



FOR IMMEDIATE RELEASE

## **ASARCO TERMINATES PURCHASE CONTRACT WITH STERLITE**

Tucson, AZ – October 22, 2008 – ASARCO LLC announced today that it is terminating its contract with Sterlite (USA), Inc., for the sale of its operating assets. ASARCO also announced that it will draw on the \$50 million letter of credit posted by Sterlite when it signed the purchase contract on May 30, 2008.

“We are taking this action in light of Sterlite’s disclosure to us last week that it ‘cannot and will not’ close the sale unless ASARCO agrees to a price reduction,” stated Joseph F. Lapinsky, President and Chief Executive Officer of ASARCO. “Sterlite has repudiated the contract, which gives us the right to terminate it,” he added. “By terminating the contract, we are not waiving any of our rights or remedies, and ASARCO is exploring all possible options to obtain the highest and best value for the estate. We look forward to the court-ordered mediation on October 30-31, including Sterlite’s participation,” Lapinsky continued.

ASARCO announced Sterlite’s repudiation of the contract during a court-ordered status conference on October 14, 2008. Sterlite had agreed to purchase the operating assets of ASARCO for \$2.6 billion. The Purchase and Sale Agreement was part of ASARCO’s plan of reorganization, which had been mailed to creditors in a solicitation package on September 29.

The U.S. Bankruptcy Court in Corpus Christi, TX issued an order on October 20, suspending the solicitation procedures, including balloting and confirmation hearings that had been scheduled to begin November 17, 2008. The order applies to both ASARCO’s plan and the competing plan submitted by its parent companies, Americas Mining Corporation and ASARCO Incorporated.

ASARCO is an integrated copper mining, smelting and refining company with approximately 2600 employees. The Company operates three mines, associated mills and a smelter in Arizona and a refinery complex in Texas, which includes plants that produce copper rod and cake, precious metals and by-products. The Company filed for chapter 11 bankruptcy protection on August 9, 2005. For more information, visit <http://www.asarco.com>.

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