

Manager of Company Announcements
ASX Limited
Level 5, Riverside Centre
123 Eagle Street
Brisbane QLD 4000

November 11, 2009

(ASX:SAY)

Dear Sirs,

GEOPHYSICAL DATA ACQUISITION COMMENCED AT PUTU PROJECT CHILE

Directors of South American Iron and Steel Corporation Limited (SAY) are pleased to announce that geophysical data acquisition at the Putú Project in Chile (100% SAY) has commenced. The Putú Project is situated south of Santiago and north of Constitucion along the Chilean coast the area under concession is approximately 42km long and averages over 5km wide. The survey is being conducted by Geodatos a local Chilean contracting company and it will acquire magnetic and radiometric data on east west lines with a line spacing of 200m, the southern part will be flown at a flight height of 60m, whilst the northern part is being acquired on foot, as the lines are too short for airborne acquisition (see Figure 1).

The combined geophysical data sets will enable the geological team to highlight regions with higher iron percentage in sand. Thus once the interpretation is complete it should be possible to focus on regions with superior iron (Fe) grade. One zone that will be assessed in detail is the Plano region (see Figure 2) as preliminary sampling and drilling has highlighted it as a possible starting point for detailed drilling. Plano has been shown to have an inferred resource of 823 million tonnes of iron sands (to 12 metres depth) grading 5.79% valuable heavy mineral (VHM). Within this overall resource figure, there may be zones that provide an increase in Fe grade with resources in the one to two hundred million tonne range. The Company is targeting a preliminary resource of this size as that will ensure an initial mine life of more than twenty years, while other resources are defined.

It is thought that there will be numerous regions within the broader Putu Project that will exhibit high Fe grades and as many mining projects start with proven resources of around 100 to 150 million tonnes these individual zones will be sampled to assess the ones with the best potential to fulfil the Company's requirements. If Plano or some other areas are found to exhibit superior Fe grade then they will be drill tested to facilitate measured resource status which will enable

the Company to initiate a scoping study, which will lead to a feasibility study and the opportunity to initiate an iron sands mining project in Chile.

Once the survey results are complete the Company will announce the results, this is expected early in December.

Yours sincerely



Dr Richard Haren
MD

The information in this report that relates to exploration results and mineral resources are based on information compiled by Dr. Richard Haren who is a corporate Member of The Australasian Institute of Mining and Metallurgy and who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Richard Haren is a self employed consultant who is retained by SAY as MD and CEO, he has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Further information

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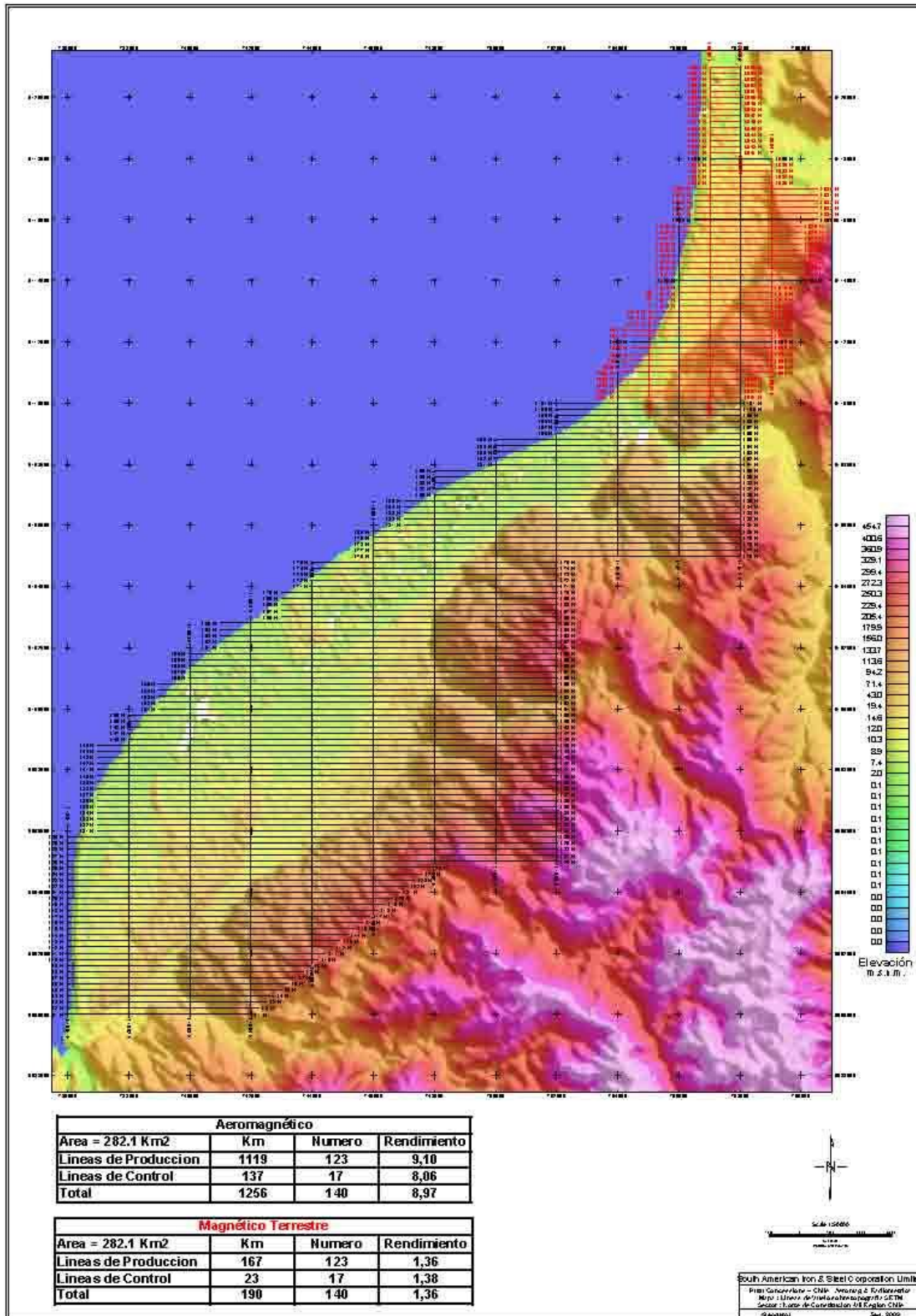


