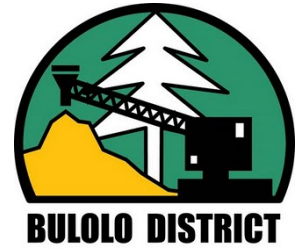


Joint Media Release

6 December 2010



Expert technical advisory panel to review the Watut River System

Following representations to the Hidden Valley Joint Venture by the Member of Parliament for Bulolo Mr Sam Basil who raised landowner community concerns, an expert technical advisory panel will review sediment and pollution issues affecting the Watut River.

The Panel will complement the existing regulatory processes and scrutiny of mining operations conducted by the PNG Government. It will likely include international specialists with best practice experience relevant to the PNG natural environment

In recent discussions with Mr Basil it was agreed that terms of reference and membership of the expert technical advisory panel would be determined with a view to finalising details at a meeting in January. Regulators will be key participants in this meeting and in ongoing discussions.

It is envisaged the expert technical advisory panel will be briefed on both historic and current studies and will visit the mine site.

The Joint Venture has provided Mr Basil with a briefing on the environmental management and monitoring of sediment run-off from the mine along with background information and a number of studies.

The Joint Venturers said that the expert technical advisory panel would be a vehicle for the constructive resolution of sediment related issues in a transparent and cooperative forum.

The meeting also discussed the establishment of multi stakeholder panels to consider the broader future development of Morobe Province.

Background

The Hidden Valley Mine is operated by the Hidden Valley Mine Joint Venture (HVJV) a 50:50 Joint venture between Harmony Gold of South Africa and Newcrest Mining of Australia.

The Hidden Valley Mine is located near Wau and Bulolo in Morobe Province. It was officially opened in September 2010.

The Hidden Valley Mine has a workforce of more than 2,000 people. 95 per cent are PNG Nationals and 50 per cent come from the local communities.

It is important to note that the Hidden Valley Mine has an engineered tailings storage facility and no mine processing residue, or tailings, is discharged into the river.

The mine related sediment in the river that has caused community concern was run-off from mine overburden and construction activities. The mine transitioned from construction to operation in October this year.

Mine sediment run-off is now significantly lower due to mitigation measures. These measures included ceasing of side casting of waste rock and overburden in September 2009, ongoing revegetation of exposed slopes and erosion control, and the storage of waste rock in engineered waste rock facilities.

Hidden Valley Mine has a demonstrated record of working with local communities.

The Hidden Valley Joint Venture has been making voluntary compensation payments to communities along the Watut River for flood damage to crops and gardens, regardless of whether this was due to additional sediment run-off from the mine construction activity or by natural events such as landslips and heavy rain.

A sustainable development program is bringing education support, agricultural skills, health programs and community facilities such as sanitation and water supplies, school classrooms, community halls and aid posts. These programs were developed in partnership with the local and provincial government and are aligned with their development programs.

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