

ASX RELEASE**26 February 2010**

Sandfire Completes Placement

SPP to be Offered to Existing Shareholders

Sandfire Resources NL ("Sandfire") is pleased to advise that it has completed a \$51.6 million share placement as part of its recently announced equity raising.

Following strong demand, the placement to institutional and sophisticated investors was priced at \$3.20 per share, a 7.2% discount to the previous closing price and a 3.2% premium to the underwritten floor price of \$3.10.

A total of approximately 13.3 million new shares will be issued through the placement to institutional and sophisticated investors raising \$42.5 million. The new shares represent approximately 12.3% of Sandfire's currently issued share capital, and are expected to be allotted and issued on 5 March 2010 and will rank equally with existing Sandfire shares.

Sandfire also conducted a conditional placement to Posco Australia of 2.8 million shares at \$3.20 per share, the same price as the placement to institutional and sophisticated investors, to raise \$9.1 million. The Posco placement will be conditional upon:

- FIRB approval;
- Confirmation by ASX that it will not exercise its discretion under Listing Rule 10.11.2 (or, if this confirmation is not forthcoming, shareholder approval)

A waiver is also being sought from ASX for Listing Rule 6.18 in relation to the Posco Australia Share Subscription Agreement, however if this waiver is not granted the Sandfire board intends to exercise its discretion to conduct the Posco Placement pursuant to its Listing Rule 7.1 capacity.

The Posco placement will only settle following the full satisfaction of the conditions outlined above. If the conditions outlined above are not satisfied the Posco placement will not proceed.

The trading halt in the company's shares will be lifted at market open on Friday 26 February 2010.

As previously announced, Sandfire will also offer eligible shareholders the opportunity to subscribe for up to \$15,000 of new shares through a non-underwritten Share Purchase Plan ("SPP").

The SPP will be offered to eligible shareholders on the register at 7.00pm (Sydney time) on 2 March 2010. Further details of the SPP will be provided to the ASX and to shareholders in due course.

Sandfire's Managing Director, Karl Simich, said: "We are extremely pleased with the level of interest shown by both new and existing investors in the placement, and we thank them for their support.

"The introduction of several leading International and Australian institutions to the Sandfire register represents a pivotal development for the Company in our evolution as a quality Australian mining company.

"The proceeds of this placement will allow us to continue to progress development of the DeGrussa Copper-Gold Project while at the same time undertaking a major exploration program across our Doolgunna tenements targeting potential repeats of the DeGrussa mineralisation." "We are also very

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pleased to offer shareholders the opportunity to participate in this landmark capital raising via an SPP which will be launched in the near future,” Mr Simich said.

Goldman Sachs JBWere was Sole Lead Manager and Sole Bookrunner and Bell Potter was Co-Lead Manager to the Placement. Clayton Utz acted as legal adviser to Sandfire for the placement.

For further information, please contact:

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