



Annual Agency Meeting
April 23, 2009



Sumitomo



Agenda

Background

Site; Mine; Mill; Exploration; Projects; Access Road

2008 Environmental Summary

2008 Activity

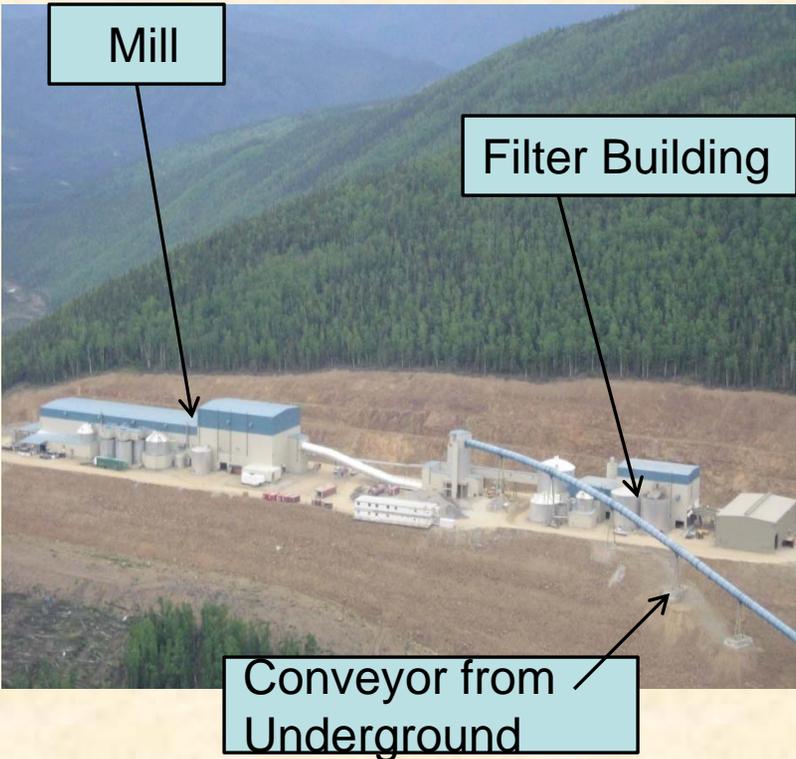
2008 Monitoring

2009 Environmental Activity

Site Overview



Mill, Shop and Admin Areas



2008 Milestones

- Best year ever in 2008
 - Highest gold production of 347,219 ounces
 - Highest average mill throughput of 2,236 tons/day
 - Highest average mined tonnage of 2,242 tons/day
- Improved environmental performance
 - Reduction of reportable spills by 10% over 2007
- Improve safety performance over past year
 - Reduction in reportable incidents by 55% over 2007
- Reduction in manpower turnover
 - Year end was 287 employees and 75 contractors

