



PRESS RELEASE

Bogotá, December 12th, 2008

Cerrejón and the Tabaco Relocation Committee reached a final agreement

We are pleased to announce that on 12th December, 2008, Cerrejón and the Tabaco Relocation Committee (TRC) reached a final agreement, which brings outstanding resettlement issues to a close. In 2001-2002, the company's land acquisitions in Tabaco left the community divided and some families were expropriated following Colombian law. This situation generated tensions between local communities and Cerrejón, thereby undermining the company's social license to operate as well as future sustainability for La Guajira.

In 2007, Cerrejón approached Tabaco former residents to understand their needs and promote their sustainable livelihoods. The Tabaco Endogenous Network was born and Cerrejón began funding numerous socio-economic projects and initiatives seeking to build genuine mutual trust. Unfortunately, not all Tabaco dwellers joined.

On April 2008, in its response to the Independent Third Party Review Panel, Cerrejón publicly committed to meet with the TRC. John Harker, Vice-Chancellor of Cape Breton University and previous Chair of the Panel, acted as independent facilitator and accompanied dialogue meetings in Colombia from August to December. The agreement, based on principles of fairness and generosity, sought to reach a settlement with the TRC, widen the range of indemnity beneficiaries and reunite those Tabaco former residents who wished to live in a new place where the town could be rebuilt. Cerrejón, following its aspiration to do the maximum possible, has committed to:

- paying old indemnity money held in an escrow account
- paying new compensations
- buying a plot of land to be given to the municipality of Hatonuevo, which is legally responsible for reconstructing Tabaco
- building a community center in that land and delivering the initial engineering works necessary for the community to eventually build the new village
- funding socio-economic projects in line with sustainability criteria, ongoing work with community members

As a result of a careful and fact-based analysis by the negotiators and the facilitator, contributions to indemnities will total \$1.8 million US dollars and another \$1.3 million US dollars will be disbursed for sustainability projects, which our Foundations stand ready to assist. In addition, and following international standards, Cerrejón will directly pay the legal expenses accrued by TRC representatives and any taxes generated by the agreement.

It may be that only few Tabaco residents choose to live in a reconstructed township, yet we hope the new land remains their symbolic home. Cerrejón welcomes this reconciliation process and looks forward to accompanying, as stated in the agreement, a harmonious development of the community.

Contacts: *Julián González (julian.gonzalez@cerrejon.com) or Alexandra Guáqueta (alexandra.guaqueta@cerrejon.com).*

