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EQUITY PLACING

NEWS RELEASE

Zug, 17 May 2006

Xstrata plc ("Xstrata" or the "Company") today announces the placing to institutional investors of up to 61,994,320 shares of US\$0.50 each of the Company (the "Placing"). The Placing will be made up of up to 32,543,344 new ordinary shares to be issued by the Company (the "New Shares") and up to 29,450,976 shares currently held by Batiss Investment Limited ("Batiss") acquired pursuant to the Xstrata group's equity capital management programme (the "Batiss Shares" and together with the New Shares, the "Placing Shares").

The proceeds of the Placing will be used to pay back a portion of the outstanding debt incurred in relation to the acquisitions of the initial stake of approximately 19.8% in Falconbridge Limited and the acquisition of a one third interest in Cerrejon. The Placing will take place at a price to be established through an accelerated bookbuild to be conducted by Deutsche Bank AG London ("Deutsche Bank") and JPMorgan Cazenove Limited ("JPMorgan Cazenove"). The books will open with immediate effect and it is expected that the bookbuilding process will be completed on 17 May 2006. Pricing and allocations are expected to be announced by 8.00 a.m. on 18 May 2006. The timing of the closing of the books, pricing and allocations may be accelerated or delayed at the absolute discretion of the joint bookrunners.

The New Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing issued ordinary shares of the Company including the right to receive all future dividends and other distributions declared, made or paid after the date of their issue and participate in any future preemptive capital raisings. On 9 May 2006, the shareholders of the Company approved the disapplication of pre-emption rights. The New Shares will be issued within this authority.

Application will be made for the New Shares to be admitted to the Official List maintained by the Financial Services Authority and to be admitted to trading by the London Stock Exchange plc on its market for listed securities and an official notification will be sent to SWX with regard to the admission of New Shares on the SWX (together "Admission"). Admission, settlement and commencement of dealings are expected to take place on or around 23 May 2006.

The Batiss Shares will be sold free and clear of all liens, encumbrances, equities or claims and with full title guarantee.

Attention is drawn to Xstrata's announcement of earlier today in respect of its proposed offer to acquire the outstanding shares of Falconbridge Limited not already owned by Xstrata and to the section "Further details of the Placing" set out in the Appendix to this announcement.

Deutsche Bank and JPMorgan Cazenove are acting as joint bookrunners of the Placing.

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Deutsche Bank, which is authorised by Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and by the Financial Services Authority (FSA); regulated by the FSA for the conduct of UK business and a member of the London Stock Exchange, is acting for the Company and Batiss in connection with the Placing and no-one else and will not be responsible to anyone other than the Company and Batiss for providing the protections afforded to clients of Deutsche Bank nor for providing advice in relation to the Placing or any other matter referred to in this announcement.

JPMorgan Cazenove is acting for the Company and Batiss in connection with the Placing and no-one else and will not be responsible to anyone other than the Company and Batiss for providing the protections afforded to its clients nor for providing advice in relation to the Placing or any other matter referred to in this announcement.

This announcement is for information only and does not constitute an offer to sell or issue or the solicitation of an offer to buy, subscribe or acquire any securities in any jurisdiction. This announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy, subscribe or acquire any securities in the capital of the Company in the United States, Canada, Australia, Japan or South Africa or in any jurisdiction in which such offer would be unlawful and should not be relied upon in connection with any decision to acquire Placing Shares or any other securities in the capital of the Company.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

The information contained in this announcement is not for release, publication or distribution, directly or indirectly, to or into the United States, Canada, Australia, Japan or South Africa or in any jurisdiction in which such publication or distribution would be unlawful. This announcement is not an offer of securities for sale into the United States. The Placing Shares have not and will not be registered under the US Securities Act of 1933 (the "Securities Act"), as amended and may not be offered or sold directly or indirectly, in the United States absent registration or an exemption from registration. There will be no public offering of securities in the United States. The Placing Shares have not and will not be registered with any regulatory authority of any State within the United States.

The distribution of this announcement and the placing of Placing Shares in certain other jurisdictions may be restricted by law. No action has been taken by the Managers or the Company that would permit such an offer of shares or possession or distribution of this announcement or any other offering or publicity material relating to the shares in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required by the Managers and the Company to inform themselves about and to observe any such restrictions.