FIGURE 1. Putú Project airborne geophysical lines in black and ground traverses in red, line spacing 200m.

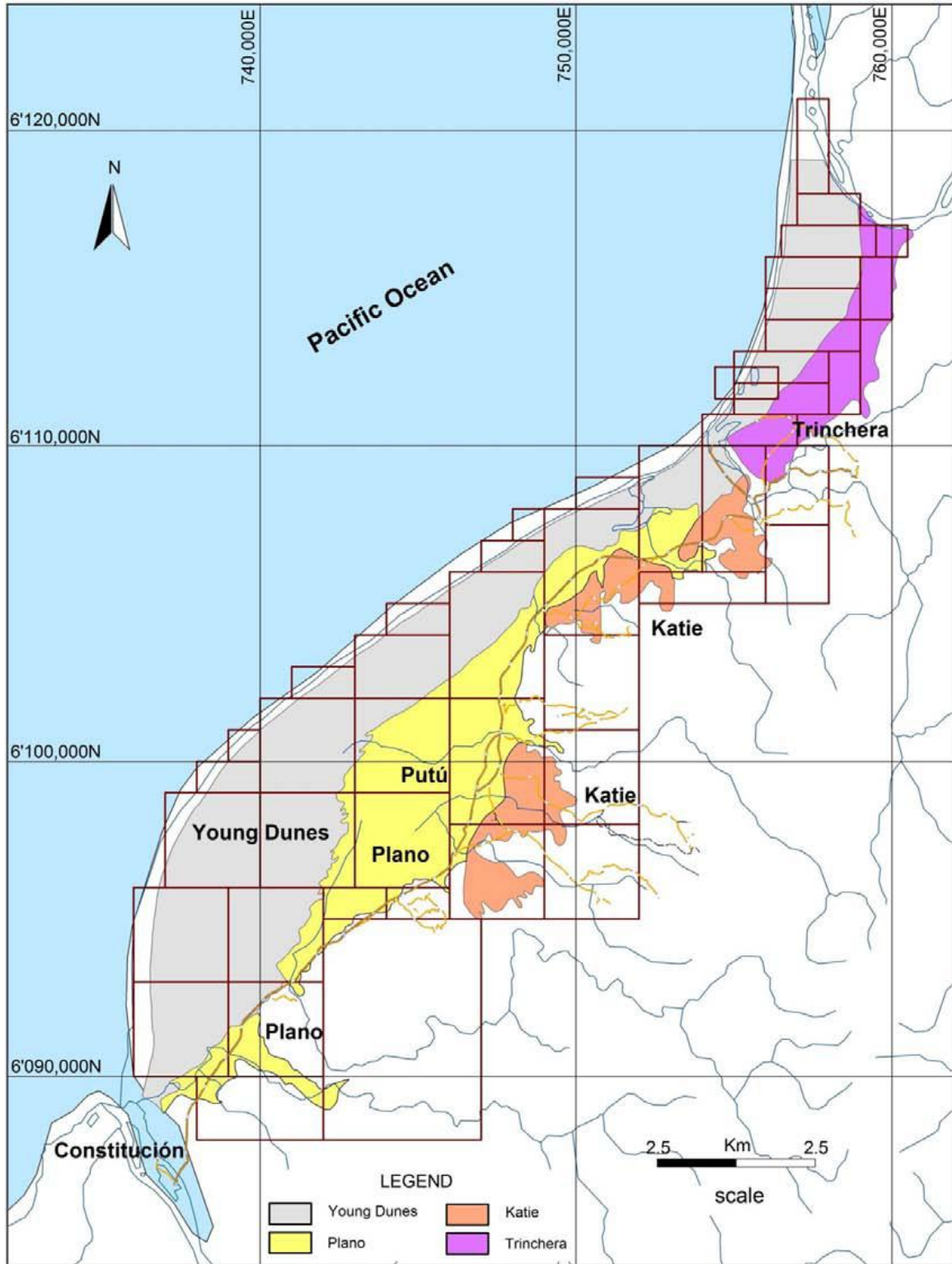


FIGURE 2. The Putú Project area showing the concession outlines and the major iron sand units.