

The New Lihir Gold Limited



**Managing Director
Arthur Hood**



**Brisbane Mining Club
June 2006**

Forward-looking statements



This presentation may contain certain forward-looking statements regarding (i) estimated reserves, (ii) anticipated production profiles and characteristics, (iii) expected capital requirements, (iv) forecast cost profiles or (iv) plans, strategies and objectives of management.

Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Lihir, which may cause actual results to differ materially from those contained in this announcement.

Lihir can give no assurances that the estimates, profiles, capital, cost profiles and plans will not materially differ from the statements contained in this release.



● Brisbane

PNG – country risk overstated



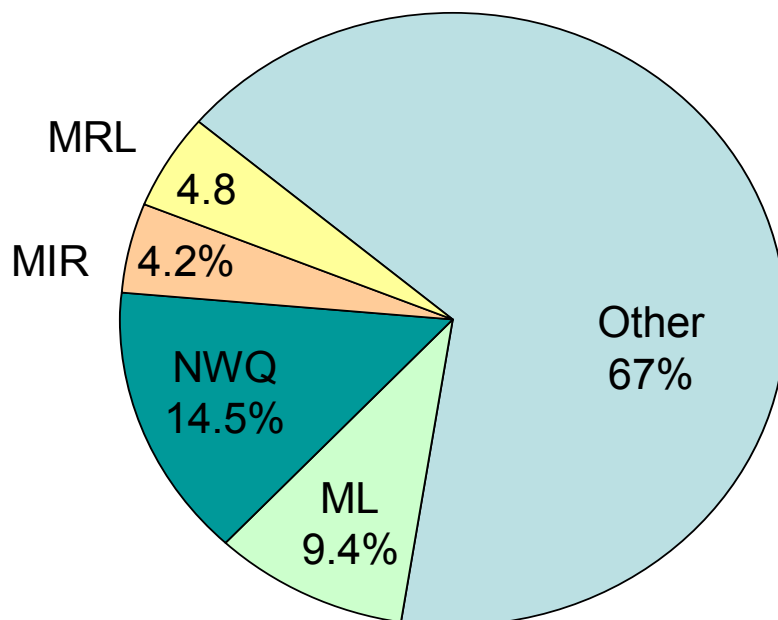
- Very robust democracy - 30 years of independence
- Independent judicial system, free media, maturing political parties
- Stable, growing economy (3.5% in 2006)
 - Balanced budget
 - Annual inflation below 2%
 - Current account in surplus
 - Foreign exchange reserves at record levels
 - Economic growth outpacing population growth
 - Stable investment climate
- Problems – Health, Education, Law & Order

Global shareholder base

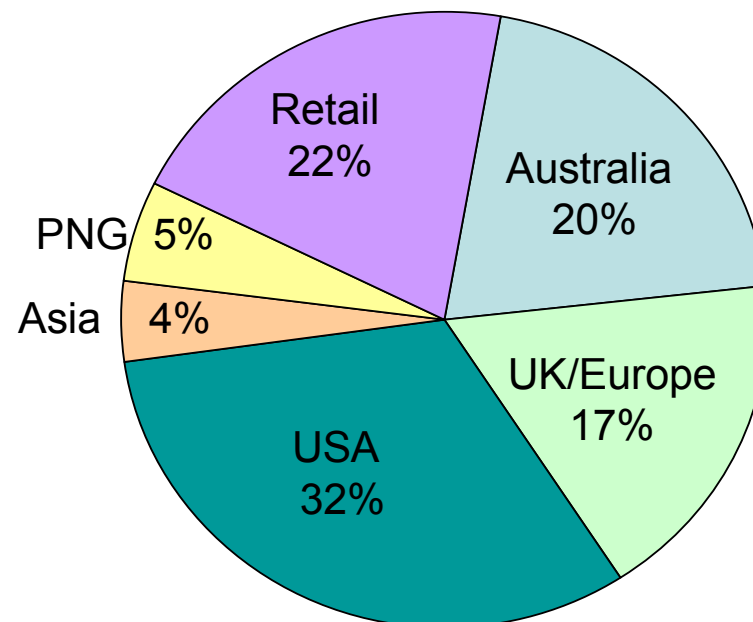


- PNG Company incorporated 1995
- 1.28 billion ordinary shares
- Market capitalisation A\$3.5 billion
- Listed on ASX, NASDAQ & Port Moresby exchanges

Major Shareholders



Investor Breakdown



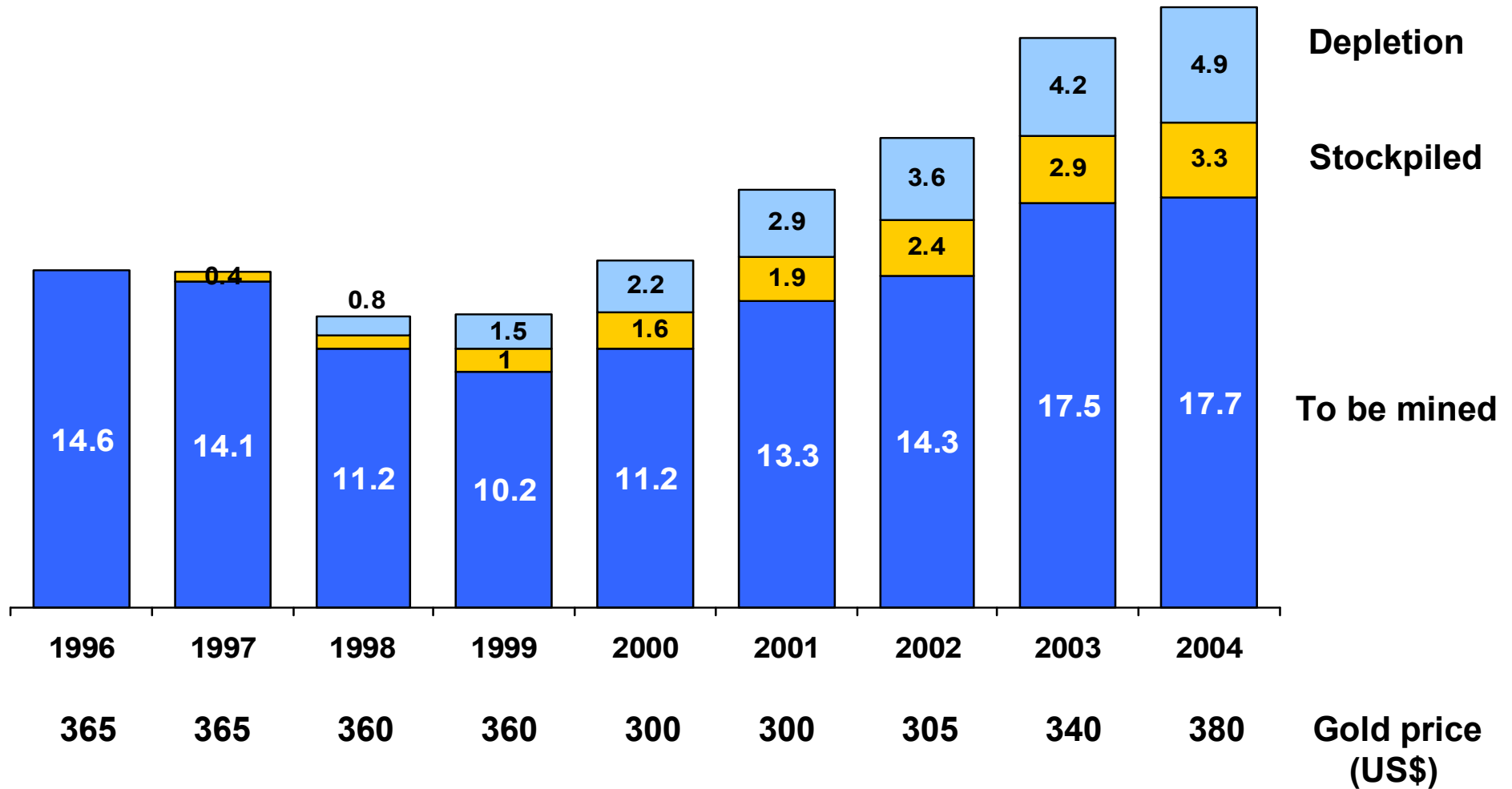
As at May 2006

Reserve growth



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(Total LOM Reserve, Million ozs)



Five transforming factors



- Independent management
- Step change in gold grade
- Accessing low cost geothermal power
- Currently expanding production by 20%
- Examining options to reach production of 1 million ounces a year

