

30 April, 2008

Highlights

- **Group copper production in Q1 was 114,600 tonnes, 7.1% above the quarterly average for 2007.**
- **Molybdenum production at Los Pelambres in the first quarter was 1,800 tonnes, below the quarterly average for 2007 but in line with year-to-date forecast.**
- **Group cash costs in Q1 were 72.2 cents per pound compared with 31.6 cents per pound in the 2007 full year, due to lower by-product credits (reflecting lower molybdenum production) and higher on-site costs, partly offset by lower tolling charges.**
- **In addition to the sale of a 30% interest in the Esperanza project and the El Tesoro mine as announced on 24 April as part of the Group's plan for the development of those properties, the Group has also acquired interests in two exploration licences in Zambia and has entered into an agreement to explore for thermal energy resources in Chile.**

Group Total	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Acc 2008	Acc 2007	Full Year 2007
Total production of payable copper ('000 tonnes)	114.6				114.6	105.9	428.1
Total production of payable moly ('000 tonnes)	1.8				1.8	2.1	10.2
Weighted average cash costs (cents per pound)	72.2				72.2	35.8	31.6

Los Pelambres

Los Pelambres produced 79,100 tonnes of payable copper in the first quarter of the year, in line with expectations and an increase of 9.2% over the quarterly average for 2007. This was the result of increased plant throughput due to a higher proportion of softer secondary ore treated, marginally offset by a slight decrease in the average recovery obtained during the period. Shipments of payable copper in Q1 were 65,800 tonnes, 13,300 tonnes lower than production due to differences in shipping and loading schedules, which were subsequently shipped in April.

Molybdenum production was 1,800 tonnes in the first quarter of the year, an expected decrease of 800 tonnes compared with the quarterly average for 2007. This reduction is mainly explained by the lower molybdenum ore grade in the quarter, partly offset by the higher plant throughput. The decrease in ore grade is in accordance with the mine plan, under which areas with a lower molybdenum grade are now being mined.

Cash costs in Q1 2008 were 37.4 cents per pound, an increase of 48.2 cents per pound compared with negative 10.8 cents per pound in the 2007 full year. This resulted from a combination of lower by-product credits and higher on-site and shipping costs, offset by lower tolling charges.

By-product credits decreased by 33.5 cents per pound, due to the lower molybdenum volumes and the impact of the higher copper production on the credits expressed in cents per pound of copper produced, partly compensated for by the higher molybdenum market prices. On-site and shipping costs increased as forecast by 24.1 cents per pound, mainly explained by higher energy costs due to the new electricity supply contract that took effect from January 2008 and which reflects the current tight market conditions. Shipping costs have also risen as a consequence of higher fuel prices.

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El Tesoro

Cathode production at El Tesoro in the first quarter of the year was 23,900 tonnes, 2.8% above the quarterly average for 2007, and in line with forecast. This increased production was achieved mainly due to the higher level of ore treated, offset by the lower average ore grade.

Pre-stripping works have continued in line with plan at the Tesoro North-East deposit, which now forms part of the El Tesoro mine plan.

Cash costs in Q1 2008 were 129.4 cents per pound, below year-to-date forecast but 19.6 cents above the 2007 full year mainly as a result of higher acid and energy costs.

Michilla

Michilla produced 11,500 tonnes of copper cathodes in the first quarter of the year, marginally above the quarterly average for 2007. The higher ore throughput and the higher metallurgical recovery in the quarter more than compensated for the decline in the ore grade.

Cash costs were 191.4 cents per pound in the first quarter of the year, below the forecast for the quarter but 47.9 cents above the 2007 full year, reflecting higher acid and energy costs, as well as higher costs of third party services.

Projects

The Esperanza project continues to progress on schedule, with first production expected by the fourth quarter of 2010. Pre-stripping was initiated in early February and the construction of early works (such as camps, access roads and other facilities) has also started with more than 1,000 workers now on site. The full environmental approval is expected to be obtained by the third quarter of this year, after which the construction of the plant will commence. As announced on 24 April 2008, project costs (before working capital and any financing costs) are currently estimated at US\$1.9 billion, mainly as a result of cost escalation expected to the completion of the project.

On 24 April Antofagasta announced that it had entered into an agreement with Marubeni Corporation under which Marubeni will acquire a 30% interest in the Esperanza project (including the Telegrafo deposit) and the El Tesoro mine (including the Tesoro North-East deposit). At closing Marubeni will pay a cash consideration of US\$1.31 billion plus interest to completion and other closing adjustments and will be responsible for its share of development cost of the Esperanza project. Closing of the transaction is subject to a number of conditions including receipt of necessary environmental approvals at Esperanza. To facilitate this transaction certain mining properties were acquired through Antomin Limited.

During Q1, feasibility studies were initiated for the Reko Diq project in Pakistan and the Antucoya project in Chile's II Region; the purchase of the Antomin properties mentioned above completes the ownership of property necessary for the Antucoya project. The Reko Diq project is advancing on schedule to finish its feasibility study in early 2009. The feasibility contract has been assigned to SNC Lavanin from Toronto and, following the increase in the resource estimate at the end of 2007, the company is now carrying out infill drilling.