Mine



L1_10_1900 Stope East

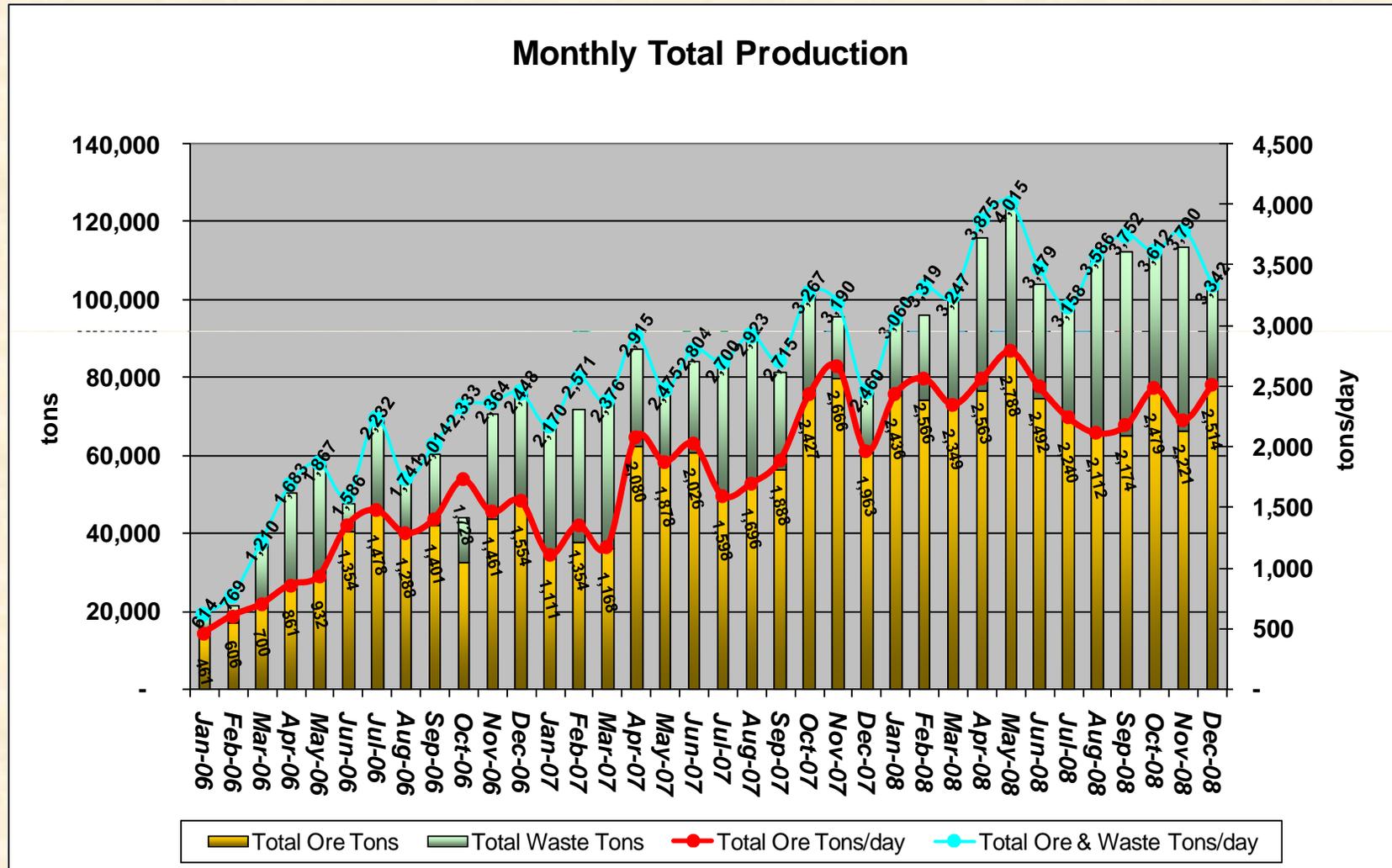


Mining

- Ore is hauled with 50 ton trucks to U/G ore bin and conveyed to surface
- Waste is trucked to surface
- Mining method is drift and fill



Mining – 2008



Ore Broken

2006 Ore Broken	401,000 tons
2007 Ore Broken	665,000 tons
2008 Ore Broken	882,400 tons
2009 Ore Broken – Forecast	900,527 tons

