



For Immediate Release

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Ivanhoe Mines Agreement with Duke Energy International Will Switch Tasmanian Pellet Plant to Cleaner Burning Natural Gas

Ivanhoe Mines Ltd. (IVN) and Duke Energy International (DEI) today announced the finalisation of an agreement to supply natural gas to Ivanhoe's iron-pellet plant at Port Latta, Tasmania. The agreement, which will enable Ivanhoe to convert its pellet plant furnaces from oil to cleaner burning natural gas, secures an underpinning load for Duke's Tasmanian Gas Pipeline. The pipeline will be the first to supply undersea gas from Bass Strait to business and residential customers in Tasmania.

The Port Latta pellet plant is part of the integrated Savage River Iron Ore Mine, owned and operated by Ivanhoe's wholly-owned subsidiary, Australian Bulk Minerals (ABM). In 2000, the Savage River Mine produced 2.19 million tonnes of iron ore pellets and 19,400 tonnes of iron ore concentrate.

Gordon Toll, Chairman and CEO of ABM, said the gas supply agreement ensured long-term security of an alternative, clean energy supply to ABM's facilities.

"We expect to begin converting our pellet plant to natural gas in 2002. The switch will significantly reduce our energy costs and make the furnaces more efficient, allowing us to increase production and become more competitive as an international supplier, while reducing air emissions from the plant," he said.

Chris Brooks, Group Manager, Commercial Development, for Duke Energy Australia Trading and Marketing (DEATM), a unit of Duke Energy International, said the Tasmania Natural Gas Project was already realising its goal of spurring economic growth and investment thanks to the support of industrial customers like Ivanhoe Mines.

"We congratulate Ivanhoe Mines for its commitment to cleaner fuels and the environment with this project. The company's support from the very beginning has assured Tasmania of a new, reliable and clean source of energy," he said.

Ivanhoe Mines is an international mining company producing LME Grade A copper from its Monywa joint venture in Myanmar and high-quality iron ore products from its Savage River mine and Port Latta pellet plant in Australia. Ivanhoe had proforma revenues of approximately US\$84.8 million in 2000 on net sales of approximately 13,350 tonnes of copper, and 2.21 million tonnes of iron ore pellets and concentrate. The company's shares are traded on the Toronto and Australian stock exchanges under the symbol IVN. More information about the company is available on the internet at: www.ivanhoemines.com.

Duke Energy International (DEI), a wholly owned subsidiary of Duke Energy, is one of the world's leading international energy companies offering energy trading and marketing, risk management, natural gas and power development expertise and operations services across Latin America, Europe and the Asia Pacific. DEI's Asia Pacific energy portfolio includes 1387km of natural gas pipelines in operation and under construction; 780 gross megawatts of



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thermal power generation; and energy trading and marketing located in Australia, New Zealand and Indonesia.

Duke Energy, a diversified multinational energy company, creates value for customers and shareholders through an integrated network of energy assets and expertise. Duke Energy manages a dynamic portfolio of natural gas and electric supply, delivery and trading businesses-- generating revenues of nearly \$49 billion in 2000. Duke Energy, headquartered in Charlotte, N.C., is a Fortune 100 company traded on the New York Stock Exchange under the symbol DUK. More information about the company is available on the internet at: www.duke-energy.com.au.

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