A New Corporate Era



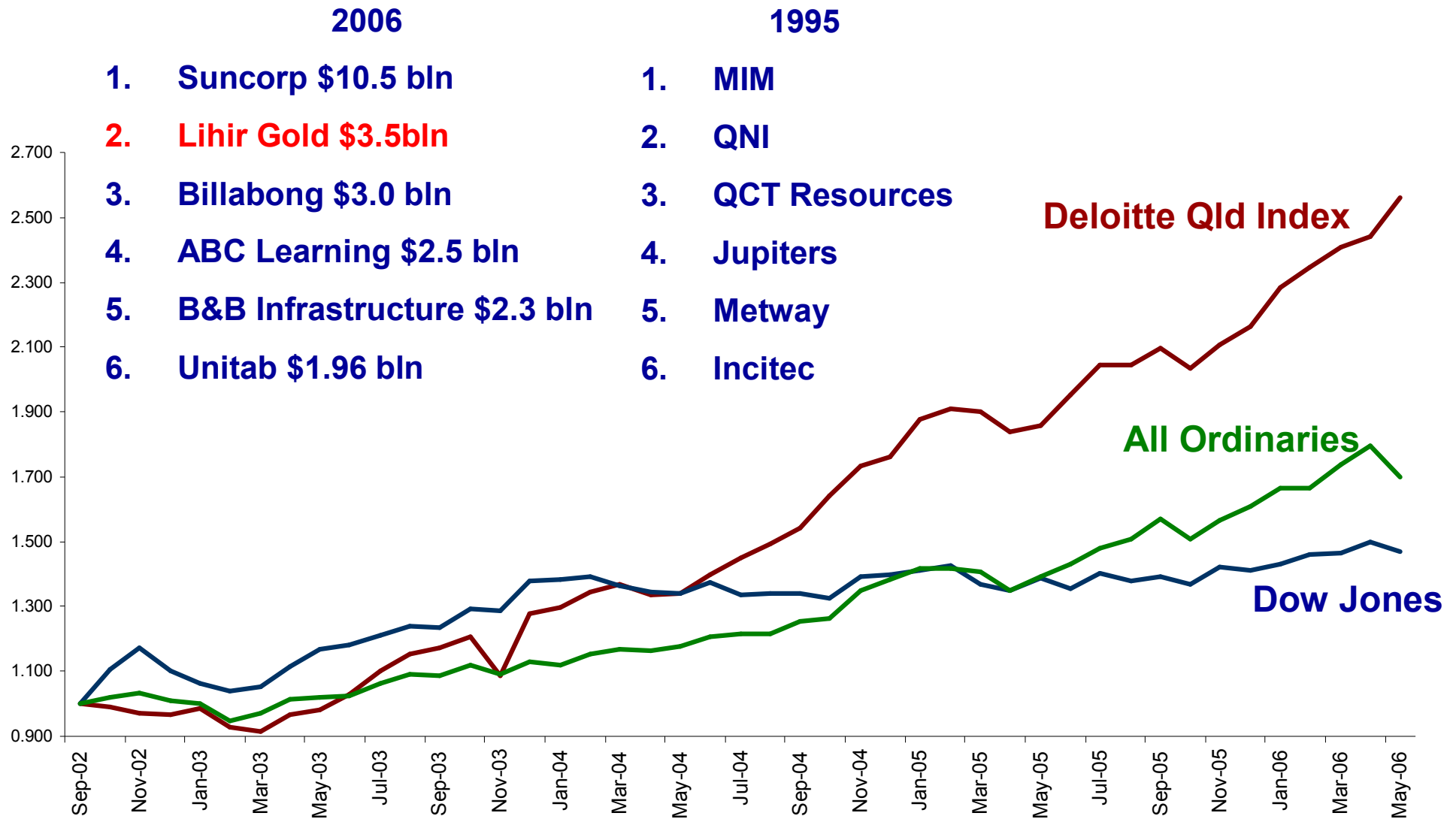
- Rio Tinto managed Lihir from inception under management agreement
- Independent management commenced Oct 2005
 - Rio Tinto shares sold in December
- External CEO appointed
 - Corporate head office established in Brisbane, Australia
 - Genuinely a new independent industry participant

Why Brisbane?



- Access to investors, financial community, while retaining proximity to PNG
- Vibrant and developing mining community
- Access to skilled employee pool
- Quality of life
- Low cost location
- Supportive government

Queensland corporate sector



Step change in gold grade



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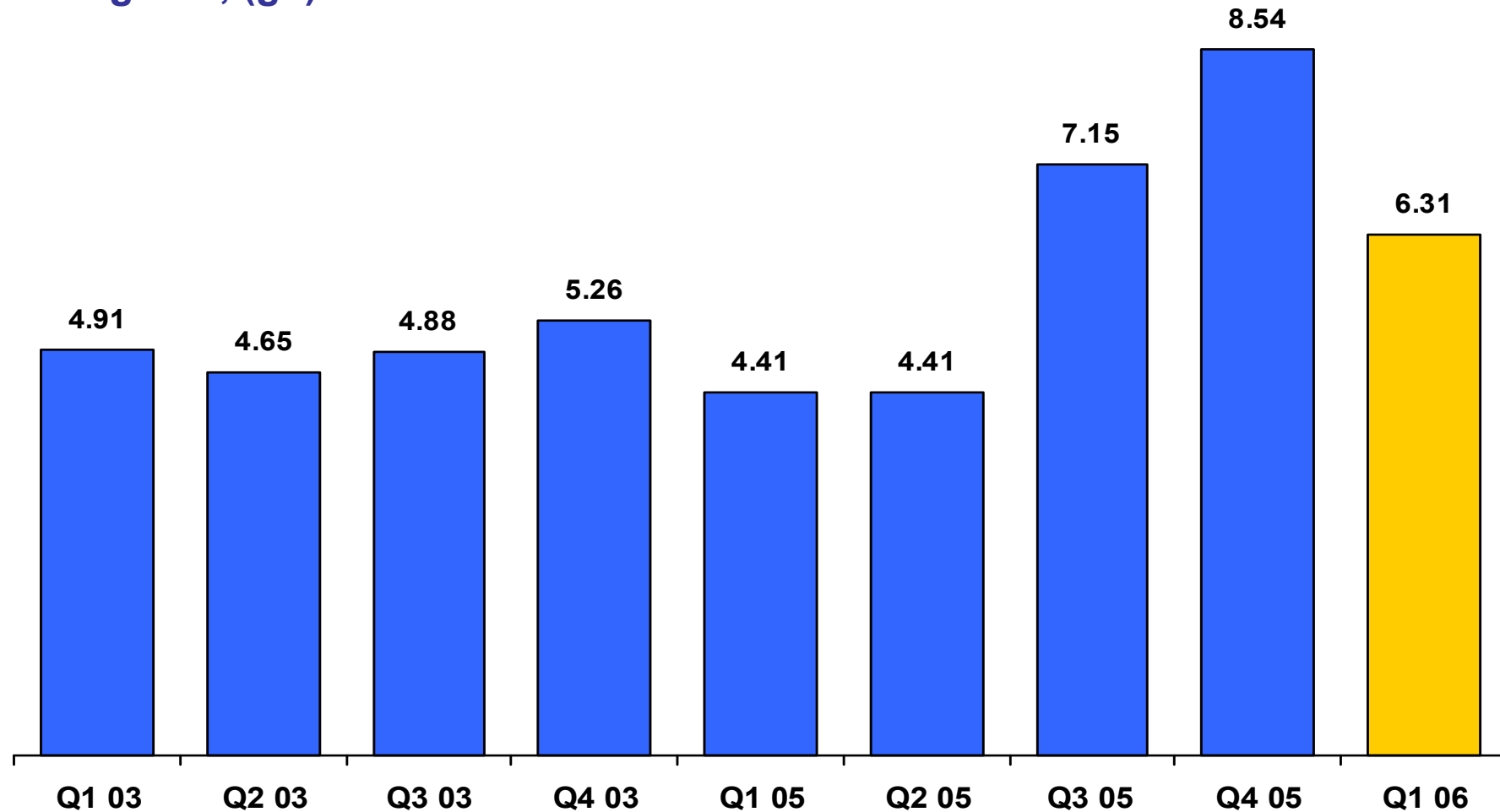


Lienetz – high grade ore body



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Mill feed grade, (g/t)



Geothermal power

- Geothermal resource provides cheap, reliable power source
- 6MW facility in place since 2003
- 30MW facility construction complete and in full production
- Reduced power costs \$US20 million p/a.
- 20MW expansion proceeding to plan
- Accessing carbon credits

