



SAGITTARIUS MINES, INC.

NEWS RELEASE

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Bololsalo residents to have safe drinking water soon

As part of Sagittarius Mines, Inc.'s (SMI) continuing commitment to improve access to basic services and needs of its host communities, the company supported the community water system project of Brgy. Bololsalo in Kiblawan, Davao del Sur.

Last 7 January, SMI together with the local government and the tribal council witnessed the project's groundbreaking.

"This water system project is our answer to the immediate need of Bololsalo for safe drinking water. Many children are suffering from water-borne diseases, and about 60% of the community members have already evacuated the area due to lack of potable water supply.

The project intends to help eliminate these problems," said Ismael Ngitngit of Community Relations and Development Team.

According to Kiblawan Mayor Jaime F. Caminero, the water system had long been the dream of Bololsalo but lack of resources hindered the local government.

"I thank the government for encouraging the entry of investors like SMI which is truly committed to helping the communities. I encourage our people to support and protect our investors for they are our partners towards developing our communities," remarked Caminero.

Kiblawan tribal chieftain Gideon Salutan and Bololsalo barangay chairman Melanio Diadoling happily remarked that the water system project is a dream come true for Bololsalo.

The barangay particularly asked for the project due to the growing number of community residents suffering from water-borne diseases. The supply of clean water aims to minimize incidences of diarrhea and related sickness, especially among children under five years old and other vulnerable population. ###

Contact Person:

John B. Arnaldo
Communications Manager
Sagittarius Mines, Inc.
Mobile Number: (63 928) 5503 847

Media Care Hotline: (63 918) 8644 685



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Notes to editors:

Tampakan Project

The Tampakan project is on the southern Philippine island of Mindanao, approximately 65 kilometers north of General Santos City. The current project borders three Provinces – South Cotabato, Sultan Kudarat and Davao Del Sur. The Tampakan copper gold deposit is in the province of South Cotabato, municipality of Tampakan.

The Tampakan deposit represents one of the largest undeveloped copper-gold deposits in Southeast Asia. The latest mineral resource estimate confirmed 2.2 billion tonnes containing 12.8 million tonnes of copper and 15.2 million ounces of gold at a 0.3% copper cut-off grade.

On 30 March 2007, Xstrata Copper acquired 62.5% of the controlling interest in the Tampakan Project and assumed management control through its Philippines based affiliate Sagittarius Mines, Inc.

Xstrata Copper

Xstrata Copper is headquartered in Brisbane, Australia, with regional offices in Santiago and Antofagasta, Chile; Lima and Arequipa, Peru; Buenos Aires, Argentina; and Toronto, Canada, and is one of the commodity business units within the major global diversified mining group Xstrata plc.

Xstrata Copper's mining operations and projects span seven countries and include mines, mineral processing plants and port facilities in North Queensland, Australia; mining and processing operations and port facilities in Chile, Peru and Argentina in South America; and mining and processing plants in Canada. It also has a recycling business (Xstrata Recycling) with facilities in Canada, the United States and Asia.

Xstrata Copper is the fourth largest global copper producer, with annual attributable production capacity of over one million tonnes.

Head office: Yakal St. corner Talisay St., Poblacion Tampakan, South Cotabato 9507 Philippines **Tel** +63 83 2271040, **Fax** +63 83 2271045

GSC office: JPM Building, Bula Lagao Road Gen. Santos City 9500 Philippines **Tel** +63 83 5528407 **Fax** +63 83 5528405

Manila office: 12/F LKG Tower , 6801 Ayala Avenue, Makati City 1227 Philippines **Tel** +63 2 8563023 **Fax** +63 2 8563032