



17 February 2009

Company Announcements Office
Australian Stock Exchange Limited

MARKET UPDATE

Aditya Birla Minerals Limited (ABML) advises that due to the substantial copper price variances between the provisional pricing period used for accounting purposes to that of the Quotational Period (QP), significant liabilities to settle the net difference have been incurred.

As per the Off-take Agreement with the Company's customer, the copper price to be used to determine the amount payable by the customer is determined by the daily London Metals Exchange (LME) Grade A settlement price averaged for the QP. The QP agreed with customer is the third month from the month of arrival of consignment at the customer's port.

The initial sales transaction is accounted for in the records of the Company based on the copper prices at the time of despatch from the supplier's port.

Due to above, liabilities crystallised as at 31st December 2008 were \$59million. Further, with regard to outstanding unpriced sales volumes for which the QP is yet to mature, the liability is expected to be approximately \$53million (at LME price of US\$3200 and current exchange rate of 0.66). The payment of the same has been deferred until May'09. The Company is exploring various alternatives to finalize funding in this regard.

ABML is actively seeking to reduce operating costs and good progress has been made towards these cost reductions. Work is on going in an effort to achieve further savings in various areas.

The trial run of Esperanza South low grade at the Company's Mt Gordon operations as announced on 7 January 2009 has been adversely affected due to heavy rain in the region. The board of directors have taken the decision to suspend the trails indefinitely.

Aditya Birla Minerals Limited

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The Company's underlying results for the year to 31 March 2009 will vary materially to the previous year as a result of a significant decline in the Copper Price and general trading conditions.

The guidance provided in this update is preliminary in nature. The final year end result will be subject to external audit and review by the Company and may differ from this preliminary assessment.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Peter Torre', with a long horizontal flourish extending to the right.

Peter Torre
Company Secretary

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