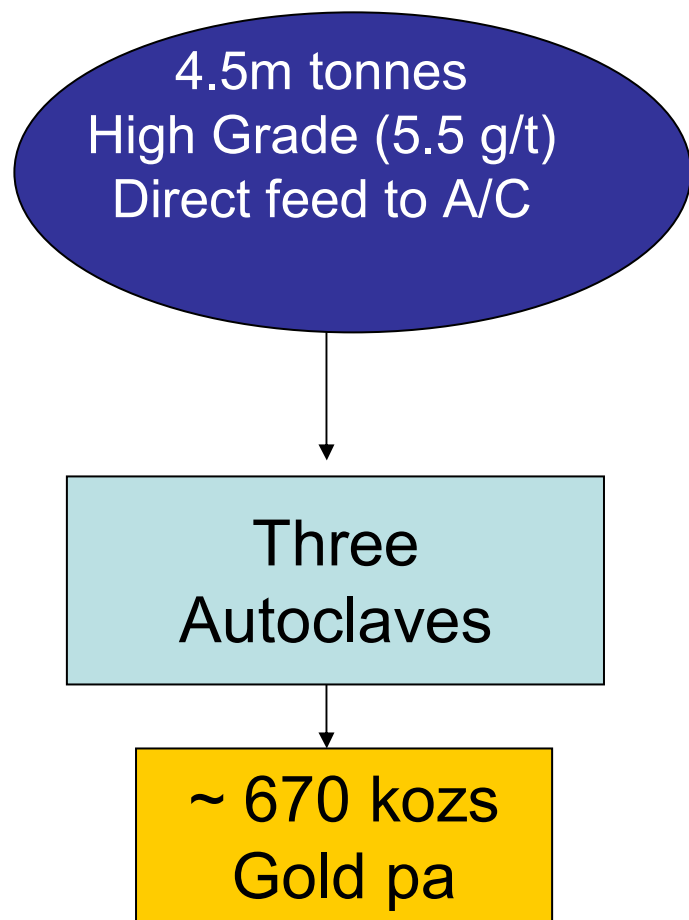


Flotation Project



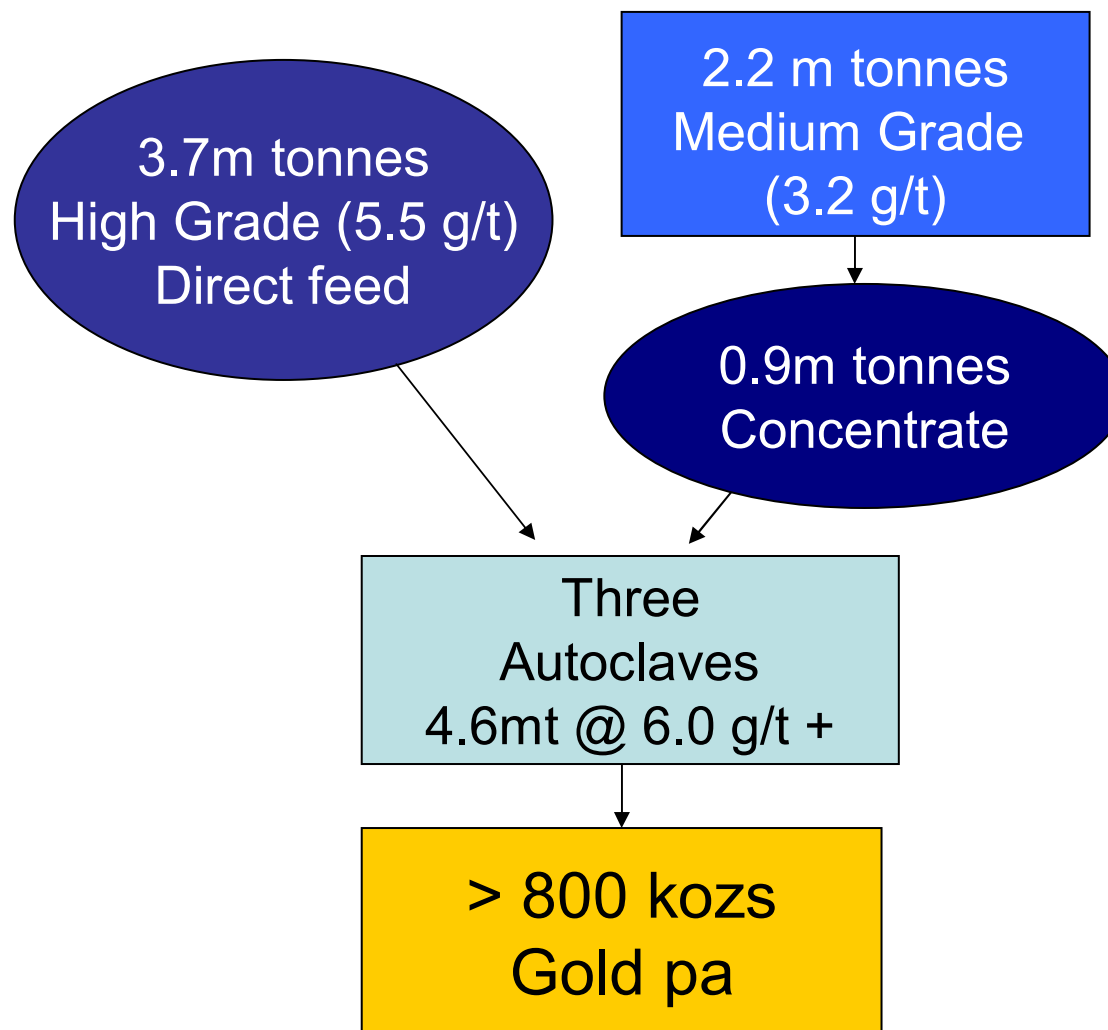
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Current process stream



Indicative numbers only

2007 process streams



Expansion Options Study

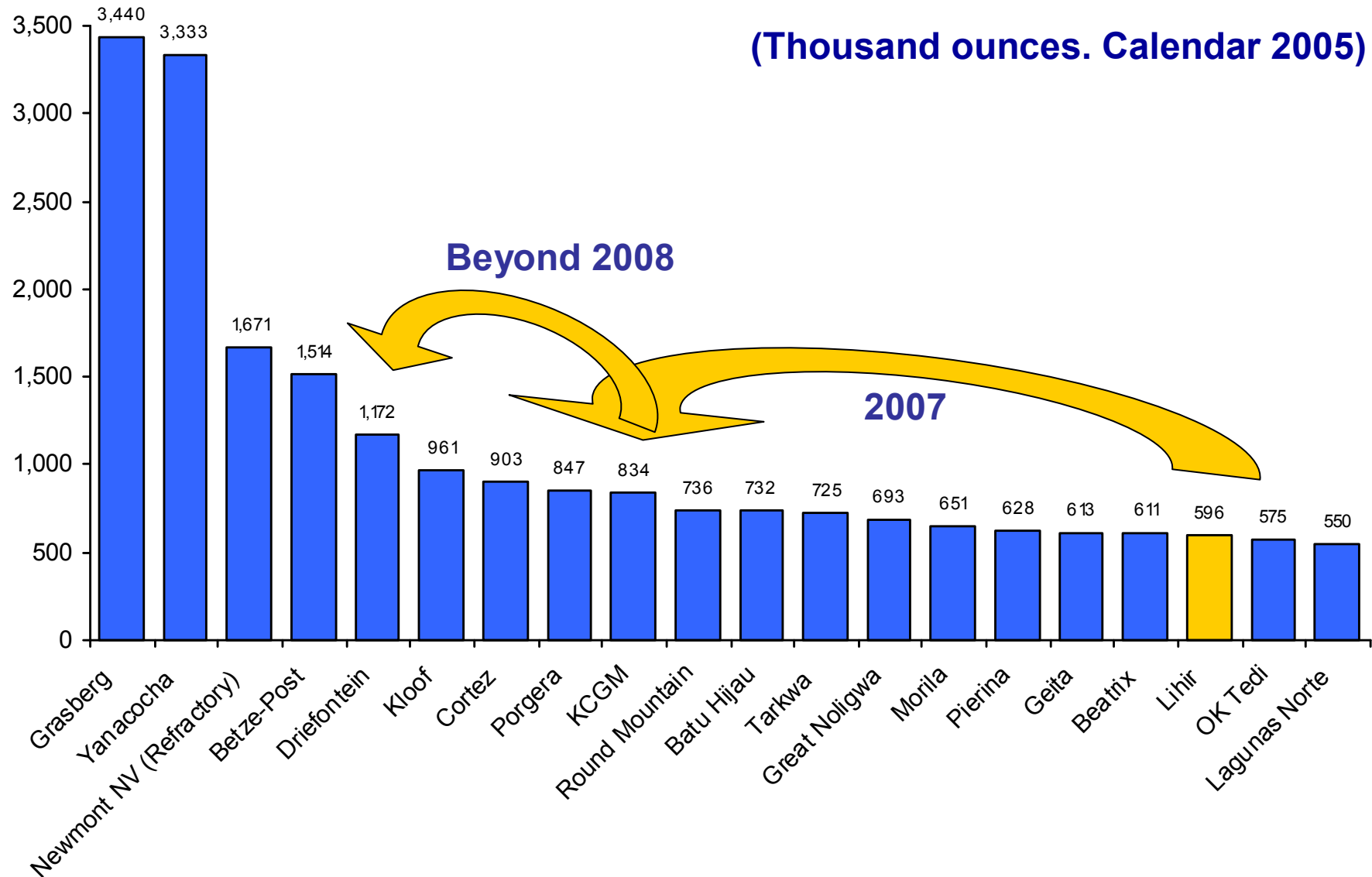


- Three approaches to achieve +1mozs :-
 - Increase % direct feed and/or
 - Increase % float feed
 - 100% float feed
- Capital order of \$200 million to \$400 million
- Feasibility Study 2007 ?
- Construction commence 2008 ?

Top Twenty Mines



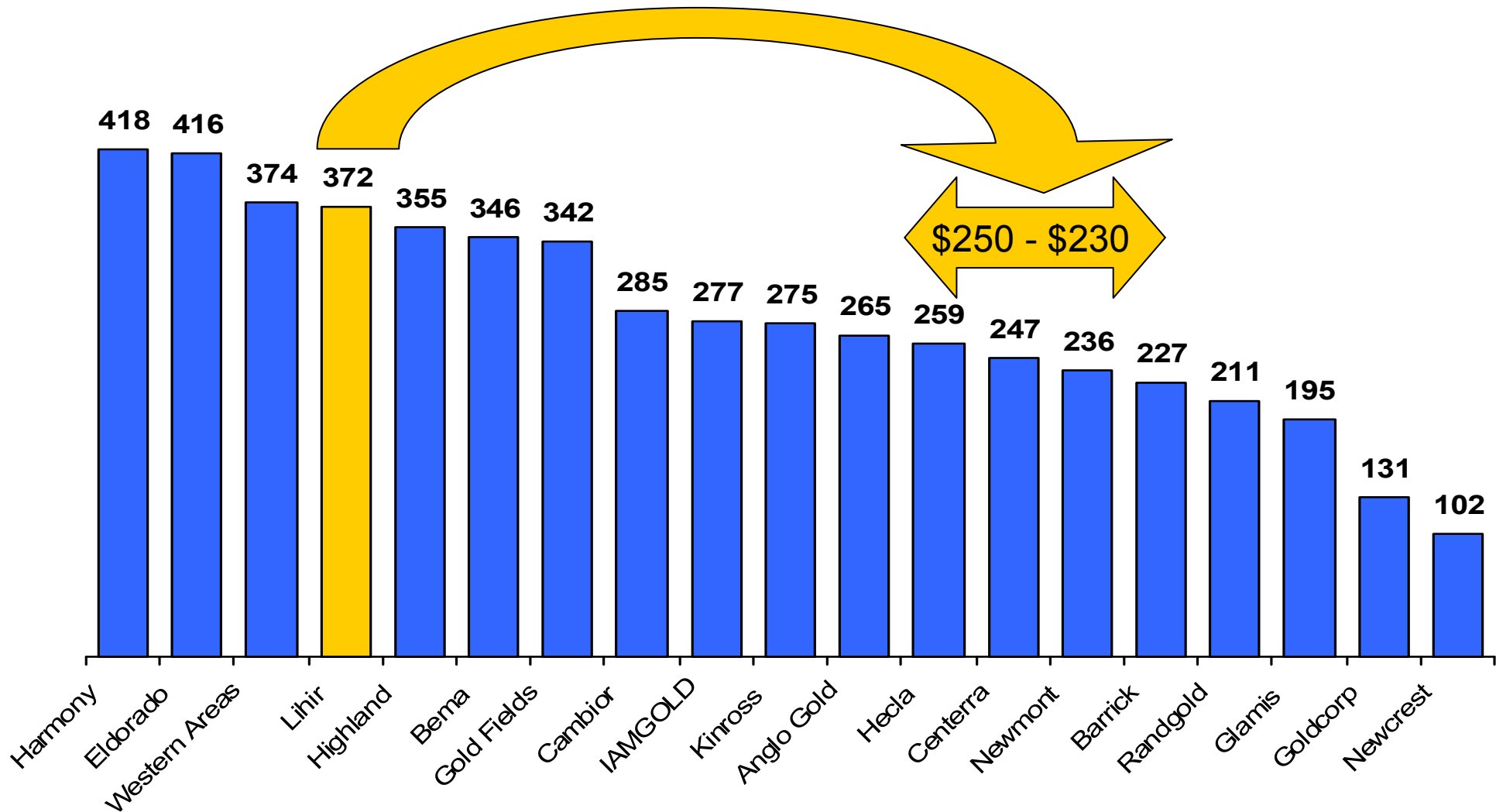
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Gross Cash costs/oz



