

**Gobi Gem, Supplier recognition awards, 2013**

**29 April, 2014**

**Speech by Craig Kinnell, President and CEO, Oyu Tolgoi LLC**

Government officials, shareholder representatives, suppliers, honoured guests, I would like to thank you for joining us this afternoon as Oyu Tolgoi celebrates the huge achievements of our hundreds of suppliers. I would like to congratulate all the winners and all the nominees. But also, I want to recognize the work of every single one of our suppliers.

Procurement and the ongoing development of the OT supply chain is absolutely central to the success of our business. Since I joined OT last year, I have been deeply impressed and proud of the ongoing progress towards the creation of a safe, sustainable national supply chain. This year, we are already approaching a level of 50% spend with Mongolian companies.

But we have much more to do. I have a clear vision for our procurement processes. Every time we need to source a product or a service, whether big or small, I challenge our team to ask one question first. Can we source this in Mongolia? And if the answer is yes, we must ask a second question: Can we source it in the South Gobi?

Across the political spectrum and Mongolian business community, everyone agrees of the need to develop more services in country. Building Mongolia's capacity is central to long term economic success. Your progress is testament to the strong part that we can play in this together. Thanks to your commitment to growing your capacity and lifting your standards, we are beginning to make a huge difference to capacity across the country, which will impact the whole economy.

We are transitioning from a construction project to a world class business worthy of the world class ore body which we are managing on behalf of Mongolia. And we have to explain clearly the change in expectations now that we are an operating business. That transition means big changes as we focus on making the business safe, sustainable and profitable.

To be successful, we simply have to be cost effective.

While everyone at OT LLC is focusing on efficiency and profitability, we cannot make this journey without the commitment of you as well. We need your help.

In the coming months, we will continue to challenge you to provide the goods and services we need in the most cost effective manner possible. That is how we will succeed together.

Finally, I would like to pay tribute to the way you continue to share our central value of safety. Nothing comes before safety at Oyu Tolgoi. It is a line that as a supplier you cannot cross. If you want to work with us you have to match our own commitment to keeping people safe. I know this has meant big changes and investment for many of you, but it is worth it every time.

2014 will be a challenging year for the whole Oyu Tolgoi family – but we are on a great journey together. Without the commitment and professionalism of the hundreds of companies who help OT to keep working – we would not overcome those challenges. OT is a long term business and I am glad to see so

many companies succeeding with us. So congratulations again to all the winners, nominees and all of you. We are very proud and grateful for the work you do.