



**NEWS RELEASE**

**EXTENSION OF OFFER FOR FALCONBRIDGE LIMITED**

Zug, 7 July 2006

Xstrata plc ("Xstrata") announces an extension of the expiry date for its all-cash offer of C\$52.50 per share for all of the outstanding common shares of Falconbridge Limited not already owned by Xstrata from Friday July 7, 2006 to 8pm (Toronto time) on Friday July 21, 2006. All other terms and conditions of Xstrata's offer for Falconbridge described in its offer and offering circular dated May 18, 2006 remain unchanged.

Xstrata will mail a formal notice of extension to all Falconbridge shareholders today.

Falconbridge shareholders with questions or requests for copies of the documents, please call Kingsdale Shareholder Services Inc. at 1-866-639-7993. Banks and brokers should call at 416-867-2272.

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**Xstrata contacts**

Claire Divver  
Telephone +44 20 7968 2871  
Mobile +44 7785 964 340  
Email [cdivver@xstrata.com](mailto:cdivver@xstrata.com)

Ernie Lalonde  
National Public Relations  
Telephone +1 416 848 1423  
Email [elalonde@national.ca](mailto:elalonde@national.ca)

Michael Oke  
Aura Financial  
Telephone +44 20 7321 0033  
Mobile +44 7834 368 299  
Email [michael@aura-financial.com](mailto:michael@aura-financial.com)