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May 24, 2006.

Corporate development

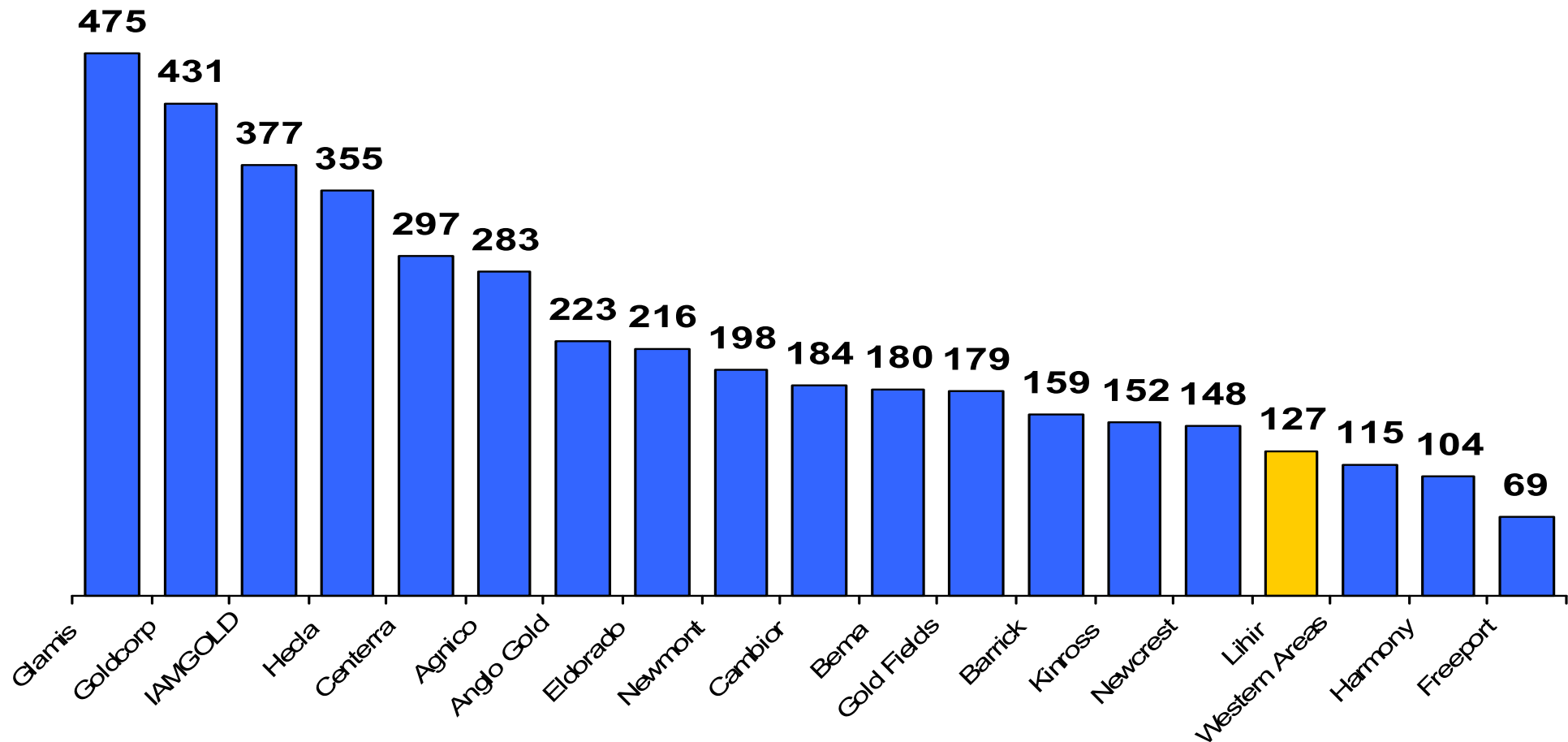


- Develop and implement M&A strategy
- Provide geographic diversification
- Provide revenue diversification
- Criteria:
 - Must create shareholder value
 - Must be gold
 - Must be a worthwhile size > 200,000 oz
 - Probably in our time zone

Reserve valuation



(Adjusted market capitalisation per ounce of reserve. US\$/oz)

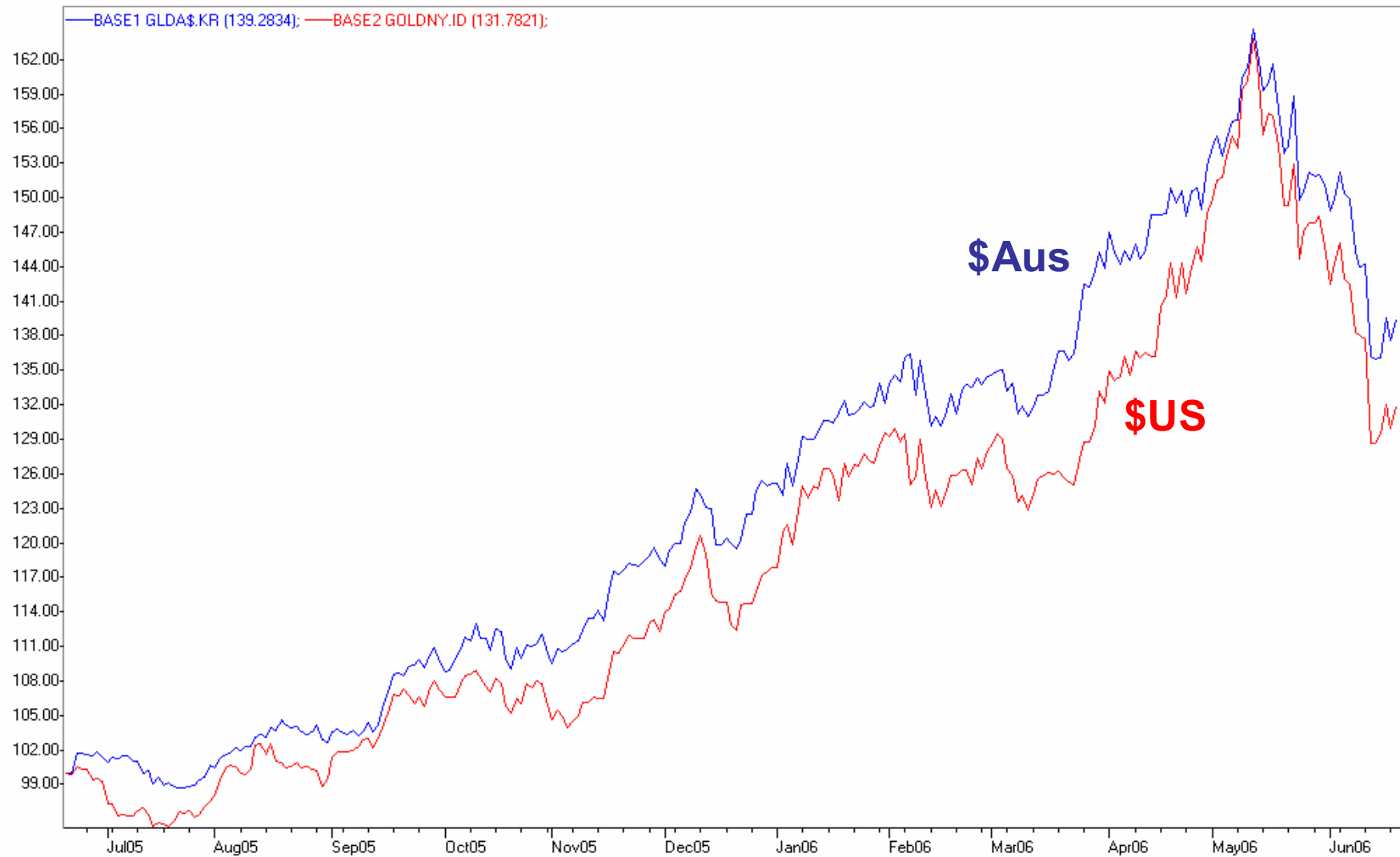


May 24, 2006. Adjusted for net debt on balance sheet. Source: RBC Capital Markets

Gold price performance



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Weak dollar drives gold higher



