



[FOR IMMEDIATE RELEASE]

ASARCO ANNOUNCES \$10.25 MILLION RESOLUTION OF ROSEMONT CASE

Tucson, AZ – January 19, 2009 – ASARCO LLC announced today that it has settled its fraudulent conveyance litigation against Augusta Resources and other defendants for \$10.25 million.

The proposed settlement, which is not binding unless approved by the bankruptcy court after a hearing, consists of \$1.25 million cash payable to ASARCO at closing (\$1 million from the Rosemont Ranch defendants and \$250,000 from Augusta Resources), plus \$9 million over 8 years from Augusta Resources, payable from profits of production and subject to an option, which if exercised, would require Augusta Resources to pay ASARCO the net present value of such payments in cash.

ASARCO sold the Rosemont property to a local real estate developer for \$4 million in June 2004, while ASARCO was insolvent and under control of Grupo Mexico S.A. de C.V. Ten months later, the developer optioned the property to Augusta Resources for over \$20.8 million. Augusta exercised the option and purchased the property after ASARCO filed for bankruptcy protection in August 2005. This five-fold increase in value over ten months indicates that ASARCO did not receive fair value for the property.

ASARCO brought suit against Augusta Resources and the Rosemont Ranch defendants to recover for its creditors either the property or a judgment for the lost value in the sale. Bankruptcy law allows a debtor to avoid transfers of property made while financially distressed, if the debtor did not receive reasonably equivalent value for the property sold.

Both of ASARCO's creditors committees in the bankruptcy intervened in the lawsuit to support ASARCO. Augusta Resources moved early in the case to dismiss ASARCO's claim, but the bankruptcy court presiding over the litigation denied the motion.

"Several factors influenced ASARCO's and its creditors' willingness to settle the lawsuit at this time, including the continuing high cost of litigation, the recent drastic decline in copper prices, and collection costs and risk if Asarco were to prevail at trial," said Joseph F. Lapinsky, President and Chief Executive Officer of ASARCO.

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>.

Contact:
Doug McAllister
520-798-7725