
Cardero Resource update on Pampa De Pongo pact with Nanjinzhao

Thursday, 21 May, 2009

Cardero Resource Corporation reported that Zibo Hongda Mining Company Limited to which Nanjinzhao assigned its right to purchase Pampa de Pongo pursuant to the October 24th 2008 sale agreement has declined to pay the USD 10 million deposits required by May 17th 2009 unless certain changes are made to the agreement, primarily to reduce the final sale price.

Hongda has advised Cardero that, due to current difficult global economic conditions, tight credit markets and weakened iron ore prices, it requires a reduction in the overall purchase price in order to proceed with the agreement, including making the USD 10 million deposits.

Negotiations among the parties are ongoing and Cardero will provide further news as soon as available. However, there can be no certainty that the agreement will be successfully amended or that any purchase price that may be agreed will not be significantly lower than USD 200 million.

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