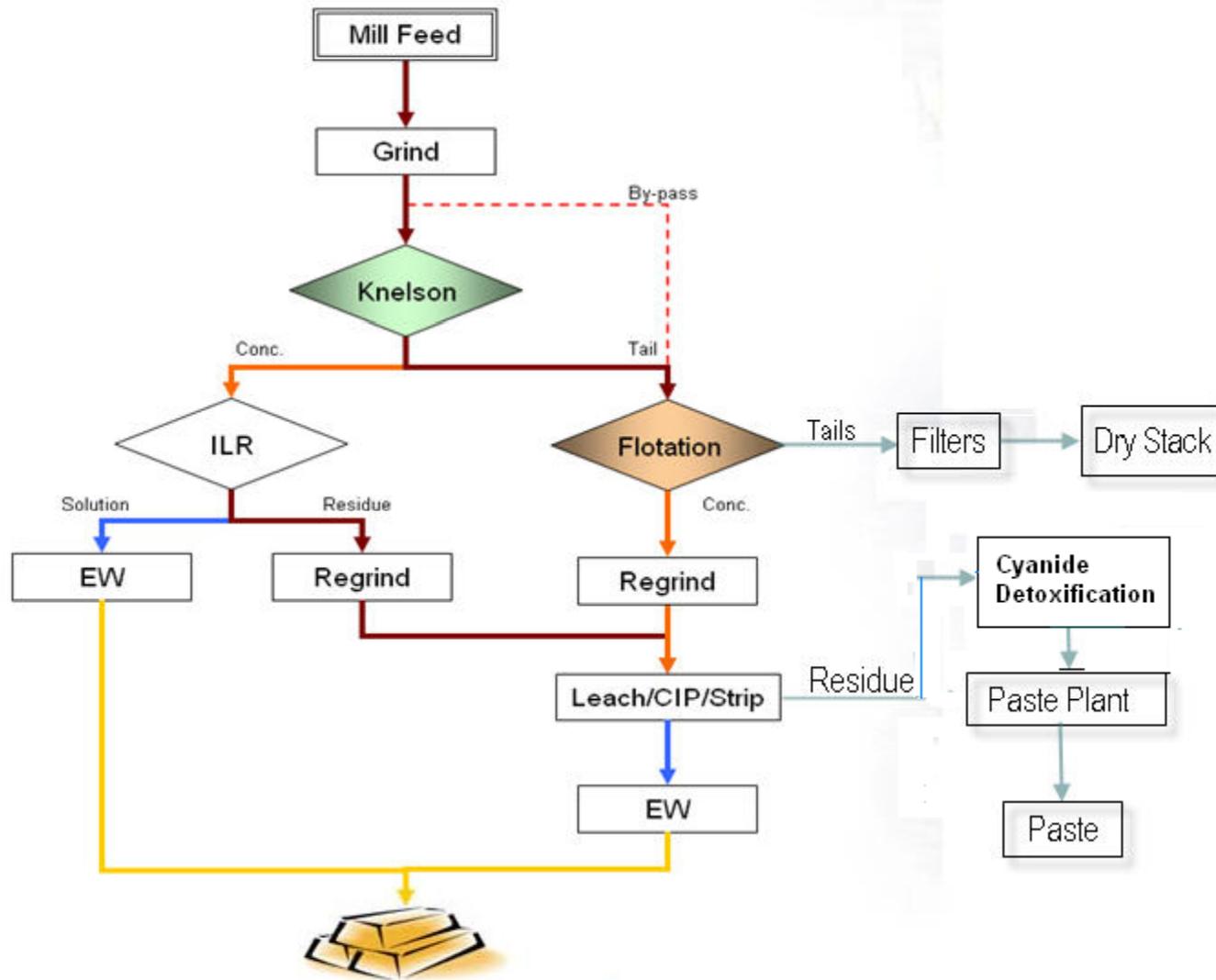
Lateral Development

2005 Lateral Development	13,500 feet
2006 Lateral Development	8,400 feet
2007 Lateral Development	10,500 feet
2008 Lateral Development	14,797 feet
2009 Lateral Development – Forecast	14,428 feet

