Business Development Strategy

Analyst Day

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Jimmy Dowsley
Head of Business Development

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BUSINESS DEVELOPMENT STRATEGY

Jimmy Dowsley

Head of Corporate Development

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INTRODUCTION

Forward Looking Statements

Certain statements in this document constitute "forward looking statements" within the meaning of Section 27A of the US Securities Act of 1933 and Section 21E of the US Securities Exchange Act of 1934.

Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the company to be materially different from the future results, performance or achievements expressed or implied by such forward looking statements. Such risks, uncertainties and other important factors include among others: economic, business and political conditions in South Africa, Ghana, Australia, Peru and elsewhere; the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions, exploration and development activities; decreases in the market price of gold and/or copper; hazards associated with underground and surface gold mining; labour disruptions; availability terms and deployment of capital or credit; changes in government regulations, particularly environmental regulations; and new legislation affecting mining and mineral rights; changes in exchange rates; currency devaluations; inflation and other macro-economic factors, industrial action, temporary stoppages of mines for safety reasons; and the impact of the AIDS crisis in South Africa. These forward looking statements speak only as of the date of this document.

The company undertakes no obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

FORWARD LOOKING STATEMENTS

BUSINESS DEVELOPMENT Growth Strategy

		Damang	St Ives & Anew	Driefontein	South Deep	Total
Share Purchased		71.10%	100%	21.50%	100%	
Price Paid		32	232	118	3,238	
Less cash		7	-	-	-	
Add royalties			258			
Nett Price	US$m	**25**	**490**	**118**	**3,238**	**3,871**
Ounces mined		1.3	5.2	2.5	0.6	9.6
Current reserve		1.3	3.0	3.9	29.5	37.7
Total attributable ounces	Moz	**2.6**	**8.3**	**6.4**	**30.1**	**47.3**
Acquisition cost	$/oz	**10**	**59**	**18**	**108**	**82**

A RESPECTABLE ACQUISITION HISTORY

Good morning ladies and gentlemen.

Gold Fields has got a respectable history of acquiring producing gold assets, and what I've shown in this table are the four key assets that we have acquired over the last ten years.

In 2002 we acquired Damang together with Abosso Gold Fields in Ghana. Our 71% share of that company cost us $25 million. To date we've mined 1.3 million attributable ounces. We still have 1.3 million attributable ounces to be mined in reserve there, giving us a total of 2.6 million ounces. That's $10 per attributable ounce.

At the same time we acquired St Ives and Agnew. We acquired 100% of those assets. We initially paid $232 million and a royalty. We recently repurchased that royalty, so the all-in cost of those assets was $490 million. We have mined 5.2 million ounces. There are still another 3 million ounces to be mined. So a total of 8.3 million ounces for $59 per ounce, the acquisition cost. And it's probably important to point out at this point in time that at St Ives and Agnew we've got a history of continually replenishing reserve which we have mined for that year. So that means that the positions on these two mines are fairly conservatively stated.

We acquired 21% of Driefontein, the portion that we didn't own, way back in 1999, through a reverse take-over. That cost us $118 million for that proportionate share. We've mined an attributable 2.5 million ounces since then, with a further 3.9 million ounces attributable in reserve. So that cost us $18 per ounce.

South Deep, we paid R3.2 billion. We've only just started to scratch the surface there at 600,000 ounces produced since making the acquisition, and 29.5 million ounces still to be mined. That cost us $108 per ounce. That excludes Uncle Harry's ground. If we include Uncle Harry's ground, that figure comes down to around about $90 per ounce.

So all in all, 47.3 million attributable ounces acquired at some $82 per ounce.

BUSINESS DEVELOPMENT Growth Strategy

	Damang		St Ives & Agnew		Driefontein		South Deep		Total	
	Cost $/oz	Moz	Cost $/oz	Moz	Cost $/oz	Moz	Cost $/oz	Moz	Cost $/oz	Moz
Mined	422	1.3	501	5.2	355	2.5	1,169	0.6	492	9.6
To mine	762	1.3	679	3.0	625	3.9	557	29.5	581	37.7
Total NCE	**592**	**2.6**	**566**	**8.3**	**519**	**6.4**	**569**	**30.1**	**563**	**47.3**
Acquisition	10		59		18		108		82	
Total	**602**	**2.6**	**626**	**8.3**	**538**	**6.4**	**676**	**30.1**	**645**	**47.3**

