

21 July 2009

AMENDMENT TO PREVIOUS ANNOUNCEMENT

Please accept the attached statement as a revised version of our announcement released to the market earlier today. Please note that the initial announcement referred to an intersection of massive sulphides of 31.5m. In fact, the correct width is 21.35m. The figure stated in the initial release was a result of a typographical error.

Yours faithfully



KARL SIMICH
MANAGING DIRECTOR



ASX RELEASE

21 July 2009

21.35m OF SULPHIDES INTERSECTED IN THIRD DIAMOND HOLE

HIGHLIGHTS

- Third diamond drill, located 120m west and 40m north of DGDD-001, intersects **21.35m of massive sulphides from 322.7m to 344.05m down hole.**
- Visual assessments of experienced field geologists indicate the **presence of abundant chalcopyrite**, a copper sulphide mineral, in the drill core.
- Step-out drilling provides further evidence of lateral extent of high-grade copper sulphide mineralisation discovered at Doolgunna Project.
- Second diamond drilling rig en route to Doolgunna and scheduled to commence operations this weekend.
- Assays awaited for balance of Intersection 1 (3m) and Intersection 2 (31m) – DeGrussa zone – plus Intersections 3 (6m) and 4 (18.5m) – Conductor 1 zone.

Further to its announcement of 20 July, Sandfire Resources NL (ASX: SFR; Sandfire) is pleased to advise that diamond drill hole DGDD-003, the third step-out hole in the current drilling program at its 100%-owned Doolgunna Project in Western Australia, has intersected a broad zone of massive sulphides at a down hole depth of 322.7 metres.

Hole DGDD-003 – which is located at 733960mE and 7173040mN, 120 metres east and 40 metres north of DGDD-001, inclined at 60 degrees to the north – intersected 21.35 metres of massive sulphides from 322.7 metres to 344.05 metres down hole. The hole is currently drilling ahead at a depth of approximately 420 metres.

Visual assessments of experienced field geologists indicate that the **intersection contains abundant chalcopyrite**, a copper sulphide mineral, as reported in previous ASX Announcements. *(Note: Sandfire emphasises that the above estimates and descriptions of mineralisation are based on visual volumetric observations, are highly subjective, and must be approached with a high degree of caution).*

As announced yesterday, initial assay results from hole DGDD-001 confirmed these visual estimates in the case of this hole, with the first 8 metres assayed from this hole averaging 27.3% copper (Cu), 1.94g/t gold (Au) and 34.87g/t silver (Ag) from 146 metres to 157 metres. Sandfire expects to receive assay results for the balance of this intersection (Intersection 1 – 3 metres) as well as Intersection 2 (31 metres down hole) from DGDD-001 within the next few days and will report these results as soon as they come to hand.

The presence of massive sulphides in DGDD-003 is regarded as very encouraging by Sandfire's geological team, providing further evidence of the lateral extent of the mineralisation discovered at Doolgunna.

The Company is pleased to advise that it has secured a second diamond drilling rig which is currently en route to site and scheduled to commence drilling this coming weekend.

The additional drilling capacity will enable Sandfire to accelerate the current diamond core drilling program, which is designed to test the overall scale and dimensions of the high-grade copper-gold mineralization discovered at Conductor 1 and DeGrussa.

Doolgunna Project – Background

The Doolgunna Project is located approximately 130km north of Meekatharra (900km north of Perth) in Western Australia close to a number of existing and historical gold mines and infrastructure including the Goldfields Gas Pipeline and Great Northern Highway.

Sandfire has so far discovered two zones of high-grade sulphide mineralisation at DeGrussa and Conductor 1 in the north-eastern portion of the Doolgunna tenements. These discoveries appear to comprise volcanogenic massive sulphide (VMS) style mineralisation located beneath an oxide copper-gold zone.

Conductor 1 lies approximately 160 metres to the north-west of DeGrussa and comprises a large body of sulphide mineralisation dipping in a southerly direction. Diamond drilling, which commenced on Saturday, 4 July 2009, is aimed at testing the extent of the mineralisation to the south. The results of this diamond drilling program will determine the next steps in the exploration of Conductor 1 and DeGrussa.

W JOHN EVANS

Technical Director (AUSIMM Competent Person)

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by John Evans who is a Fellow of the Australasian Institute of Mining and Metallurgy. John Evans has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves. John Evans consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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