Mill



Simplified Flowsheet

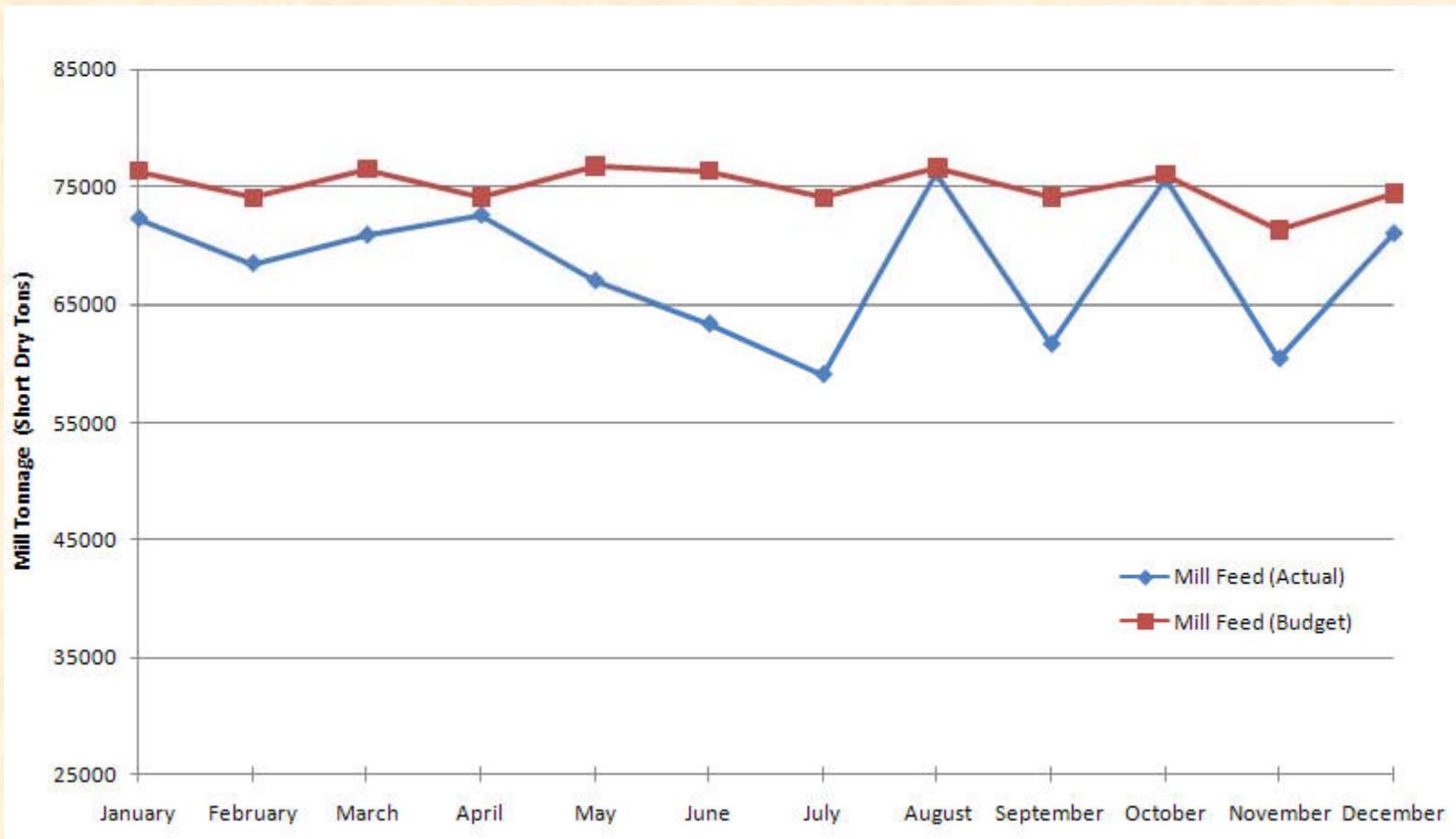


CIP tailings/Paste Backfill

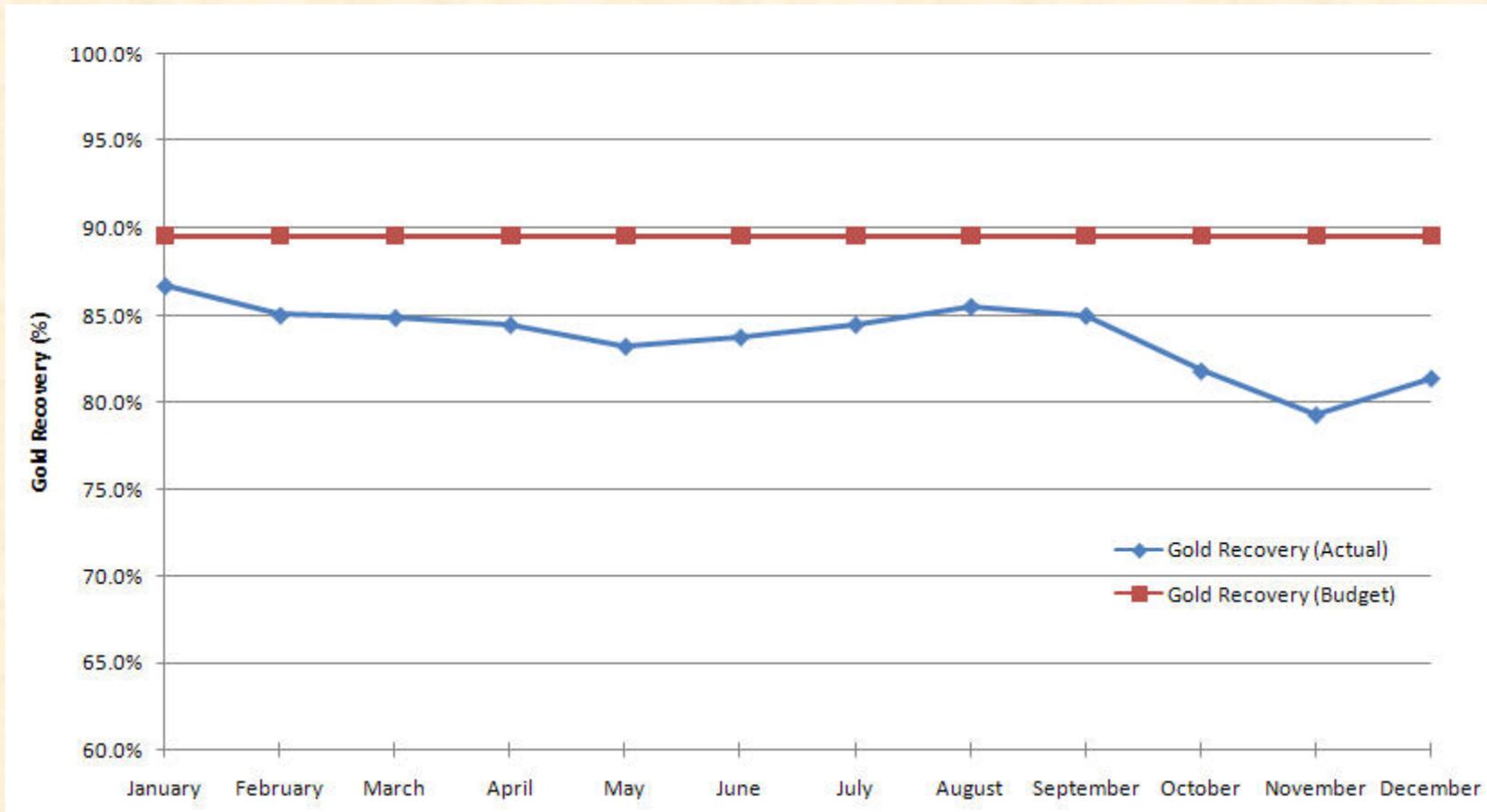


CIP tailings go through a modified INCO SO₂ cyanide detoxification process prior to final disposal underground as paste backfill.

2008 Monthly Tons Milled



2008 Monthly Mill Gold Recovery



Annual Production Statistics

Year	Gold Produced (ounces)	Tons Ore Milled
2006	113,364	343,515
2007	236,088	715,665
2008	347,219	818,237
2009 Forecast	357,900	900,527