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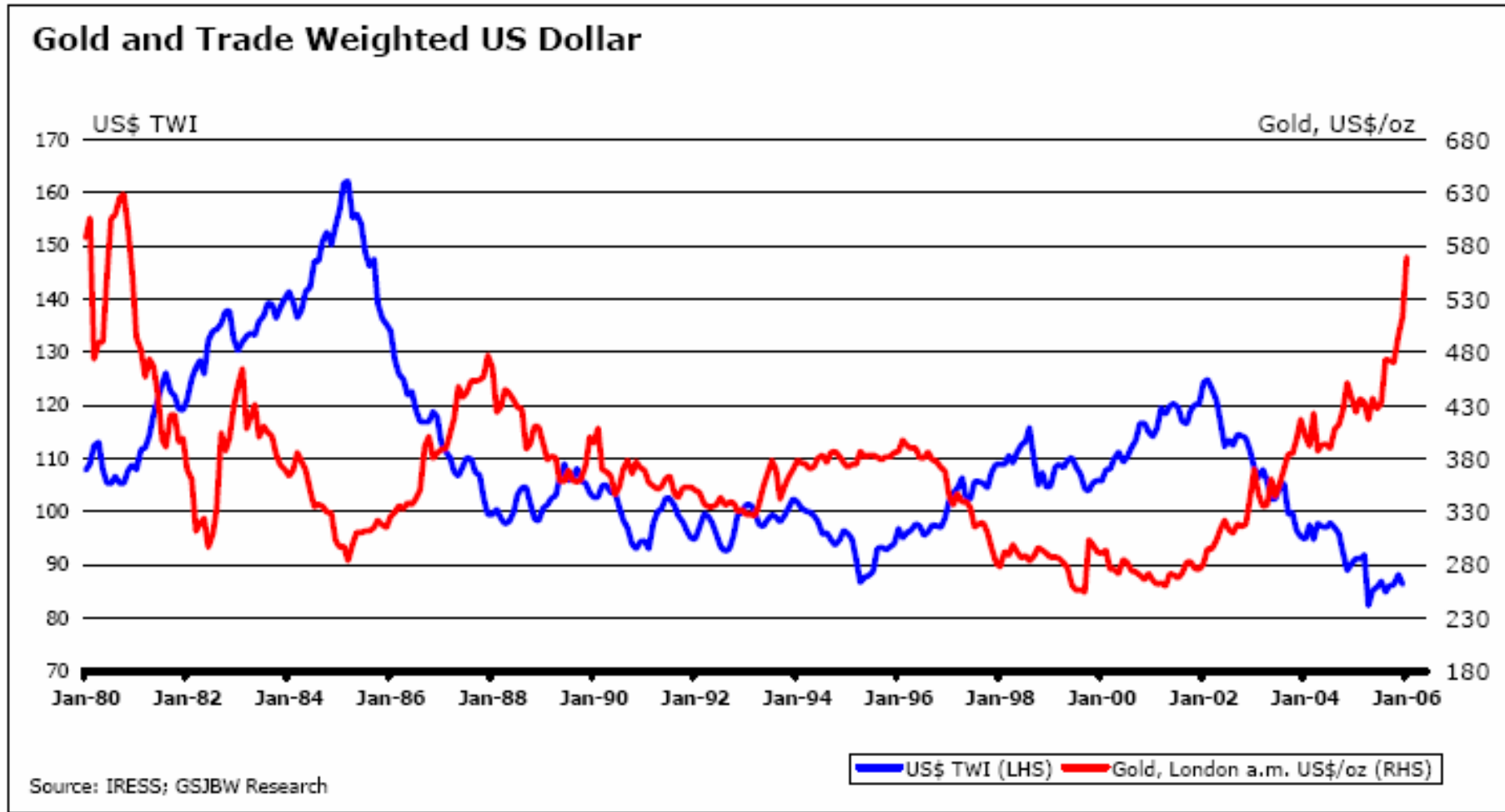
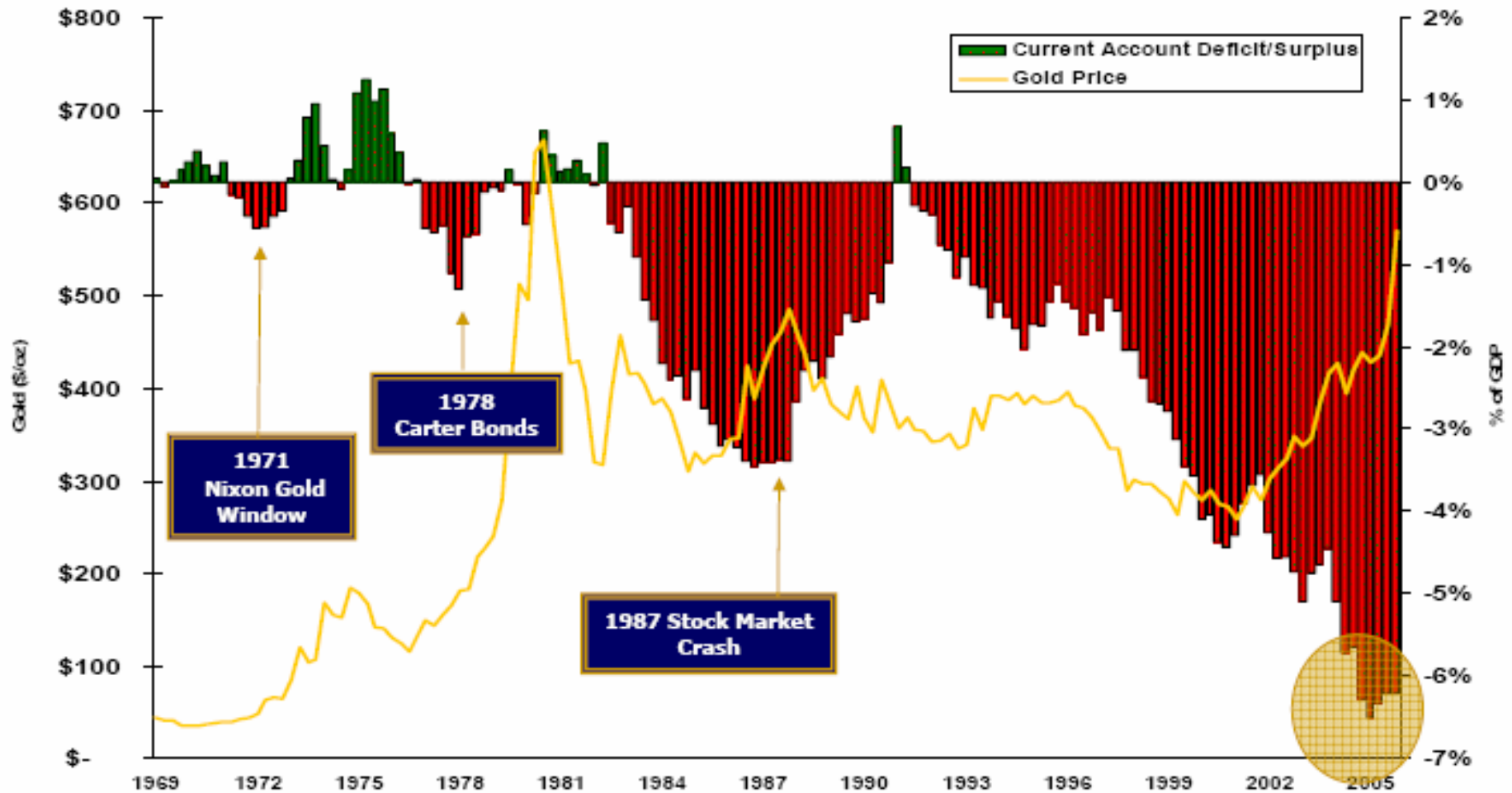


Figure 1

US Current Account deterioration



Source: Bloomberg

Slide 4

Stagnant mine supply



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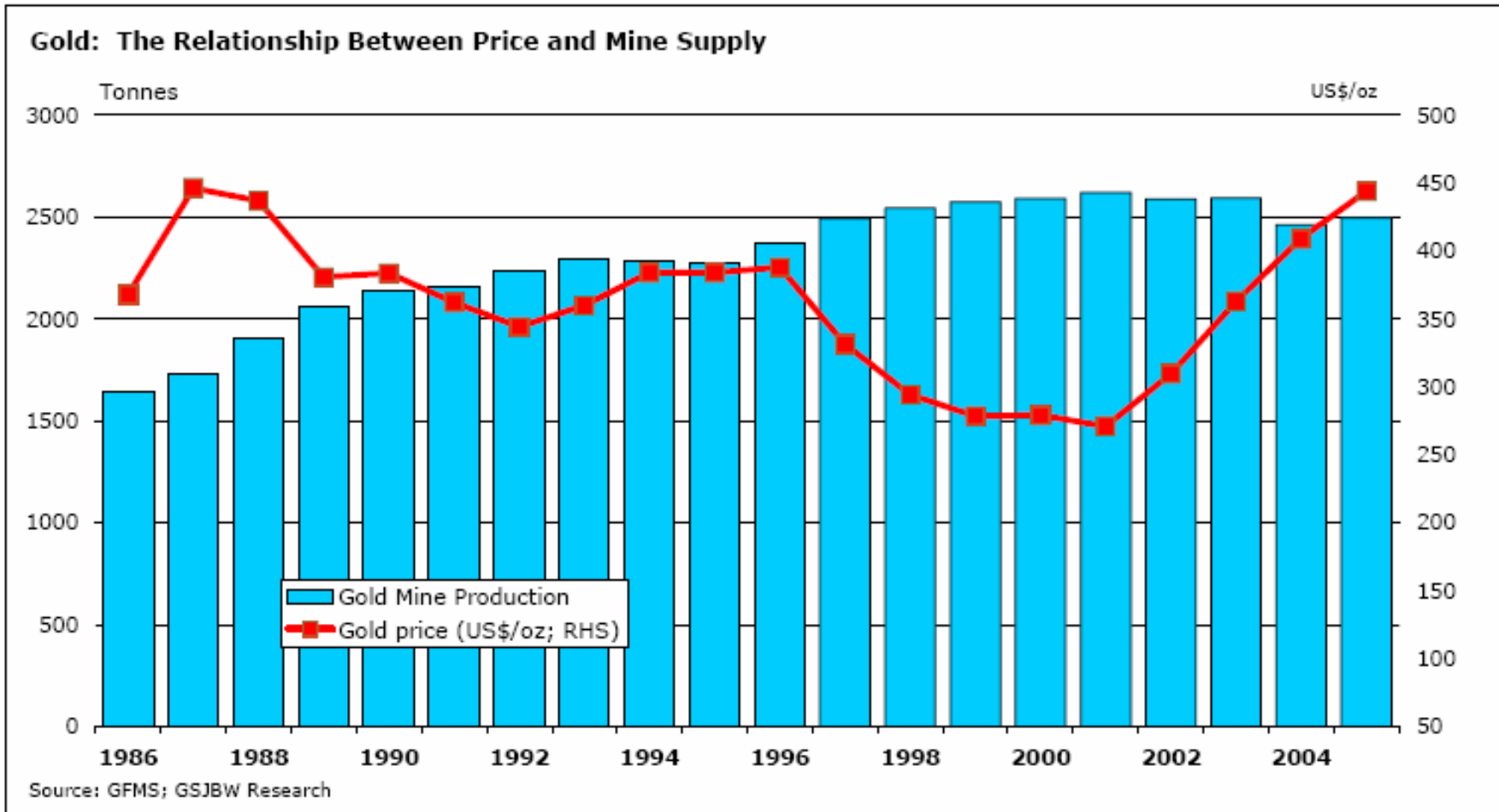


