



BOUGAINVILLE COPPER LIMITED

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Press Release

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Order of Magnitude Study Update

Bougainville Copper announced at its annual general meeting in May 2008 that it is undertaking an order of magnitude study (OoM) to evaluate the technical and financial requirements to re-develop the Panguna mine.

The OoM is being managed by the Rio Tinto Technology and Innovation Group. Substantial progress has been achieved with the geology, mining, tailings, environment and safety components being largely complete. It has been decided to outsource the ore processing and infrastructure components of the OoM study to a global engineering company.

A contract for the ore processing and infrastructure components has been awarded to Hatch Brisbane. Hatch was selected for this work on the basis of its experience in PNG and its expertise in the design and installation of large concentrators.

The high demand for new mineral resource projects has resulted in a substantial escalation in new project capital costs. The engagement of Hatch will provide a more robust estimate of the capital required to re-develop the Panguna operation. This detailed work will result in completion of the OoM study being delayed. Completion is now expected in November 2008.

Paul Coleman
Company Secretary