



SAGITTARIUS MINES, INC.

NEWS RELEASE

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A genuine partnership to provide better education for Tampakan

Tampakan, South Cotabato - The Department of Public Works and Highways (DPWH) and Sagittarius Mines, Inc (SMI) donated a newly-constructed school building to advance the education of the youth in Tampakan, South Cotabato during a turn-over and inauguration ceremony today.

"SMI is committed to provide development to young people in the host communities, and one of its programs is providing education-support. This is part of the company's social involvement plan under SMI's education-support program," said Gerry P. Laviste, SMI Residnet Manager.

By virtue of a Memorandum of Agreement (MOA) with SMI, the Department of Education – South Cotabato contracted the construction of a two-room permanent school building, which started April of 2007 but was delayed due to the distance, rugged terrain, and the prevailing excessive rains.

"SMI shouldered the cost of the two-classroom building while the DPWH supervised the construction," said Donna Panes, TNHS Teacher-in-Charge.

Tablu is 17 km away from the municipality's *poblacion* and is one of the host barangays of SMI's Tampakan Copper-Gold Project.

SMI, consistent with its practice of fostering genuine partnerships with its stakeholders and communities, partnered with the Province of South Cotabato, Local Government Unit (LGU) - Tampakan, Department of Public Works and Highways (DPWH), Brgy Tablu, DepEd and SMI partnered for the construction program.

"We are delighted for this very noble endeavor of both the government and the private sector which gives our students access to better education. Formerly, our students attend classes on a makeshift structure that used to be a market place," added Panes.

To reciprocate the commitment, *"teachers will offer the best teaching quality and learning procedures,"* she said.

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About the Tampakan copper project

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

The Tampakan mineral resource is the largest undeveloped copper-gold deposit in South East 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 copper project and assumed management control through its Philippines based affiliate Sagittarius Mines, Inc.

www.smi.com.ph

About Xstrata Copper

Headquartered in Brisbane, Xstrata Copper is one of the commodity business units within the major global diversified mining group Xstrata plc. Its operations and projects span eight countries: Australia, Argentina, Chile, Peru, Canada, the USA, the Philippines and Papua New Guinea. Its operations are administered by five separate divisions, based close to the mining operations, namely the North Queensland, Minera Alumbrera, North Chile, Southern Peru and Canada divisions. It also has a recycling business (Xstrata Recycling) with plants in the United States and offices in Canada and Asia.

Xstrata Copper's world-leading portfolio of growth projects includes Las Bambas in Peru, Tampakan in the Philippines, El Morro in Chile, El Pachón in Argentina and Frieda River in Papua New Guinea.

Xstrata Copper is the fourth largest global copper producer with annual attributable production capacity of over one million tonnes. It employs over 15,000 people, including contractors.

About Xstrata plc

Xstrata is a global diversified mining group, listed on the London and Swiss Stock Exchanges, with its headquarters in Zug, Switzerland. Xstrata's businesses maintain a meaningful position in seven major international commodity markets: copper, coking coal, thermal coal, ferrochrome, nickel, vanadium and zinc, with additional exposures to platinum group metals, gold, cobalt, lead and silver, recycling facilities and a suite of global technology products, many of which are industry leaders. The Group's operations and projects span 18 countries: Argentina, Australia, Brazil, Canada, Chile, Colombia, the Dominican Republic, Germany, New Caledonia, Norway, Papua New Guinea, Peru, the Philippines, South Africa, Spain, Tanzania, the USA and the UK. Xstrata employs approximately 56,000 people, including contractors.

Xstrata is a major, long-term investor in Australia and currently employs over 11,000 people at its coal, copper, zinc and nickel operations in New South Wales, Queensland, the Northern Territory and Western Australia. Since 2002 Xstrata has invested over A\$16 billion (US\$11.2 billion) in Australia.