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Jose Miguel Linares Martinez
President, Drummond Ltd. - Colombia
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Dear Jose Miguel:

There has been much publicity in the Colombian news media of lawsuits against Drummond Ltd; claiming that the company collaborated with paramilitaries in the Department of Cesar during the period 1997 - 2006. Drummond has strongly denied those allegations and courts have repeatedly rejected them in a series of decisions over the years. In this letter I describe the latest rulings by the federal court granting judgment in favor of Drummond and certain of its officers in a lawsuit claiming that Drummond is responsible for actions of the paramilitaries.

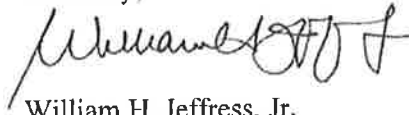
On July 25, 2013, the United States District Court in Alabama ruled on motions for summary judgment by Drummond Company Inc., Drummond Ltd., Augusto Jimenez and Michael Tracy. Summary judgment is a procedure where a judge considers the evidence, including testimony of all witnesses, to determine whether any competent evidence supports the plaintiffs' claims. The court in this case considered the sworn testimony of no fewer than 21 witnesses in Colombia and the United States, in addition to testimony of 24 plaintiffs and thousands of pages of documents, and concluded there is no basis for the claims against the company or its officials.

Regarding Drummond Company Inc. and Drummond Ltd., the court noted that a recent decision of the United States Supreme Court requires that the alleged conduct "touch and concern" the United States in order to state a claim under the Alien Tort Statute. The court considered each of the plaintiffs' arguments and concluded that "when the statements are brought into the sunshine, they cannot withstand scrutiny." After reviewing the evidence, the court stated: "There is nothing left in this final analysis to support Plaintiffs' contention that DLTD made decisions in the United States to conspire with and aid and abet the commission of war crimes in Colombia. . ."

The court entered separate judgments in favor of Drummond executives Augusto Jimenez and Michael Tracy. Regarding Jimenez, the court found “no admissible evidence by any witness that Augusto Jimenez personally agreed with any AUC member to do anything,” and “no admissible evidence that Jimenez approved of the murders along Drummond’s rail line, much less that he actively participated in the killings.” Similarly as to Michael Tracy, the court found “no evidence that Tracy knew that noncombatants were being murdered along the rail lines; nor is there any evidence that Tracy directed his actions to assist in such a violation.”

This is the third case brought against Drummond by persons in Colombia represented by plaintiffs’ lawyer Terry Collingsworth, beginning more than eleven years ago. A jury found for the defendants on all claims in the first case, a decision that was affirmed by the court of appeals. The second and third have now been dismissed with prejudice by the district court. Plaintiffs will undoubtedly attempt to appeal these rulings. But on behalf of Drummond and its officials, we will continue to seek final rulings by the U.S. courts that plaintiffs’ claims are groundless, and look forward to a speedy conclusion of the litigation.

Sincerely,



William H. Jeffress, Jr.

WHJ: