For Immediate Release
June 1, 2010

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PREVIOUS UNION STATEMENTS TO NEWS MEDIA UNTRUE; DRUMMOND COLOMBIA MINE AND PORT WORKERS DO NOT VOTE TO STRIKE; VOTE FALLS SHORT OF TOTAL NEEDED TO STRIKE

BIRMINGHAM, AL --Drummond Company announces that any strike by the union group of Sintramienergetica in Colombia, as announced by that union, would constitute an illegal strike under the laws of Colombia. Drummond has an agreement with all of the unions represented in its operations in Colombia, including its port, with the exception of Sintramienergetica which is threatening to strike. Drummond has no control over the decision of Sintramienergetica to call such a strike, but in such case it will deal with the strike under the laws of Colombia and would anticipate a short duration because of its illegality. In an assembly of all employees that ended May 31, 2010, a vote was taken that would have authorized a strike by Sintramienergetica had it obtained the necessary number of votes. It did not receive the number required, making any strike perpetrated by that union illegal.

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DRUMMOND LTD.
COLOMBIA

COMMUNIQUÉ

Once the process of negotiating the petition statement had finished with the three trade union organizations that exist in Drummond Ltd., a three (3) year collective bargaining agreement was signed last week with the Sintradrummond and Agretritrenes trade union organizations. However, agreement could not be reached with Sintramienergética, and Sintramienergética therefore urged all the workers of Drummond Ltd. to vote to strike or to take the dispute to an Arbitration Tribunal.

Taking into account that Sintramienergética is a minority union, as can be seen in the company records and as acknowledged by the communiqués of Sintramienergética itself, in order to validly vote in favor of a strike requires that half of the total employees of the company plus one vote in favor of it. The total number of votes in favor of a strike was less than half of the total employees of the company.

Yesterday Sintramienergética handed out communiqués and gave information to the communications media, which is **ABSOLUTELY FALSE** because they say that the workers have voted to strike. Sintramienergética bases its information on an opinion issued by the Consultation and Civil Service Chamber of the Council of State in 1988. That opinion is based on Law 39 of 1985 and Decree 477 of 1986, which are **NOT CURRENTLY IN EFFECT** because they were superseded by Law 50 of 1990.

Our affirmation is based on the law, on several judgments issued by the Supreme Court of Justice (on June 3, 2009 and other dates), on the doctrine of the Ministry of Social Protection and the opinions of important attorneys in Colombia.

It can therefore be affirmed that:

1.- The current law for voting on strikes in Colombia is Article 61 of Law 50 of 1990 and not Law 39 of 1985.

2.- Pursuant to current law, the majority required to approve a strike in the case of minority trade unions, as is the case with Sintramienergética, **is half of the total workers of the company plus one**.

3.- The company has 4132 employees. Therefore, the necessary majority according to the law in order for a strike to be approved is 2067 employees.

4.- When the vote was taken by Sintramienergética at the general assembly, the total number of votes in favor of a strike was less than 2067.

5.- The vote for strike **DID NOT OBTAIN THE AMOUNT OF VOTES REQUIRED BY LAW.** Therefore, under these circumstances a strike would be illegal.

6.- That being the case, the law orders that the labor conflict will have to be resolved according to Colombian law.

Drummond Ltd. publicly recognizes all of the employees that understood that a strike process was damaging for all and could only benefit the few who have nothing to lose. We extend this recognition to the Sintradrummond and Agretritrenes trade unions, who through dialogue and reaching agreement signed a collective bargaining agreement that contains a package of benefits for the workers and their families that is considered to be among the best in Colombia.

We invite Sintramienergética to sign the same collective bargaining agreement that was signed by Sintradrummond and Agretritrenes, which will provide important benefits to their members and their families. This will enable Drummond Ltd. to continue to normally carry out its activities to the benefit of its employees, the communities and the country and with no prejudice to any of the trade unions or their affiliates.