2008 Exploration

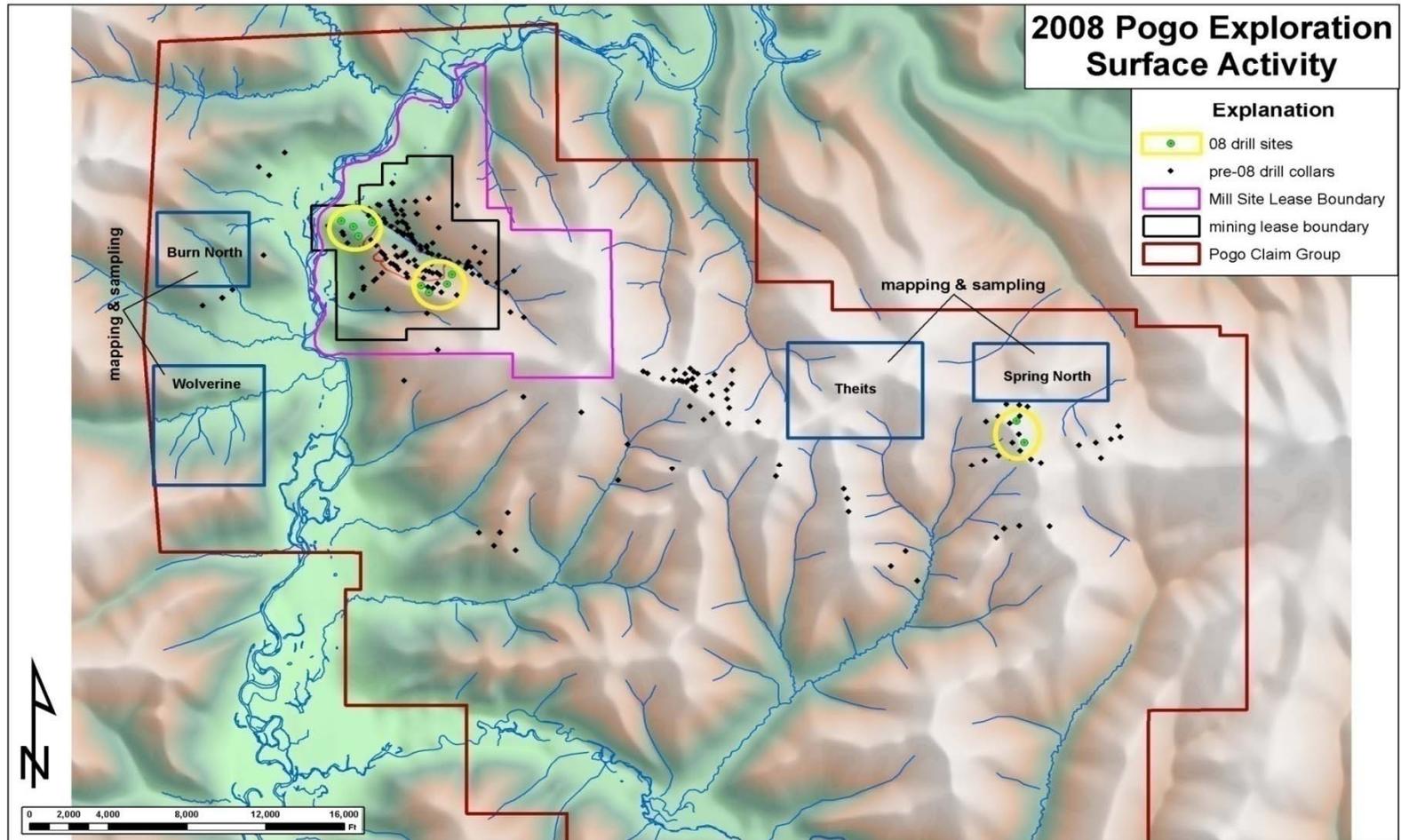
■ Surface Drilling

- Helicopter supported drilling – 20 holes, 37,445 feet
 - (a) Mine area (Lease); 8 drill sites; 18 holes; 33,320 feet
 - (b) Chorizo Prospect (7 miles East); 2 drill sites; 2 drill holes; 4,125 feet
- Other surface activities
 - (a) Soil sampling and geologic mapping in 5 undeveloped areas outside of mine lease
 - (b) Limited ground magnetic survey on west side of mine area

■ Underground Drilling L3 Zone

- 3 stations – 16 holes; 13,530 feet

2008 Pogo Exploration



2008 Projects Completed

- 50 man expansion to upper man camp
- Installed warehouse mezzanine
- Installed free cyanide analyzer in the mill leach circuit in the mill
- Upgrade carbon strip circuit for higher flow rate
- Placed non-mineralized rock to raise laydown areas for flooding
- New disturbance limited to drystack expansion
- Diversion ditches regouted
- Additional containment installed in the paste area at Mill
- Winterization projects improved heat trace and insulation
- Addition and replacement of various mobile equipment & pumps
- Upgrades to Mill compressor cooling system to ensure improved reliability

