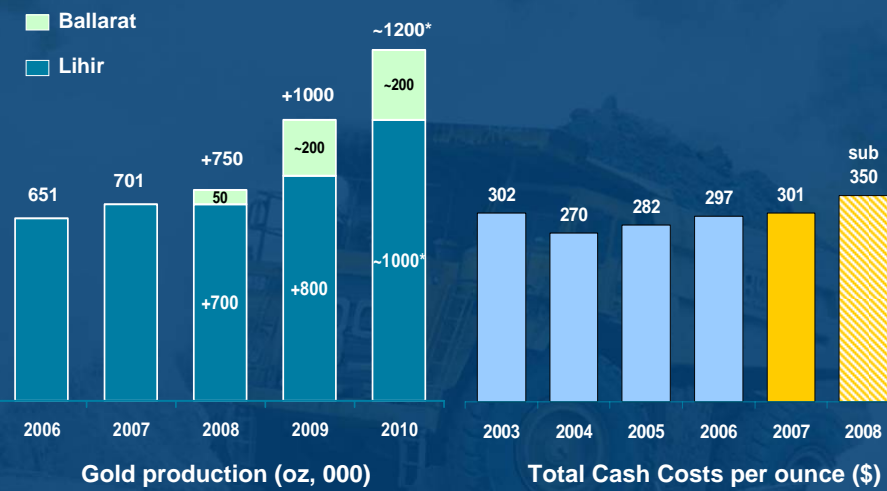
### Lihir

- Total annual material movements ~ 60 million tonnes
- A/C throughput of ~ 5.0 million tonnes
- Gold grade to autoclaves ~ 5-5.3 g/t
- Total gold production ~ 700-770 kozs
- Full year total cash costs sub-\$350/oz

### Ballarat

- Commercial production by year end
- 2008 production of approximately 40-50 kozs

## Trend remains intact



\* Subject to expansion construction schedule

