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Media release:

Sepon makes 2009 profit tax payment of 487.2 billion kip to Lao Government

MMG LXML Sepon delivered its 2009 profit tax to the government of Laos worth US\$57,519,277 million dollars. Total government revenue from the project since it started operating is now over 3.6 trillion kip.

The official handover ceremony was held at the Tax Department of the Ministry of Finance on 30 March 2010. Acting on behalf of MMG LXML Sepon, Mr. Saman Aneka, MMG LXML Sepon Director, handed over the 2009 profit tax cheque to Mr. Khamphay Vongsakhamphoui, Deputy Director General of the Tax Department. In attendance at the hand over ceremony were also other MMG LXML Sepon senior management, senior advisors, as well as government representatives.

In addition to the profit tax for 2009, other sources of direct revenue generated by MMG LXML Sepon include royalties, worth US\$19.49 million dollars, salary income of US\$3.37 million dollars, and US\$113.200 dollars in tenement rental fees. In total, US\$ 80.5 million dollars were paid to the government in those four taxes and fees.

In addition, the Lao government received a special dividend of US\$2 million dollars from holding a 10 percent share in the company in December 2009.

Mr. Khamphay Vongsakhamphoui, Deputy Director General of the Tax Department mentioned that the profit tax received from MMG LXML Sepon was the largest corporate tax payment in Lao PDR for the mining industry, illustrating the company's profitability in 2009. He went on to say that the government of Laos also appreciated the good relationship and cooperation between the two parties.

MMG LXML Sepon Director, Mr. Saman Aneka also thanked the Lao government for their ongoing support during the global economic crisis. MMG LXML Sepon would continue fulfilling its commitment to provide tax revenue to the country and operating under its rules and regulations and the agreement signed with the government.

During the seven years of commercial operation from 2003 to 2009, more than US\$430 million dollars have been paid to the government of Laos. Out of that figure, US\$282 million dollars were paid in the form of profit tax. This figure does not include the many direct and indirect

benefits that have been provided to support the local community in the Vilabouly district of Savannakhet province where the mine operates.



Photo: Mr. Khamphay Vongsakhamphoui, Deputy Director General of Tax Department, receiving the profit tax cheque from Mr Saman Aneka, Director Community, MMG LXML Sepon Director, and Mr. Andrew Patterson, MMG Business Support Manager – Asia, MMG LXML Sepon Senior Management and government representatives from the Tax Department.

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