



FOR IMMEDIATE RELEASE
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ASARCO Purchases Copper Basin Railway

TUCSON, AZ – ASARCO LLC announced today that it has purchased 100% of the outstanding shares of Copper Basin Railway Inc., a short line railroad that services its Ray Mine and Hayden Smelter in Arizona.

The purchase, which recently closed, involved ASARCO's acquisition of the 55% controlling interest held by Rail Partners II, LLC for a price of approximately \$11.45 million. Prior to the acquisition, ASARCO held a 45% interest in the railroad. The purchase was authorized by the bankruptcy court in Corpus Christi, Texas where ASARCO's chapter 11 proceeding is pending.

"We are excited about this acquisition," stated Joseph Lapinsky, President and Chief Executive Officer of ASARCO. "This railroad is critical to the Company's ongoing operations. Owning and operating this asset will greatly assist us in controlling key long term transportation costs," he said.

Copper Basin Railway is a Class III short-line freight railroad that operates a 20-mile segment of track between the Ray Mine and the Hayden Smelter, as well as a 37-mile segment of track between the Ray junction and the Union Pacific interchange at Magma, in south central Arizona. ASARCO is the railroad's primary customer, accounting for over 95% of the rail traffic. The railroad transports sulfide copper ore and concentrates from the Ray Mine to the Hayden Smelter and carries sulfuric acid, a by-product of the smelting operations that is used in the extraction of oxide copper, from the Hayden plant to the Ray Mine. The railroad also transports copper anodes and cathodes on the first leg of their journey from the smelter to ASARCO's Amarillo Texas refinery.

ASARCO LLC is a Tucson-based integrated copper mining, smelting and refining company.