

# Market Release

5 December 2017



## Extension to electricity contract for Cadia

Newcrest has entered into a five year extension to its electricity contract with EnergyAustralia, providing a lower tariff and increased cost certainty for the medium term.

The new contract provides a base price (excluding regulated charges) approximately 20% lower than Newcrest's previously contracted price for FY18, and covers the period 1 July 2017 to 30 June 2023. In August 2017 Newcrest disclosed that the previously contracted FY18 prices would result in an increase in Cadia's operating costs in the order of \$55-60 per ounce (as compared to the FY17 prices). The new contract reduces that impact to approximately \$30-35 per ounce in FY18 as compared to FY17 prices.

As a result of the effect of favourable copper prices and AUD/USD exchange rates year-to-date, combined with the benefit of this updated electricity contract, it is now expected that FY18 AISC costs for Cadia will be around the lower end of its guidance range of \$255-295m.

Newcrest's Managing Director and Chief Executive Officer, Sandeep Biswas said, "The five-year extension provides an improved financial outcome to Newcrest, allows time for Government policy and regulation to be better defined and time for Newcrest to identify, evaluate and potentially construct or contract a renewable energy supply that could contribute to Cadia's long term electricity requirements."

### For further information please contact

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