



**NEWS RELEASE**

**XSTRATA RECEIVES EU COMPETITION CLEARANCE FOR  
FALCONBRIDGE ACQUISITION**

Zug, 13 July 2006

Xstrata announces that it has today received unconditional clearance from the European Commission in relation to its proposed acquisition of Falconbridge Limited. Xstrata is therefore free to proceed with its all-cash offer without further anti-trust reviews.

The only remaining regulatory condition to Xstrata's offer is clearance under the Investment Canada Act. Xstrata remains confident that the acquisition of Falconbridge will deliver significant net benefits to Canada and that, accordingly, it will receive the necessary clearance under the Investment Canada Act.

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