Figure 4

Producer de-hedging impact



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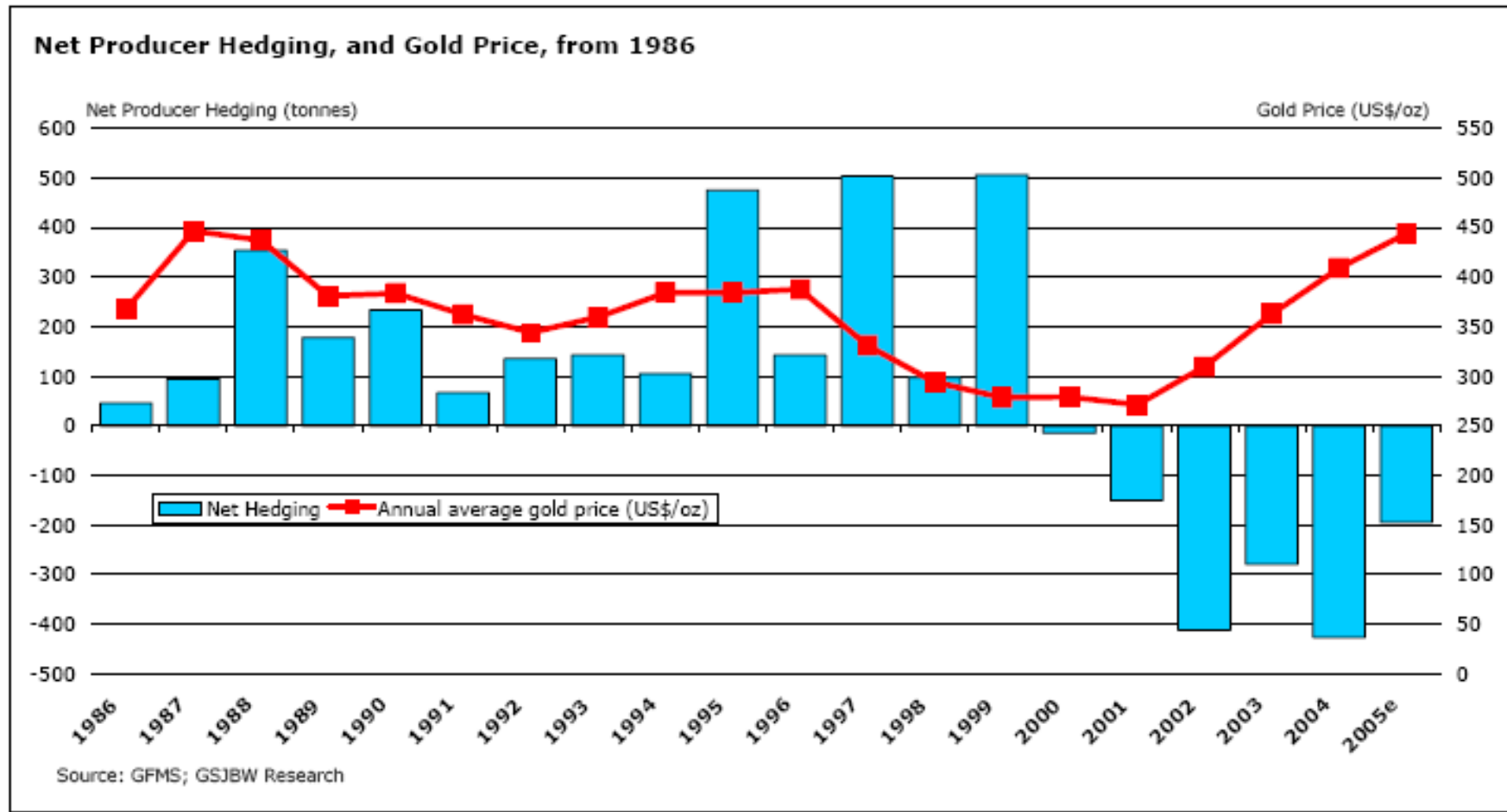


