

ASX RELEASE

8 January 2010

VARIATION TO RETIREMENT PAYMENT TO MR KENNEDY

Further to its announcement of 22 December 2009 in relation to Mr Kennedy's retirement from the Board, Sandfire Resources NL (ASX: SFR) is pleased to advise that it has agreed to vary the structure of the proposed payment to Mr Kennedy by issuing Sandfire shares to Mr Kennedy to the value of \$500,000 (less any deductions required for tax purposes) rather than cash.

The number of shares will be calculated based on the five-day VWAP (volume weighted average price) of Sandfire shares prior to the shareholder meeting to be held to approve the retirement payment.

Sandfire views this variation as a positive outcome, helping to preserve the Company's cash reserves as it completes the maiden JORC resource statement for the Doolgunna Copper-Gold Project in Western Australia and continues an aggressive exploration program.

KARL SIMICH
CHAIRMAN/CHIEF EXECUTIVE OFFICER

For further information contact:

Sandfire Resources NL

Karl Simich – Chairman/Chief Executive Officer

John Evans – Technical Director

Office: +61 8 9226 5833

Read Corporate

Mobile: +61 419 929 046 (Nicholas Read)

Mobile: +61 421 619 084 (Paul Armstrong)