2008 All-Season Road

- Place security guard at TAPS during caribou and moose hunting season
- Re-grade and road repairs several times throughout the year
- Installed guard rails totaling 2,500 feet between Mile 38 and Mile 40
- Installed a total of 4,000 feet of berms
- Erosion control rock was placed in the Gilles Creek area near the access road

2008 Environment



2008 Surface Water Monitoring

- 99.5% compliance
- Industrial Water Treatment Plant – 100% compliance
- STP – 100% compliance
- Challenges
 - High rainfall event resulting in controlled flooding of stopes
 - September, WAD CN exceedance at Outfall 011, discharge stopped, initiated intensive sampling program, investigation identified that dilution ratio in the ORTW was compromised due to incorrect flow meter calibration, back on-line October 8
 - Intensive work analyzing split samples with duplicate laboratories indicates site quantification level of 20 ug/l is achievable for the Pogo site at outfall 001
 - All WAD CN sample results from Goodpaster River were below 5.2 ug/l

2008 Groundwater Monitoring

- October 2008, a sample collected from Liese Creek seep below the RTP indicated detectable WAD CN. A pump was placed in the seep and the water was pumped back to the RTP. Intensive sampling program was put into place to sample weekly. All samples by early January 2009 were below 5.2 ug/l WAD CN
- November 2008, samples collected from the 3 MW's below the RTP indicated detectable WAD CN and Nitrates
- The 3 MW's were re-sampled in February 2009, a split sample was sent to two labs (TestAmerica and Analytica Group Labs). MW03-500 indicated detectable WAD CN in one sample and all nitrate samples below 10 mg/l.
- Pogo is still evaluating qualification issue and lack of repeatability between labs at low levels of WAD CN

