

Press release

RARE ARGYLE PINK DIAMOND SELLS FOR RECORD PRICE

The most expensive diamond ever sold from the Argyle mine

PERTH, 22nd December, 2008 – Rio Tinto's Argyle Pink Diamond business today revealed that it had received the highest price ever for a pink diamond produced from its mine in the east Kimberley region of Western Australia.

The diamond, named "Aphrodite" after the Greek Goddess of Love and Passion, is a spectacular 1.01 carat round, purplish red diamond that will now take its place in history alongside other incomparable fancy coloured diamonds. Raj Kandiah, General Manager of Argyle Pink Diamonds comments, "we were thrilled to achieve such a fantastic result for this "hero stone" which is a great testament to the ongoing rarity, exclusivity and glamour of these very special diamonds".

Mr Kandiah also paid tribute to the "consummate group of master craftsmen at Argyle Pink Diamonds whose job it is to decide how a rough pink diamond extracted from deep within the earth's surface can be cut and polished to reveal its true beauty."

The Aphrodite diamond was part of this year's Argyle Pink Diamond Tender, where the best of a year's production of Argyle pink diamonds are sold. The Pink Tender diamonds were showcased around the world during September and October with intense competition over the last couple of months resulting in this extraordinary result, above the reserve price set for the Aphrodite diamond.

Whilst the company will not release the name of the successful bidder, nor the final price that was paid, it is happy to indicate that the most likely ultimate consumer for Aphrodite will be a high net worth individual who has a passion for rare diamonds.

Commenting on the increasing attraction of pink diamonds, even in the midst of a global financial crisis, Josephine Archer, Sales and Marketing Manager of Argyle Pink Diamonds said, "In spite of the difficult economic outlook, this truly top end of the luxury market continues to defy gravity. In the rarified world of Argyle Pink Diamonds we have seen and continue to see, sustained demand and very strong prices."

This rarity factor has provided the core theme in Argyle Pink Diamonds' new *Beyond Rare* campaign that was launched in October in Tokyo and Sydney. Supply of pink diamonds from the Argyle mine will be declining as the mine transitions to an underground operation over the next couple of years and eventually closes within the next decade.

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For further information or images

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Notes to Editors:

About Argyle Pink Diamonds

- The Argyle Diamond Mine is the world's primary source of rare pink diamonds
- Pink diamonds comprise less than 0.1 percent of Argyle's annual production
- Argyle pink diamonds are truly a scarce product and in high demand
- The origins of the pink colour remain a mystery although it is widely thought that it occurs from a distortion in the molecular structure of the diamond, following formation in the earth's mantle or during their ascent to the earth's surface.
- The Aboriginal people believe that the Argyle mine was created when three women were trying to trap a barramundi fish, however the barramundi was too clever and jumped through the net and landed at the site where the mine was established. It's believed that the colours of the diamonds come from different parts of the barramundi as the fish wiggled through the net, with the pink diamonds coming from the heart of the barramundi.
- Prices vary with the uniqueness of each Argyle pink diamond but have sold from tens of thousands per carat to over a million dollars a carat. This places them in the category of the most concentrated form of wealth on the earth and well in excess of white diamonds.
- Pink diamond prices have increased exponentially over the past 20 years. This is a reflection of the fundamental economics of pink diamonds – increasing demand for a truly scarce product.
- The majority of Argyle pink diamonds tend to have blue fluorescence. The body colour tends to have a purplish secondary colour, and distinct colour graining. Professional coloured diamond dealers are able to recognise an Argyle stone quite easily.
- Argyle Pink Diamonds has a cutting and polishing facility in its Perth offices in Western Australia. The team is small and extremely experienced in taking delicate rough pink diamonds and transforming them into some of the world's most valuable polished diamonds.

- Pink diamonds are considered the ultimate symbol of love, grace and femininity. The Argyle pink diamonds, discovered on the brink of the twenty first century, created heightened excitement around diamond jewellery by combining rare gems and magnificent designs.
- The first all-pink diamond jewellery that appeared on the open market was by coloured gem specialist and jeweller Ralph Esmerian. The Esmerian bow necklace contains hundreds of perfectly matched Argyle pink diamonds suspended around a 5.57 carat pink. When the Esmerian bow was sold by a collector at Christies in May 1992, it caused a frenzy, eventually selling for US\$1.8 million to a mystery buyer.
- Pink diamond jewellery continues to grace red carpets and adorn royalty. Queen Elizabeth 11 has a stunning 23.6 carat flawless pink diamond, the Williamson Pink, in the centre of a flower brooch. Celebrities ranging from Jennifer Lopez, to Halle Berry and Victoria Beckham have embraced pink diamonds.
- Pink diamonds have been found in very few mines around the world. India, Brazil and Tanzania all produced notable pink diamonds in the 17th and 18th centuries. Today the Argyle mine in Australia is the world's only consistent producer of pink diamonds, supplying over 90% of the market for pinks.

About Rio Tinto's Argyle Diamond Mine

- 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.
- In October 1979 diamonds were discovered embedded in an anthill in the East Kimberley region of Western Australia.
- Production from the Argyle mine commenced in 1983 and today on average 20 million carats are produced per annum.
- The scale of the pit is now 2 kilometres long and one kilometre wide.
- The Argyle mine life is expected to extend until at least 2018 as an underground mine is being constructed below the existing open pit mine. All our studies indicate that Argyle's pink diamonds continue at depth with the same colour and quality distribution.
- The Argyle mine also produces a significant amount of champagne and cognac diamonds as well as white diamonds.

About Rio Tinto

- Rio Tinto is a leading international mining group headquartered in the UK, combining Rio Tinto plc, a London listed company, and Rio Tinto Limited, which is listed on the Australian Securities Exchange
- Rio Tinto's business is finding, mining and processing mineral resources. Major products are aluminium, copper, diamonds, energy, (coal and uranium), gold, industrial minerals (borax, titanium oxide, salt, talc) and iron ore. Activities span the

world but are strongly represented in Australia and north America with significant businesses in South America, Asia, Europe and southern Africa.

- Rio Tinto is a world class leader in health, safety, environmental and community relations
- In addition to the Argyle mine Rio Tinto operates two other diamond mines – its 60% owned Diavik mine in Canada and it has a 78% interest in the Murowa mine in Zimbabwe.