# Market Release

## Newcrest Mining Limited

10 June 2008

# Telfer production impacted by gas supply interruption

The explosion that occurred at Apache Energy's Varanus Island gas export facility has interrupted gas supplies to the Telfer power station. It is unclear how long the gas supply outage will continue.

Newcrest has secured access to an alternative source of gas which is sufficient to operate one of the two processing trains. This gas has been procured under a short term contract at elevated prices, reflecting the current limited supply of gas in Western Australia.

Operation of the second processing train requires the use of diesel to meet the total fuel requirements of the power station.

The gas outage has resulted in strong competition for diesel fuel in Western Australia. Supplies are limited and delivery resources are currently stretched, making security of supply uncertain. As a consequence, Newcrest will take the opportunity to bring forward the scheduled maintenance programs on the Telfer processing facility.

At this stage, the overall impact of the gas supply interruption is estimated to reduce Telfer's production by up to 30,000 ounces of gold plus associated copper. The combined result of higher diesel and gas prices and the earlier than planned maintenance program will lead to an increase in production costs. Newcrest's insurers are being kept informed of the situation.

All other Newcrest sites are performing in line with recent guidance. Lower Telfer production will, however, impact on the achievement of Newcrest's current year production guidance of above 1.8 million ounces.

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