Figure 3

Central bank selling

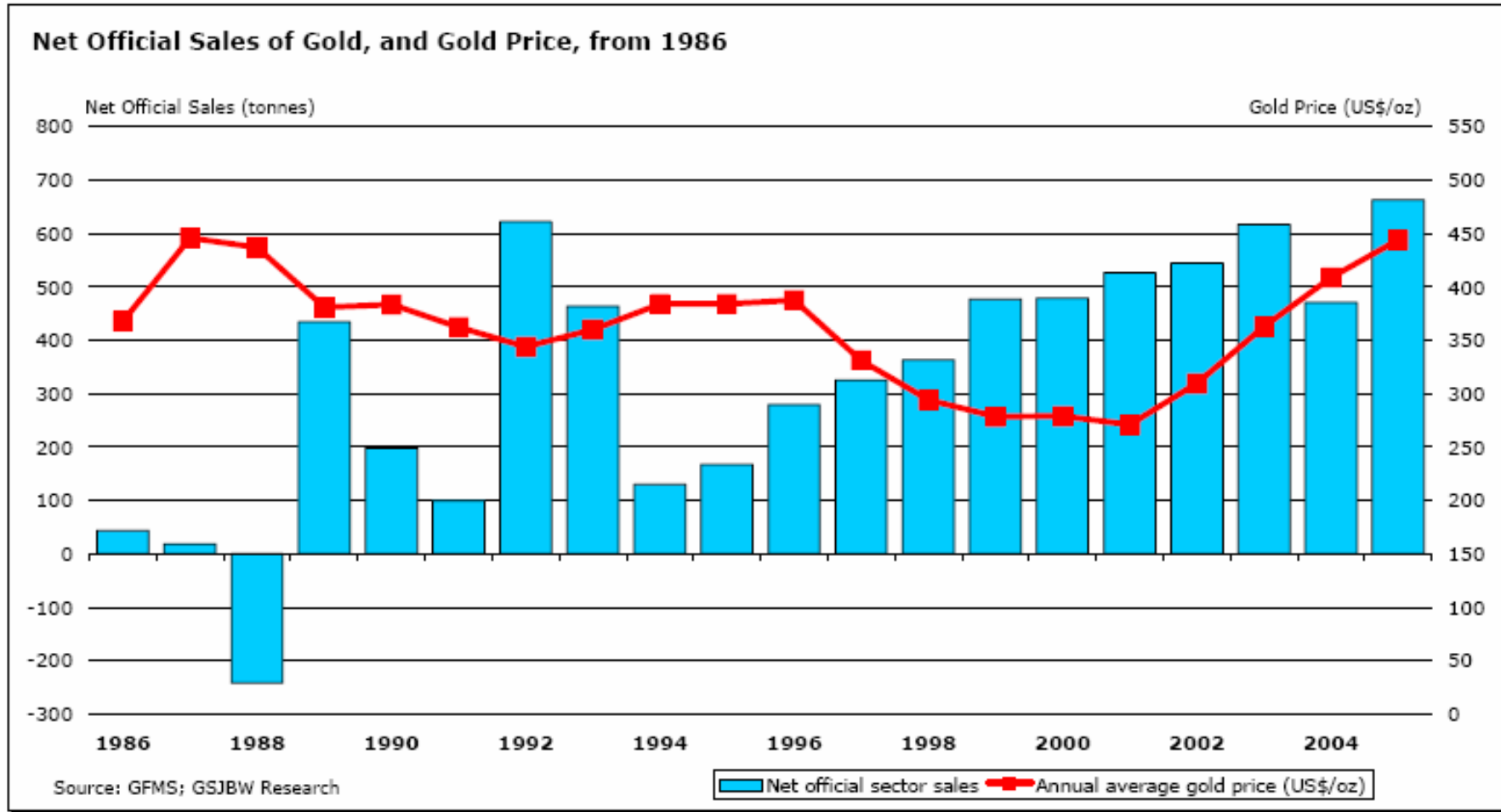


Figure 5

Fabrication demand rising

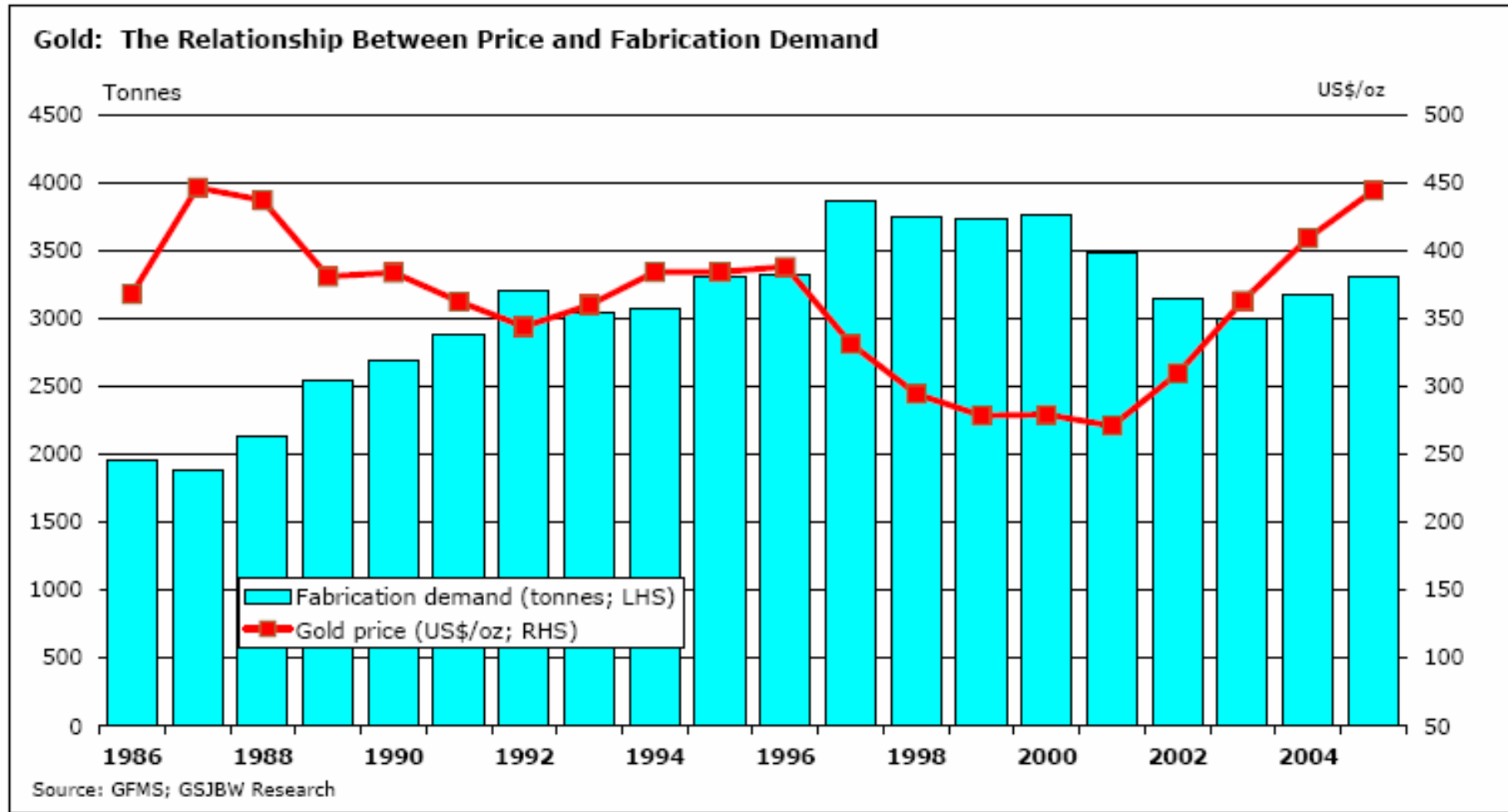
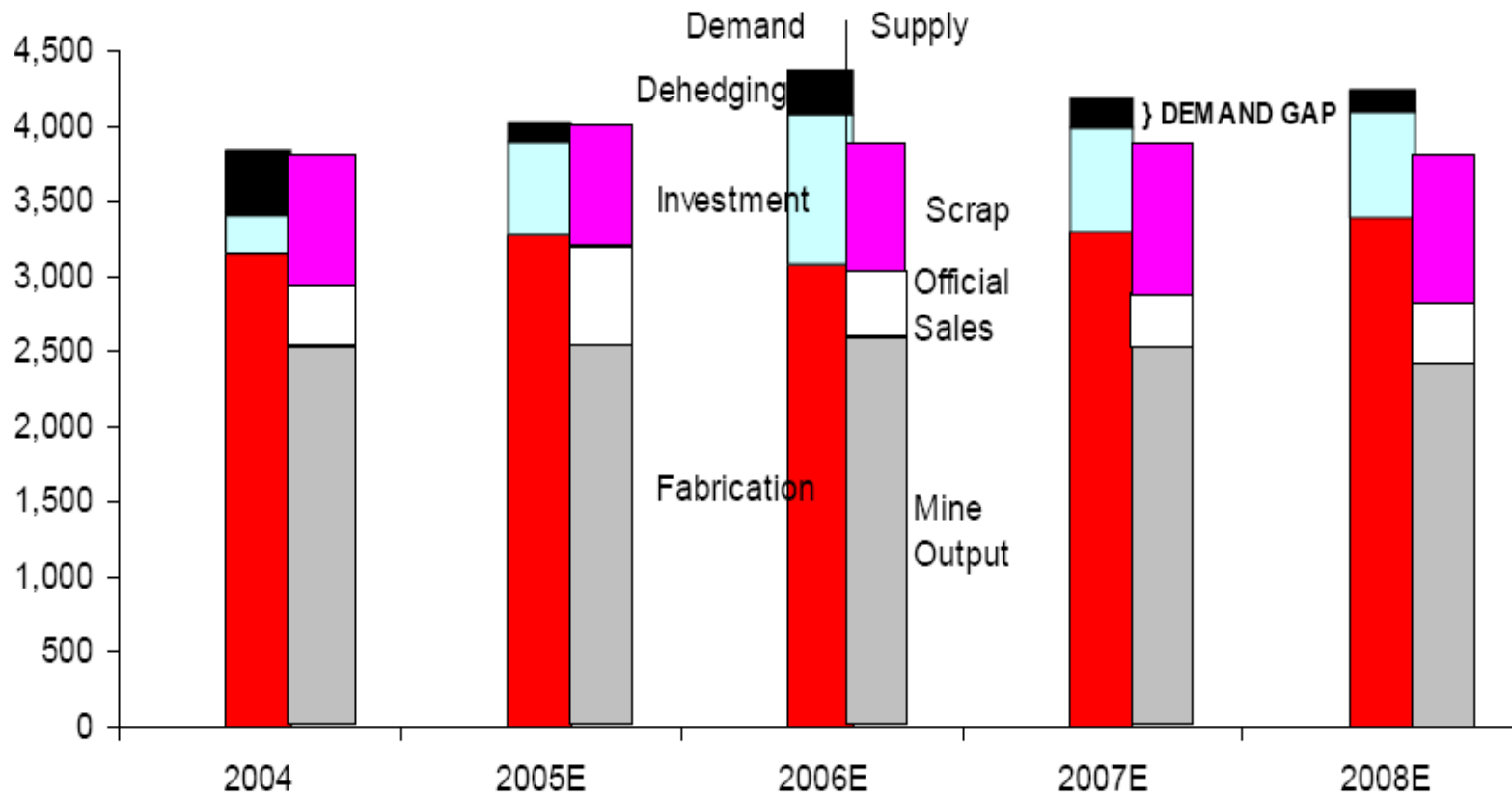


Figure 6

Supply gap opening



Source: 2002 - 2005 GFMS data; thereafter Merrill Lynch estimates

Hedge against inflation



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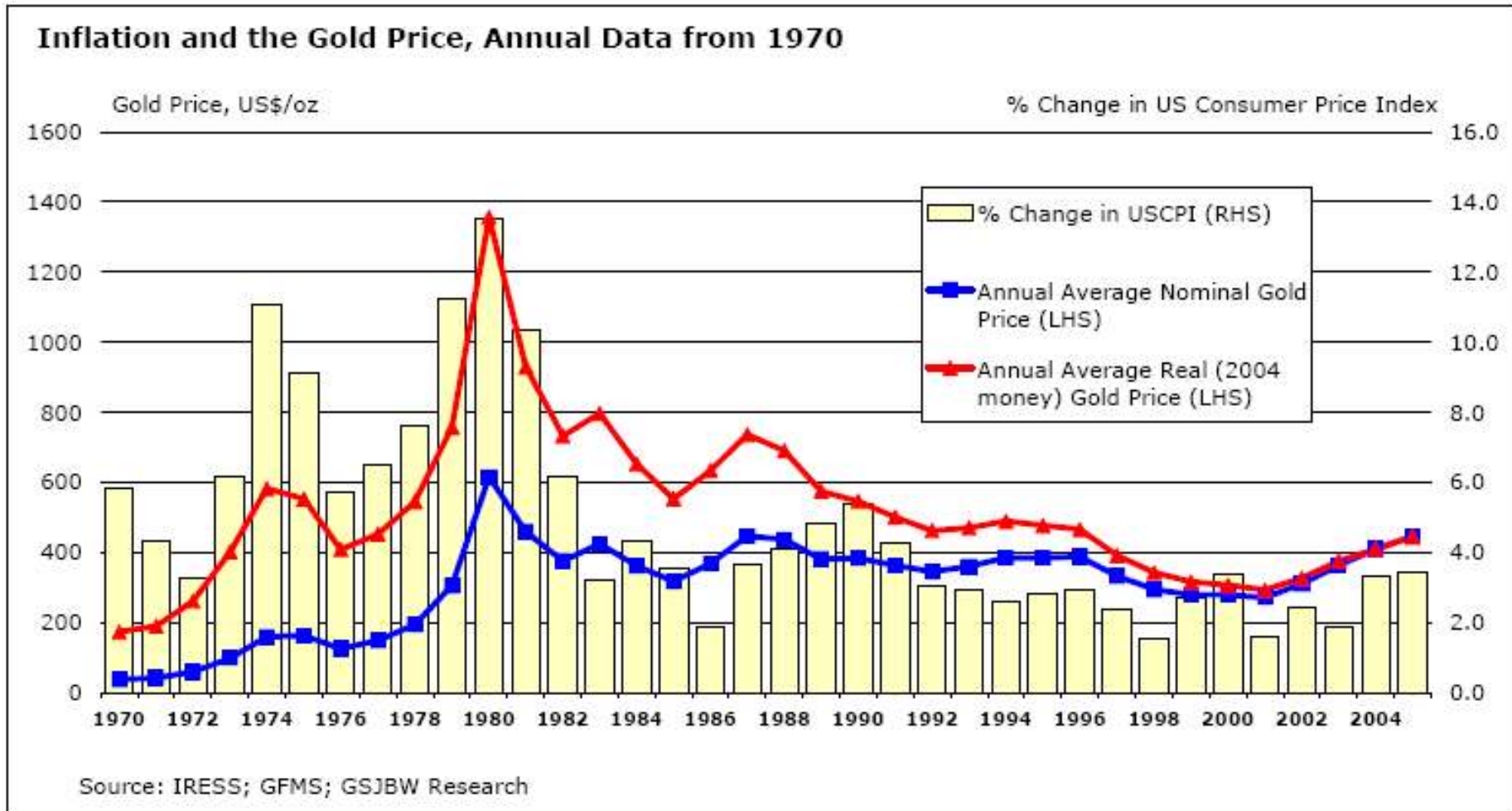


