

For immediate release

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**COMMENTS MADE BY MR. JEAN-PAUL LUKSIC, CHAIRMAN,
AT THE 2007 ANNUAL GENERAL MEETING**

London, 13 June 2007

We have had a year of record copper prices and strong molybdenum prices and this has enabled us to show record results for 2006. This is clearly reflected in the turnover and EBITDA figures of the Group where, in the former case, turnover nearly quadrupled from US\$978 million in 2003 to almost US\$3.9 billion in 2006. In the case of EBITDA, growth was some four and a half times over the same years - US\$524 million in 2003 rising to US\$2.9 billion in 2006.

The current strength in the copper price has continued into 2007 with an average price to date of 303.0 US cents per pound versus an average 305.3 US cents per pound in 2006. Similarly the average price of molybdenum has moved higher and has averaged US\$27.9 per pound to date against an average US\$24.8 last year.

Antofagasta has benefited enormously during this period and in each of the last three years we have felt it appropriate to pass this on to shareholders in the form of special dividends. I would reiterate what I mentioned last year – your Board, when considering the level of dividend to be paid, considers that the ordinary dividends (both interim and final) should be a reflection of how the company is doing but at a sustainable long term level. Any special dividend that we recommend would reflect favourable market conditions after taking into account expected future capital expenditure and potential acquisition activity.

Later in this meeting we hope, therefore, that you will approve the final ordinary dividend of 5.0 US cents and the special dividend of 38.0 US cents which makes a total dividend for 2006, including the interim, of 48.2 US cents – which is a historical high. This compares with total dividends paid of 22.0 US cents relating to 2005, 15.8 US cents to 2004 and 7.0 US cents to 2003 before the commodity price surge.

During 2006, Philip Adeane retired from the Board having served as Managing Director from 1982 to 2005 and as Non-Executive Director thereafter. On your behalf, I would like to thank him for his enormous contribution over a long period of time. He continues to act as a senior advisor to the Board and we are glad to be able to continue to draw on his experience. I am also pleased to welcome Bill Hayes, who joined the Board as an independent Non-Executive Director last September. Bill was previously a senior executive with Placer Dome and a former president of the Chilean Mining Council. He has extensive experience of the mining industry both in Chile and globally which will benefit the Group in its future development. I believe your Company now has a strong and well balanced Board to support the management team led by Marcelo Awad since 2004.

It would be appropriate, therefore, for me to give you a brief update of where we are as a Group today. The current strength in the copper and molybdenum markets is that there has been no visible decline in demand worldwide for commodities even after some lower construction indicators in the United States towards the end of last year, something that rather surprised the market which had expected a consequential downward adjustment in the copper price. Growth in Chinese demand has, for example, comfortably exceeded the drop in US demand, while Japan and Europe have also performed well. We are not aware of any significant stock building and neither are we aware of any substantial growth in production, hence our belief that the copper price will remain firm in the foreseeable future.

We continue to look cautiously at these exceptionally strong prices but there does seem now to be a consensus these should remain high compared to historical levels well into next year. We also believe these are partly supported by higher production costs and that historical cost levels are no longer a fair measure of where these may eventually return. One result of these high prices and consequent high profits is a rise in the prices of mining assets.

For this reason we tend to focus on earlier stage acquisitions which inevitably have long production gestation periods but where we know we can add value even when the copper market settles below where it is today. It is in this light that we entered into prospective mine projects in Pakistan, Colombia and Ecuador during 2006 and are continuing to look at many other similar opportunities. We are progressing with our exploration programmes in these areas and in particular, expect to complete a new resource estimate by the end of this year at Reko Diq in Pakistan, where we have a joint venture with Barrick Gold Corporation. A pre-feasibility study is expected to be completed next year. It is perhaps worth mentioning here that I recently took the Board to visit Pakistan and the mine site in Baluchistan and we were all very encouraged by what we saw and our progress to date.

Our focus on Chile continues and we are seeking to expand existing operations and develop new opportunities. We are now reviewing the feasibility study for the Esperanza copper-gold project about which you are already aware and the Board is expected to decide on the outcome of the feasibility study in the next few weeks. We are also progressing with the feasibility study for a possible expansion of Los Pelambres by 25% from the current 140,000 tonnes per day throughput capacity. In addition, the technical studies at Antucoya and the exploration programme in the Sierra Gorda district could extend or enhance operations at Michilla and El Tesoro respectively. Growth prospects for the transport and water divisions also remain good with the start-up of new mining projects in Northern Chile.

We believe it makes sense to conserve some of our earnings for the potential investment this all implies, and I might mention here that over the next five years this could amount to approximately US\$3 billion.

I should also perhaps touch here on the El Mauro tailings dam project at Los Pelambres where the construction stage is now nearly complete. As previously reported, we have faced a series of court cases – not directly against Los Pelambres – but which could have a possible impact on us. We remain confident that these will all in the end be satisfactorily resolved because we have complied with all the required processes and permits needed.

Another area of concern affecting our business is energy supply. We, along with others in the Chilean mining industry, have made all the necessary arrangements to support the generators and are confident that the Government is taking the necessary steps to assure the general integrity of the power grids.

The Group's projects and opportunities I referred to earlier should be seen against a background of solid performances by the Group's existing operations. As indicated by our production and financial results for the first quarter of 2007 released during May, we expect to meet our full year production target of 456,000 tonnes of copper with costs in line with expectations.

I want to emphasise again that we are extremely conscious of our environmental and community responsibilities throughout the Group and in the countries in which we are working. We are certain that in the long run this has to be of great benefit to the Group both for our existing operations and new projects.

Similarly and most importantly we take safety very seriously indeed. The Group's record has been well earned and awards have been made by various authorities over several years recognising this. We are always looking for improvement and we shall always strive for this, both by procedures but also by training. We do not believe in financial results coming at the expense of safety.

Finally, labour relations across the Group remain excellent. I am pleased to report that Los Pelambres and Michilla, both of which had labour contracts expiring in the last quarter of this year, were able to conclude new agreements with their respective unions well ahead of time by the end of May. Los Pelambres has entered into a new 45 month agreement with its mine-port union while Michilla has

concluded a 48 month agreement with its labour union. The next negotiations in the Group are not due until 2008.

In conclusion, we expect 2007 to be another good year for the Group with good operational performances supported by favourable market conditions and a sound balance sheet. We will also continue to progress with the opportunities we have assembled over the years with the help of this strong financial position. I think you will agree that we have a lot to be getting on with and I believe these projects could substantially enhance the current production profile in the medium to longer term.

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