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ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE

RUSSIAN COPPER COMPANY COMPLETES COMMISSIONING OF AUSMELT COPPER SMELTER

Russian Copper Company (RCC) and Ausmelt Limited today announce the successful completion of the commissioning for the new Ausmelt Technology Copper Smelter located at the Karabash Plant in the Chelyabinsk Region of the Russian Federation.

The plant is designed to treat 480,000 tonnes a year of copper concentrates. It is Ausmelt's first project in Russia.

Construction was completed and the furnace was heated up for the first time in October 2006. The plant achieved its design targets for concentrate feed and matte quality within the commissioning period. Ausmelt's metallurgical engineers left the site in December 2006 and the plant continues to operate successfully.

Ausmelt Managing Director, Mr Paul Abbott said today that the very quick ramp up of this plant is a tribute to the hard work and strong co-operation between the technical teams involved. Our congratulations go to all the hard working people at RCC and Karabash. He added that this plant has again demonstrated the capability of Ausmelt technology to achieve design targets within much shorter time frames than competitive technologies.

Activity on the modernisation of the Karabash smelter, Chelyabinsk Region, started in 1998. The main production process is Ausmelt Technology. Karabash now has a hi-tech and environmentally safe metallurgical plant which, apart from the Ausmelt furnace, also includes a modern waste treatment, sulphuric acid and effluent treatment plants. The Karabash plant is now one of the most modern plants of its type in Russia and the complex is among the most up-to-date and environmentally safe copper smelters globally.

The Ausmelt-Karabash smelter has won two significant government awards: in 2005 the Ministry of Natural Resources of the Russian Federation awarded ZAO Karabashmed the honorary title of "Leader of Environment Protection Activity in Russia", and in 2006 the plant General Director and the Chief Engineer were awarded "the Ecological Shield of Russia" for the achievements in environment preservation.

Vice-president of RCC Dmitry Saburov has noted that the unique ZAO Karabashmed project, second to none in Russia, is the first successful example of cooperation between Russian and Australian experts in pyrometallurgy. "Russian Copper Company appreciates the positive relationships and cooperation with Ausmelt, we wish to heartily thank all the specialists that took part in the implementation of this project and once again to congratulate all involved in the successful smelter start up."

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