Argyle Diamonds Limited
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Australia

Press release

Argyle Diamonds Responds to Global Market Conditions

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In response to Rio Tinto's debt reduction plan and the current global market conditions Rio Tinto's Argyle Diamonds Limited will slow down its underground mining project and ease diamond production in 2009.

Effective immediately the Argyle Underground Project will be slowed to only critical development activities, resulting in a workforce reduction and a demobilisation of contractors.

"Given global market conditions, we will also reduce diamond production by taking an extended maintenance shutdown of the diamond processing facilities for up to three months, commencing in March," said Kevin McLeish, Chief Operating Officer, Argyle Diamonds.

"Employees directly affected will be redeployed to maintenance, training and plant improvement activities as well as taking leave."

"It is important to reaffirm Argyle's commitment to the East Kimberley remains a priority in our response to these unprecedented global and market events."

"We remain convinced that the diamond business has excellent long term prospects. Argyle has at least 10 years of world class resources remaining and is well placed to continue as a major player in this industry for many years to come."

ENDS

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Notes for Editors

- The Argyle mine is located in Western Australia, 2,500km from Perth and is 100% owned by Rio Tinto, one of the world's largest mining companies.
- Argyle is the world's largest producer of pink diamonds producing over 90% of the world's pink diamonds.
- Production from the Argyle mine commenced in 1983 and today on average 20 million carats are produced per annum.
- In 2005 a decision was made to construct an underground mine below the existing open pit mine to extend the life of the mine beyond 2018.
- The Argyle mine also produces a significant amount of champagne and cognac diamonds as well as white diamonds.