

**For immediate release**

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**Antofagasta announces A\$11.20 per share cash offer for Equatorial Mining Limited**

London, 15 August 2006

Antofagasta PLC (“Antofagasta”) is pleased to announce it has entered into an agreement to acquire a 19.99 per cent. shareholding in Equatorial Mining Limited (“Equatorial”) and has made a cash takeover offer of A\$11.20 per share for all of the issued shares of Equatorial (“the Offer”).

Equatorial is listed on the Australian Stock Exchange and majority owned by AMP Life Limited (“AMP”), a major Australian financial institution. Equatorial’s principal asset is its 39 per cent. ownership interest in the El Tesoro copper mine in Region II of Chile. Antofagasta owns the remaining 61 per cent. interest in El Tesoro and has operated and managed the mine since development began in 1999. The acquisition of Equatorial would provide Antofagasta with full ownership of El Tesoro and will consolidate its land position in the Sierra Gorda district, where its other interests include the Esperanza project.

The Offer represents an attractive price to the shareholders of Equatorial and an opportunity for them to exit an illiquid investment with cash consideration. Antofagasta’s cash takeover offer is more than 20% higher than the offer announced by Quadra Mining Ltd (“Quadra”) on 20 July 2006 and has considerably fewer conditions.

The Offer represents a premium of:

- 21 per cent. to Quadra’s offer of A\$9.26 per share; and
- 60 per cent. to Equatorial’s share price on 19 July 2006, the closing price on the last day prior to the announcement of Quadra’s offer.

Antofagasta has entered into an agreement with AMP to acquire a 19.99 per cent. shareholding in Equatorial at A\$8.00 per share. Accordingly, the total consideration payable by Antofagasta to acquire all of Equatorial’s shares would be approximately A\$527 million (US\$401 million). Equatorial reported cash balances of A\$127 million (US\$97 million) as at 30 June 2006.

Marcelo Awad, CEO of Antofagasta Minerals S.A., stated, “*We have enjoyed an excellent working relationship with Equatorial Mining at El Tesoro since the initial development of the mine in 1999. The acquisition of Equatorial will give Antofagasta outright ownership of El Tesoro and increase our attributable share of copper production from a quality asset which we know and understand very well. Additionally, full ownership of El Tesoro will complement our existing exploration and development interests in the Sierra Gorda district and provide Antofagasta with the flexibility to optimise both the scheduling of projects and associated capital investment decisions.*”

The Offer will be made by Sierra Gorda Copper Pty Limited, a wholly owned subsidiary of Antofagasta, by way of an off-market takeover bid under the Australian Corporations Act 2001. The Offer will be funded from Antofagasta’s existing cash resources.

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The Offer is conditional on acquiring at least 75 per cent of the number of outstanding ordinary shares in Equatorial and approval from the Foreign Investment Review Board in Australia. The conditions of the Offer are outlined in Appendix 1 to this press release.

Antofagasta has also entered into an agreement with AMP, whereby AMP has agreed to pay Antofagasta a break-fee of A\$4 million in the event that AMP do not accept Antofagasta's Offer for the remainder of its shareholding in Equatorial.

Antofagasta commenced the despatch of its Bidder's Statement to Equatorial shareholders today in Sydney, Australia.

Rothschild is acting as financial adviser and Minter Ellison is acting as legal adviser in relation to the Offer.

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**About Antofagasta PLC**

Antofagasta is a Chilean-based mining group listed on the London Stock Exchange and is a constituent of the FTSE-100 index. Its principal mining assets include the Los Pelambres, El Tesoro and Michilla mines and the Esperanza copper project. In addition to copper mining, Antofagasta's interests include rail and road transport operations and water distribution.

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**About Equatorial Mining Limited**

Equatorial is an Australian company listed on the Australian Stock Exchange and its primary asset is its 39% ownership interest in Minera El Tesoro, a Chilean company which owns and operates the El Tesoro copper mine. Equatorial's other assets include ownership interests in two exploration tenements in the vicinity of El Tesoro and the rights to extract ground water from the Calama aquifer, also in the same region.

For the year ended 31 December 2005, Equatorial reported net profit before tax of A\$68.4 million. Equatorial reported gross assets of A\$263 million as at 31 December 2005.

El Tesoro is an open pit mine and heap leach and solvent extraction and electro winning operation producing LME grade A copper cathode. For the year ended 31 December 2005, El Tesoro produced 98,100 tonnes of copper cathode (100% terms). Proven and probable reserves of El Tesoro as of 31 December 2005 were 123.1 million tonnes at a grade of 0.79% Cu using a 0.41% Cu cut-off grade (100% terms).

**Other**

Rothschild Inc. and Rothschild Australia Limited are advising Antofagasta and no one else in relation to the Offer and will not be responsible to anyone other than Antofagasta for providing the protections afforded to clients of Rothschild Inc. or Rothschild Australia Limited nor for providing advice in relation to the Offer.

## **Appendix 1**

### **Conditions of the Offer**

The Offer, and any contract resulting from the acceptance of the Offer, are subject to the following conditions:

**(a) Minimum acceptance**

Before the end of the Offer Period, Sierra Gorda Copper Pty Limited and its associates have relevant interests in at least 75% of the Equatorial Shares.

**(b) FIRB**

One of the following occurs before the end of the Offer Period:

- (i) Antofagasta PLC or Sierra Gorda Copper Pty Limited receives written notice issued by or on behalf of the Treasurer stating that there are no objections under the Australian government's foreign investment policy to the acquisition by Sierra Gorda Copper Pty Limited of all of the Equatorial Shares under the Offer, such notice being unconditional;
- (ii) the expiry of the period provided under the Foreign Acquisitions and Takeovers Act 1975 (Cth) (**FATA**) during which the Treasurer may make an order or an interim order under the FATA prohibiting the acquisition of Equatorial Shares under the Offer, without such an order being made; or
- (iii) if an interim order is made under the FATA to prohibit the acquisition of Equatorial Shares under the Offer, the subsequent period for making a final order has elapsed, without any such final order being made.