A RESPECTABLE ACQUISITION HISTORY

This table is a bit busy, but it develops the picture further. If we look at Damang (it's the two columns on the left hand side). Well, those 1.3 million ounces that we have mined, we mined at an NCE of $422 per ounce. Going forward the next 1.3 million ounces will cost us $762 per ounce NCE, and that includes capital for exploration, that is not included in the 1.3 million ounces, so again it's a conservative statement. So $592 per ounce for the 2.6 attributable ounces. Add to that the $10 per ounce acquisition cost and we're talking all-in 2.6 million attributable ounces for $602 per ounce. It's essentially purchasing gold at that price.

St Ives and Agnew: I'm not going to go through in detail, but the same principles apply. $626 per ounce for the 8.3 million attributable ounces.

$538 per ounce for Driefontein and $676 for South Deep. All in all, $645 per ounce for the 47.3 million attributable ounces.

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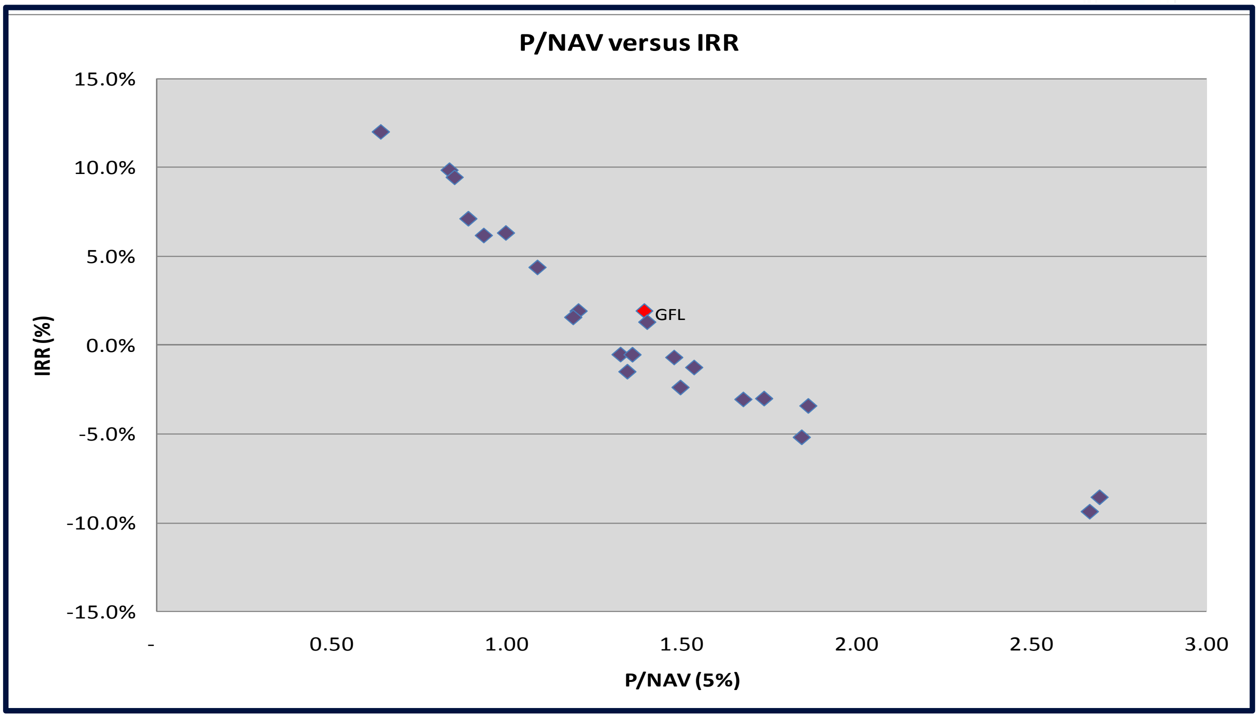

ACQUISITIONS PROVIDE POOR RETURNS

Generally, acquiring producing gold assets in the market is an expensive business and very difficult to see acceptable returns.

