



FOR IMMEDIATE RELEASE
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ASARCO LLC REACHES NEW AGREEMENT TO SELL OPERATING ASSETS TO STERLITE INDUSTRIES

Tucson, AZ – Tucson based ASARCO LLC today announced the signing of a new agreement to sell substantially all of its operating assets to Sterlite (USA), Inc., a subsidiary of Sterlite Industries (India) Ltd. and Vedanta Resources plc. The sale price is \$1.1 billion cash plus a senior secured, non-interest bearing promissory note for \$600 million, payable over nine years. The principal amount of the note is subject to adjustment post-closing based on a reconciliation of ASARCO's working capital.

The operating assets to be sold include three copper mines, associated mills and SX-EW plants in Arizona; a copper smelter in Arizona; and a copper refinery, rod and cake plants and precious metals plant in Texas. The sale is part of Asarco's plan to reorganize under chapter 11 of the U.S. bankruptcy code.

Two letters of credit totaling \$100 million, issued by ABM AMRO Chicago for the benefit of ASARCO, secure this agreement. An additional \$25 million letter of credit will be issued if the bankruptcy court approves the disclosure statement for ASARCO's reorganization plan. Sterlite Industries (India) Ltd. guarantees the purchaser's performance under the new agreement. Upon closing, ASARCO will release Sterlite from any claims arising out of the first purchase and sale agreement signed in May 2008.

"Reaching this agreement in such difficult economic times is a tribute to our Board of Directors and principal creditor groups," said Joseph F. Lapinsky, President and Chief Executive Officer of ASARCO. "It is satisfying to see months of negotiations finally bear fruit in an agreement that achieves value for all concerned," he continued.

Until the bankruptcy court approves certain portions of the new agreement, ASARCO is permitted to solicit and negotiate other offers under a "go shop" provision. Following court approval, a "no shop" restriction goes into effect; but ASARCO's Board of Directors retains a "fiduciary out," enabling it to consider and pursue any superior alternative proposed transaction. ASARCO expects this court approval to occur by April 15, 2009.

The entire agreement is subject to later approval of the bankruptcy court in connection with the confirmation of ASARCO's plan of reorganization, which will enable ASARCO to conclude its chapter 11 case.



ASARCO is an integrated copper mining, smelting and refining company based in Tucson, AZ with approximately 2500 employees. Formerly known as American Smelting and Refining Company, ASARCO is 110 years old and currently is the third largest copper producer in the United States. It sold 237,000 tons of refined copper in 2008 and had revenues of approximately \$1.9 billion. ASARCO's mines currently have estimated reserves of approximately 5 million tons of contained copper.

Sterlite Industries is an Indian non-ferrous metals and mining company with interests and operations in aluminum, copper, zinc and lead. It is a subsidiary of Vedanta Resources plc, a London-based diversified FTSE 100 metals and mining group company.

Barclays Capital acted as financial advisor and Baker Botts L.L.P. acted as legal advisor to ASARCO in this transaction.

RBS Securities, a part of the RBS Group, acted as financial advisor and Shearman & Sterling acted as legal advisor to Sterlite in this transaction.

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