Pogo Drystack - January 2009

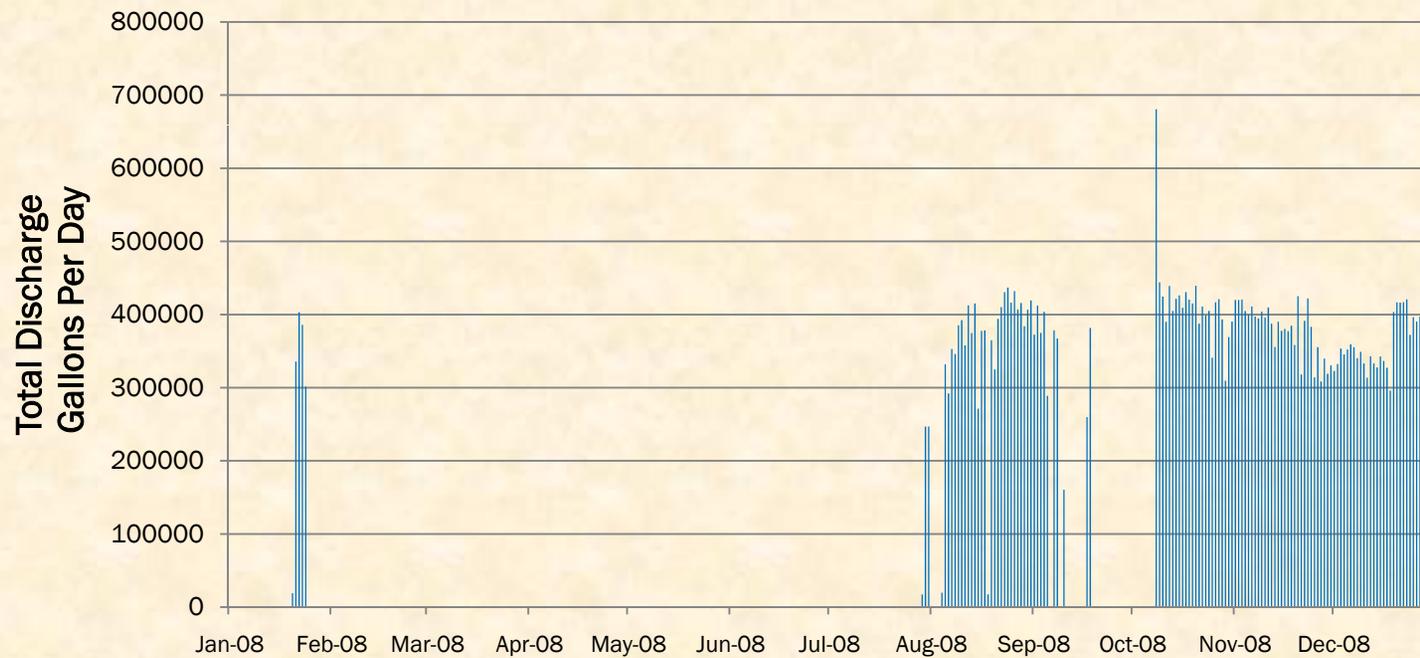


Pogo RTP Dam and Water Reservoir



2008 Discharge to ORTW

2008 Water Treatment Plant
Outfall 011 Discharge to ORTW



2009 Activity



2009

- Key focus areas
 - Safety, Environment, People, Production, and Costs
- Capability exists to achieve targets
 - Budget of 357,900 ounces

2009 Focus - Mine

- Target for mine 900,527 tons by:
- Maintaining +20 working faces
- Meet u/g development target necessary to support stoping and definition drilling
- Mining cycle optimization

2009 Focus - Mill

- Target is to mill 900,527 tons and recover 357,900 ounces by:
 - Increase reliability of Mill equipment
 - Increasing Gold Recovery
 - Improve Gravity Circuit Utilization
 - Improve Flotation Recovery
 - Completing detailed lab test work to determine root cause of lower than design flotation recovery
 - Test potential reagents / circuit configuration that may improve recovery

Environment - Permitting Activities

- Renew of ADNR Pogo Mine Millsite Lease ADL416949
- Renew ADNR Plan of Operations Approval F20039500 – Completed April 2009
- ADEC Waste Disposal Permit 0131-BA002
- ADEC Non-domestic Wastewater Disposal Permit 2004-DB0070
- US EPA NPDES Permit AK005334-1

2009 Projects

- Spill containment engineering at the mill
- Liese Creek diversion engineering with evaluation and possible construction of diversion line from the stilling basin to Liese Creek bridge
- New 85 person lower Camp to replace old construction camp
- RTP Grout curtain extension
- New surface disturbance limited to footprint expansion at drystack and Liese Creek diversion outfall
- Mining additional gravel from permitted borrow site near north end of airstrip for underground road topping material
- Underground grouting of faults to minimize GW inflows
- Install u/g recirculation pump system to minimize the need for RTP water u/g

2009 All-Season Road

- Erosion control in ditches along road in select areas
- Resurface access road with crushed rock; scope to be determined for a 3 year program
- Provide road security for caribou and moose hunting seasons
- Replace road delineators

Water Management Review 2009

- Original precipitation model is adequate and conservative
- Mine inflow analysis update
 - Inflows are within original envelope, but anticipated to increase as mine life continues
 - With mitigation (fault grouting, u/g water recycling, and diversion) flows projected to remain within envelope
- Process improvements planned to reduce treatment requirements and achieve original discharge design objective of 600 gpm
 - Mine service water recycle
 - Upgrades to WTP1, WTP2, and ORTW

2009 Exploration

- On hold pending expenditure decision in May:
 - Preliminary plan – focused on near mine
 - 3 drills and a 18 man crew are scheduled for the 2009 exploration drilling program:
 - 53 surface holes for a total of 62,710 feet scheduled to be drilled in 15 target areas (holes to be completed within Upland Mining Lease and Pogo Claim Group)
 - 25 underground holes for a total of 11,690 feet scheduled to be drilled in 7 target areas

2009 Exploration

