

Ivanhoe Mines welcomes completion of landmark draft Oyu Tolgoi Investment Agreement by the Mongolian Government

ULAANBAATAR, MONGOLIA — Ivanhoe Mines President and CEO John Macken and Deputy Chairman Peter Meredith today welcomed the announcement that the Mongolian Government has completed the draft Investment Agreement that will guide the planned development and long-term operation of the Oyu Tolgoi copper-gold project in the South Gobi Region of Mongolia.

Following a Cabinet review, the Government of Mongolia announced on Tuesday that the completed draft Investment Agreement now will be presented to the National Parliament, which is expected to be the final step in the approval process being conducted in accordance with the revised Minerals Law enacted by Parliament last year.

A news release issued by the Government of Mongolia said that during a Cabinet session on Tuesday Finance Minister Nadmid Bayartsaihan introduced the agreement to be signed with Ivanhoe Mines Mongolia Inc. The news release added: "Therefore, after five years of discussions and enormous effort, the Government completed the draft Investment Agreement that will be presented to the Parliament."

The agreement also remains subject to approvals by the Ivanhoe Mines and Rio Tinto boards of directors.

"Negotiators for Ivanhoe Mines, Rio Tinto and the Mongolian Government's Working Group have produced a blueprint for an effective partnership of corporate and state interests," Mr. Macken said.

"As provided by Mongolia's Minerals Law, the agreement provides for the Government of Mongolia to own a 34% interest in the Oyu Tolgoi Project. We have agreed that this partnership would own, finance, build and operate the Oyu Tolgoi project and its associated infrastructure to deliver a new era of resource-investment benefits for generations of Mongolians."

Mr. Macken said that the draft agreement is commercially fair and balanced. "It represents a unique opportunity to advance Mongolia's national development goals by securing major investments in jobs, skills training and the strengthening of established communities. The agreement also recognizes the financial interests held by Ivanhoe Mines, our strategic partner, Rio Tinto, and our investors, and provides long-term assurances of a stable investment environment for the development of the world-class Oyu Tolgoi copper-gold resource complex in the South Gobi."

Ivanhoe Mines shares are listed on the Toronto, New York and NASDAQ stock exchanges under the symbol IVN.

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Forward-Looking Statements: This document includes forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning estimates of the planned development and engineering at the Oyu Tolgoi project, statements concerning the expected timing and outcome of Ivanhoe Mines' discussions with representatives of the Government of Mongolia for an Investment Agreement in respect of the Oyu Tolgoi project statements relating to the continued advancement of Ivanhoe Mines' projects and other statements which are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are forward-looking statements. Although Ivanhoe believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Important factors that could cause actual results to differ from these forward-looking statements are disclosed under the heading "Risk Factors" and elsewhere in the corporation's periodic filings with Canadian and US securities regulators.