

SAGITTARIUS MINES, INC.

17 March 2009

Statement to be attributed to Mr Mark Williams, General Manager, Sagittarius Mines, Inc. (SMI):

"SMI wishes to express its sympathy and condolences for the colleagues and loved ones of Boy Billanes over his sudden death. We respect everyone's right to express their sentiments in relation to this tragic incident.

"SMI also wishes to confirm that the company has no connection to the death of Mr Billanes. Any allegations linking SMI to this incident are totally untrue and without any basis in fact.

"South Cotabato Governor. Daisy Avance-Fuentes, who declared she would personally look into the killing of Billanes, cautioned local cause-oriented groups from hastily pointing the blame at anybody without conducting an investigation first. In a local radio interview, Governor Fuentes said she knows SMI to be a credible company, and she does not believe SMI is involved in the incident.

"As many from the communities associated with the Tampakan project will attest, SMI has always respected and will continue to respect human rights and the rights of stakeholders to express their views, including about the Tampakan Project. SMI has engaged with Mr Billanes and his organization through various forums to listen to his opinions and concerns on several occasions without incident and with respect for his right to freedom of expression. The incident is being investigated by the Philippine National Police. We hope that justice is served to those who are behind this incident through an immediate, transparent and thorough investigation.

"Xstrata Copper, a business unit of Xstrata plc (Xstrata), is the majority shareholder in and has management control of SMI. Xstrata is committed to the highest levels of ethical performance at every managed operation, as laid out in its Statement of Business Principles. Xstrata and SMI are committed to uphold human rights, support free enterprise and operate with the maximum transparency commercially possible, prohibiting any form of political donation, with a zero tolerance policy of fraud, bribery or corruption. Xstrata supports the UN Universal Declaration of Human Rights and is a signatory to the UN Global Compact and the Voluntary Principles on Security and Human Rights.

"As part of its commitment to playing a constructive role in upholding human rights in its area of influence, SMI staff and representatives from our security contractors underwent two days of training on the Voluntary Principles on Security and Human Rights in 2008, organized by Business for Social Responsibility. We also sponsored training in the Voluntary Principles for external stakeholders from the government, business sector, NGOs and other mining companies. In 2009, further training is scheduled for SMI's private security contractor and Philippine Army officers deployed in the SMI project area will also be invited to participate."

Ends

Contact: John B. Arnaldo Corporate Communications Manager Sagittarius Mines, Inc. Mobile: (+63 928) 550-3847

