

News Release

SOUTH AMERICAN GOLD AND COPPER COMPANY LIMITED

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FOR IMMEDIATE RELEASE – December 16, 2008

South American Gold and Copper Company Limited Announces Private Placement.

Toronto, Ontario, Canada - South American Gold and Copper Company Limited (the “Company”) (TSX: SAG) announced today that it has signed a best efforts agreement with Global Investment Advisors (Global), British Virgin Islands, to place Units (the Offering) of up to a maximum of Cdn \$485,215.50. Each Unit will consist of one common share (Common Share) and one half of one common share purchase warrant (each whole such warrant, a warrant) at a price of \$0.025 per Unit or up to a maximum of 19,408,620 Units.

Global will be paid 8% of the gross proceeds (the proceeds) on subscription of up to 15,123,600 Units. In addition, pursuant to an agreement with Global, the Corporation will issue to Global up to a maximum of 1,209,888 common share purchase warrants exercisable for a period of 24 months following the closing at an exercise price of Cdn \$0.025.

An Officer and Director of the Corporation has agreed to subscribe to \$107,125.50 of the Offering on which no commission or warrants will be issued to Global.

This Offering is subject to final approval of the Toronto Stock Exchange.

\$378,090 of the Offering will be used exclusively to fund option payments and exploration on the Company’s 28,000 hectares La Bella gold/copper project, which lies 75 kilometers south of Santiago, Chile, and the balance for general corporate purposes

South American Gold and Copper Company Limited is a minerals producing, exploration and development company with properties and activities currently focused in Chile.

“Cautionary Statement Regarding Forward-Looking Information. Except for statements of historical fact, all statements and information in this press release, including without limitation, statements and information regarding the Pimenton gold mine, forecasted production, future plans, financing requirements, objectives and results constitute forward-looking information within the meaning of applicable Canadian securities legislation, which involve risks, uncertainties and assumptions, many of

which are beyond our control. All such forward-looking information is based on certain assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. Actual results, performance or achievements could differ materially from those expressed in, or implied by, such forward looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits will be derived there from. Except as required by law, South American Gold and Copper Company Limited and its subsidiaries, expressly disclaim any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

The forward-looking information contained herein is expressly qualified by this cautionary statement.”