What we're plotting on this graph is the price to net asset value on the horizontal axis at a 5% discount rate against the internal rate of return of the 27 odd companies that BMO Nesbitt Burns covers in their research. What is patently clear from that is that the vast majority of companies trade at prices to net asset values in excess of one, and real internal rates of return less than five percent. Many companies trade at prices that would result in negative rates of return. And that's at market prices. If you add to this the typical take-over premiums that are required it's very easy to see that basing your strategy on the acquisition of producing assets is not going to be accretive to shareholders in the long term.

BUSINESS DEVELOPMENT Growth Strategy

Key elements of Gold Fields' growth strategy
Based on Exploration success not M&A heroics.
Stabilise production at Kloof, Driefontein and Beatrix.
Incremental growth at South Deep, St Ives, Damang & Cerro Corona.
At least one new mine within five years through exploration success, possibly: – Chucapaca in Peru; – Yanfolila in Mali; – Talas in Kyrgyzstan; or – East Lachlan in Australia.

NO M & A HEROICS

As a consequence of that our growth strategy is based on exploration success rather than M&A heroics.

Underpinning the core of our strategy is stabilisation of production out of our South African producing base, Kloof, Driefontein and Beatrix, and on top of that to look at incremental growth out of South Deep, St Ives, Damang and Cerro Corona.

We are, as Nick mentioned, very confident that Tommy and his team will produce a new mine for us out of the four advanced exploration projects. And he will be talking in greater detail around those during his presentation.

BUSINESS DEVELOPMENT Growth Strategy

Key M & A Strategies

Avoid purchasing fully priced producing assets:
- –Glencar (late stage exploration projects);
- –Cerro Corona (construction ready projects); and
- –South Deep (in construction).

Look for operational and ore body synergies:
- –Teberebie and Damang with Tarkwa;
- –South Deep with Kloof.

Trade off risk and reward;
- –Choco 10 in Venezuela.

Gold and its by-products;
- –Copper, Silver, Uranium.

It doesn't mean we're not going to be looking at M&A opportunities. We continue to churn through the available projects. This slide gives a flavour of where we are focussing.

In the past and in the future we will be avoiding the acquisition of fully priced producing assets.

So we look for late-stage exploration projects such as Glencar. We look at projects that are not yet at full production, those that have completed feasibility, such as Cerro Corona or South Deep, which was halfway through its construction phase. Generally those opportunities still have value on the table and can be accretive to shareholders.

We look for operational synergies from within our existing gold camps. Teberebie and Damang's synergy with Tarkwa are classic examples of that. And South Deep and Kloof, there's a long story still to be played there. We also look at the trade-off between risk and reward. Choco 10 in Venezuela was an attempt at this, not particularly successful, where we looked to superior returns in countries which might have higher risk, but manageable risk. Certainly in the case of Venezuela we underestimated the risk. However, we exited the investment at a profit. But the concept is a sound concept. The focus is on gold and its by-products, but primarily gold. Typically the by-products would include copper, silver and uranium.

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BUSINESS DEVELOPMENT **Growth Strategy**

Key Investment Criteria / Guidelines

Value projects at long-term prices:
- US$950/oz Au; US$4,500/t Cu; US$50/lb U3O8,

Require real returns of:
- 5% for producing assets
- 5% for our brown-fields projects
- 10% for our green-fields projects
- GFL's real WACC is about 5.8%

Seek accretion on a per share basis;
- NAV/share;
- EBITDA/share;
- Cash Earnings per share.

Look for improvement in the quality of the portfolio;
- Lower NCE.

GROWTH ON A PER SHARE BASIS

Finally, the metrics and the guidelines that we apply in assessing our projects. In essence we look at all our projects at a long-term metal price forecast, irrespective of the spot price at that point in time. Right now we use a long-term gold price of $950 per ounce, copper at about $4,500 per ton, and U308 at about 50c per pound.

We require **minimum** real rates of return in excess of 5% for producing assets, 5% for our own internal brownfields projects and 10% for our greenfields projects.

Those **minimum** return requirements are increased to account for risk such as country risk or execution risk.

Those real minimum returns compare to our real average weighted cost of capital of 5.8%. So they're not sloppy by any means.

We are insistent on accretion on a per share basis, irrespective of how we might finance the acquisition.

So we look to an improvement in our NAV per share, EBITDA per share and cash earnings per share. These are minimum requirements.

And finally we look to improve the quality of our portfolio in every transaction that we do. And that's measured on an NCE basis. Thank you.