Figure 7

Gold is cheap in real terms



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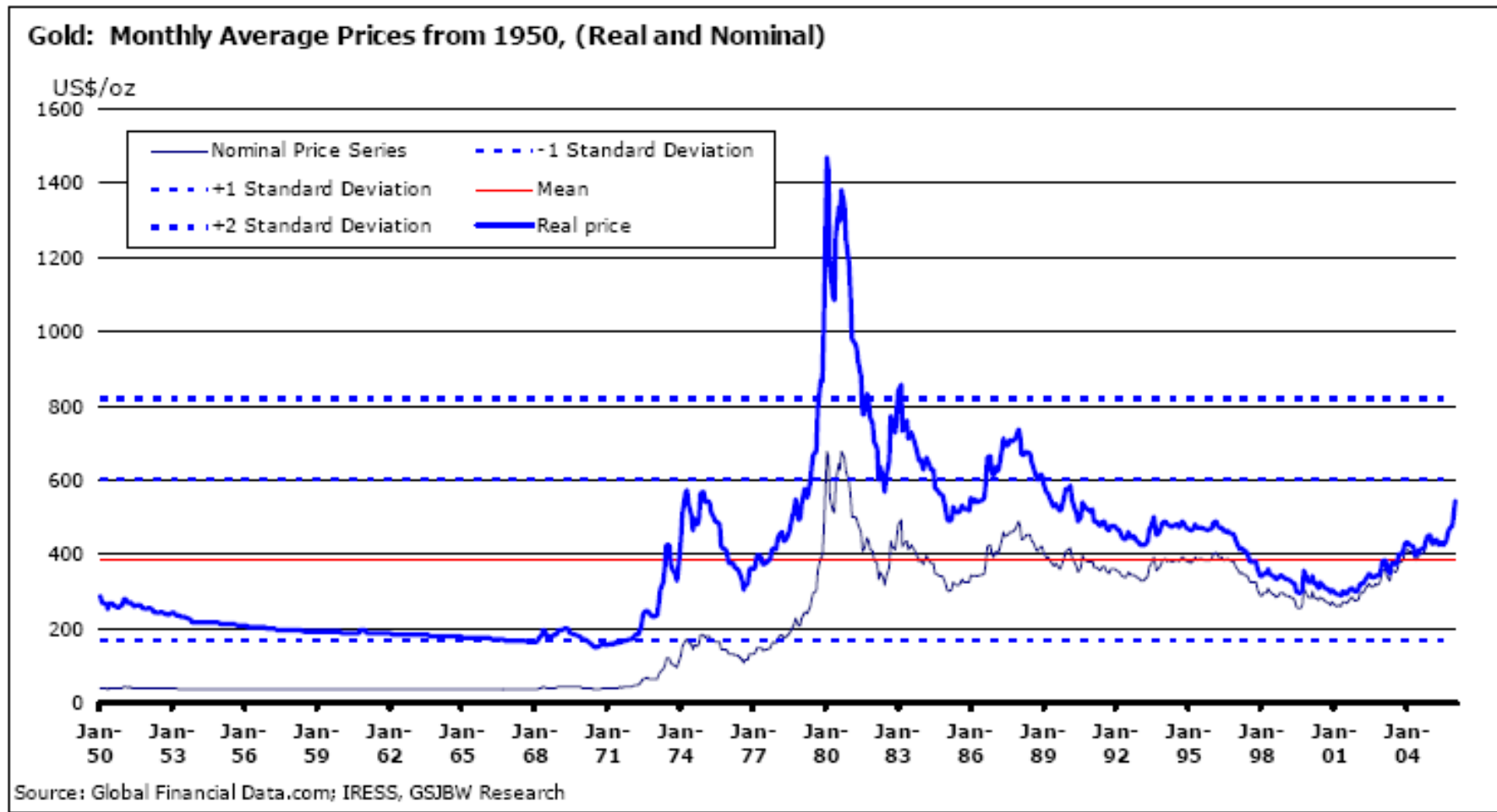
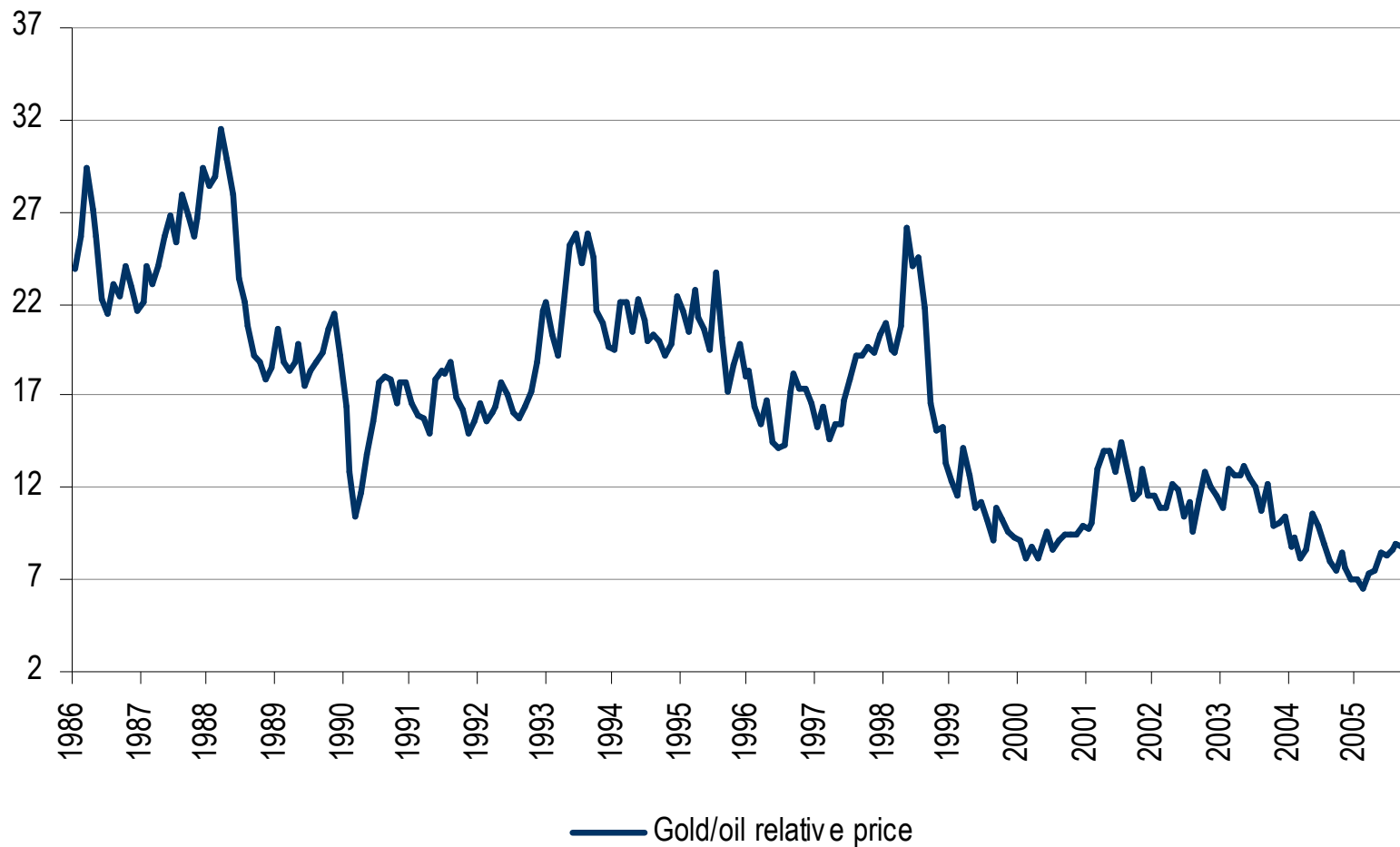


Figure 9

Gold lags oil price



Conclusion



- The new Lihir Gold - Unique and undervalued asset
- Company in transition
- A new, growing, dynamic member of the Brisbane mining community



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