Exploration

The Group progressed with its exploration programme both in Chile and in the rest of the world in accordance with its plan for the year.

As part of its long-term strategy for growth, during April the Group entered into an agreement with TEAL Exploration & Mining Incorporated ("TEAL") to acquire an initial 30% interest in two of TEAL's exploration licences on the Zambian Copperbelt covering an area of approximately 2,067 sq. km. for a consideration of US\$5 million. The agreement gives the Group the right to earn an additional 20% interest by incurring US\$4.5 million of exploration expenditure (of which US\$2 million is committed expenditure) over a period of 4 years. TEAL is a company listed on the Toronto Stock Exchange and the JSE Limited with exploration and project interests in Africa.

As part of the Group's decision to enter the energy exploration business as explained in its Preliminary Results Announcement of 13 March, during April the Group signed a memorandum of understanding with Empresa Nacional del Petroleo ("ENAP") of Chile for the exploration and exploitation of potential sources of geothermal

energy. The memorandum of understanding envisages that these activities will be carried out through a newly-created entity in which the Group will hold a 60% interest and ENAP will hold 40% interest.

Commodity prices

The LME copper price in 2008 Q1 averaged 352.1 cents per pound, compared with 269.5 cents per pound in 2007 Q1 and 323.3 cents per pound in the 2007 full year.

The market molybdenum price in 2008 Q1 averaged US\$33.2 per pound, compared with US\$26.1 in 2007 Q1 and US\$30.2 per pound in the 2007 full year.

Transport

Combined rail and road volumes for the quarter were 5.2% below the average for 2007. The outlook for the year remains positive, with volumes for the full year expected to be above those achieved in 2007.

Water

The water business performed strongly in the first quarter of the year. Volumes sold increased to 10.7 million cubic metres, a 7.8% increase compared with quarterly average for 2007, due to improved sales to both industrial and regulated clients.

Interim Management Statement

This report represents the Interim Management Statement for the purposes of the UK Listing Authority's Disclosure and Transparency Rules. Other than as set out above, there have been no significant changes in the financial position of the Group in the quarter ended 31 March 2008.

Los Pelambres	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Acc 2008	Acc 2007	Full Year 2007
Production statistics							
Daily average ore treated ('000 tonnes)	138.8				138.8	125.0	126.3
Average ore grade (%)	0.71				0.71	0.71	0.71
Average recovery (%)	91.1				91.1	92.5	92.3
Concentrate produced ('000 tonnes)	272.0				272.0	186.5	872.1
Average concentrate grade (%)	30.2				30.2	39.6	34.5
Fine copper in concentrate ('000 tonnes)	82.0				82.0	73.1	300.1
Payable copper in concentrate ('000 tonnes)	79.1				79.1	70.7	289.9
Average moly ore grade (%)	0.019				0.019	0.033	0.030
Average moly recovery (%)	73.5				73.5	66.7	74.2
Payable moly ('000 tonnes)	1.8				1.8	2.1	10.2
Cash costs statistics							
On-site and shipping costs (cents per pound)	100.4				100.4	64.7	76.3
Tolling charges for concentrates (cents per pound)	20.3				20.3	25.7	29.6
By - product credits (cents per pound) *	(83.2)				(83.2)	(86.3)	(116.7)
Cash costs (cents per pound)	37.4				37.4	4.2	(10.8)

(*) Note: By-products credits do not include any costs attributable to the production of molybdenum concentrate. By-product calculations also do not take into account unrealised mark-to-market gains at the beginning or end of each period.

El Tesoro	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Acc 2008	Acc 2007	Full Year 2007
Daily average ore treated ('000 tonnes)	29.8				29.8	27.8	26.8
Average ore grade (%)	1.16				1.16	1.21	1.23
Average recovery (%)	76.8				76.8	77.4	77.8
Copper cathodes ('000 tonnes)	23.9				23.9	23.6	93.0
Cash costs (cents per pound)	129.4				129.4	87.4	109.8

Michilla	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Acc 2008	Acc 2007	Full Year 2007
Daily average ore treated ('000 tonnes)	16.2				16.2	15.2	14.8
Average ore grade (%)	0.98				0.98	1.04	1.03
Average recovery (%)	80.6				80.6	81.2	79.1
Copper cathodes ('000 tonnes)	11.5				11.5	11.6	45.1
Cash costs (cents per pound)	191.4				191.4	123.1	143.5

Transport	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Acc 2008	Acc 2007	Full Year 2007
Rail tonnage transported ('000 tons)	1,224				1,224	1,253	5,008
Road tonnage transported ('000 tons)	273				273	321	1,313

Water	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Acc 2008	Acc 2007	Full Year 2007
Water volume sold – potable and untreated ('000 m ³) **	10,743				10,743	10,069	39,858

(**) Note: Water volumes include water transportation of 353,000 m³ in Q1 (300,000 m³ in Q1 2007 and total for 2007 of 1,258,000 m³).