In connection with the Placing, the stabilising manager or any of its agents may (but will be under no obligation to), to the extent permitted by law, over-allot or effect other transactions enabling it to satisfy any over-allotments or which stabilise, maintain or otherwise affect the market price of the Company's shares or any options, warrants or rights with respect to, or interests in, the shares or other securities of the Company, in each case at levels which might not otherwise prevail in the open market. The stabilising manager is not required to enter into such transactions and such transactions may be effected on the London Stock Exchange and any other securities market, over the counter market or otherwise. Such transactions, if commenced, may be discontinued at any time and may only be entered into between announcement of the Placing Price and 30 days after allotment. Neither the stabilising manager nor any of its agents intends to disclose the extent of any over-allotments.

This announcement has been issued by, and is the sole responsibility of, the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Deutsche Bank or JPMorgan Cazenove or by any of their respective affiliates or agents as to or in relation to, the accuracy or completeness of this announcement, or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is hereby expressly disclaimed.

APPENDIX: FURTHER DETAILS OF THE PLACING

THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX (TOGETHER, “THIS ANNOUNCEMENT”) IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, JAPAN OR SOUTH AFRICA

IMPORTANT INFORMATION ON THE PLACING FOR INVITED PLACEEES ONLY

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE QUALIFIED INVESTORS; (B) IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE “ORDER”); (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (“HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC”) OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “RELEVANT PERSONS”). THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS APPENDIX DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN XSTRATA PLC (THE “COMPANY”).

Persons who are invited to and who choose to participate in the Placing by making an oral or written offer to subscribe for Placing Shares (“the Placees”), will be deemed to have read and understood this Announcement including this Appendix, in its entirety and to be making such offer on the terms and conditions, and to be providing the representations, warranties acknowledgements, and undertakings contained in this Appendix. In particular each such Placee represents, warrants and acknowledges that it is:

(a) a “qualified investor” within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC); and

(b) a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business; and

(c) outside the United States and is subscribing for the Placing Shares for its own account or is purchasing the Placing Shares for an account with respect to which it exercises sole investment discretion and that it (and any such account) is outside the United States, within the meaning of Regulation S under the Securities Act; or if it is not outside the United States, it is, or is purchasing the Placing Shares for an account with respect to which it exercises sole investment discretion and that it (and any such account) is a qualified institutional buyer (“QIB”) as such term is defined in Rule 144A under the Securities Act and has duly executed an investment letter in the form provided to it and has delivered the same to Deutsche Bank or JPMorgan Cazenove (together with Deutsche Bank, the “Managers”).

This Announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for Placing Shares in any jurisdiction in which such offer or solicitation is or may be unlawful. This Announcement and the information contained herein is not for publication or distribution, directly or indirectly, to persons in the United States, Canada, Australia, Japan, South Africa or in any jurisdiction in which such publication or distribution is unlawful. No public offer of securities of the Company is being made in the United Kingdom or elsewhere.

In particular, the Placing Shares referred to in this Announcement have not been and will not be registered under the Securities Act and may not be offered, sold or transferred within the United States except pursuant to an exemption from, or as part of a transaction not subject to, the registration requirements of the Securities Act. Any offering to be made in the United States will be made to a limited number of QIBs or to a non-US person (under Regulation S) in a transaction exempt from registration under the Securities Act. The Placing Shares are being offered and sold outside the United States in accordance with Regulation S under the Securities Act.

The relevant clearances have not been, and nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; and the Placing Shares have not been, and nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Canada, Australia or Japan. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into the United States, Canada, Australia, Japan, South Africa or any other jurisdiction outside the United Kingdom.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is unlawful.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Appendix or the announcement of which it forms part should seek appropriate advice before taking any action.

Details of the Placing Agreement and the Placing Shares

The Managers and J.P. Morgan Securities Ltd. ("JPMSL", and together with the Managers, the "Banks") have entered into the Placing Agreement with the Company, Xstrata Capital Corporation and Batiss under which the Managers have, on the terms and subject to the conditions set out therein, undertaken, as agents of the Company, to use all reasonable endeavours to procure Placees to take up the New Shares at the Placing Price and, as agents of Batiss, to use all reasonable endeavours to procure Placees to take up the Batiss Shares.

Subject to and conditional upon the publication of the Placing Results Announcement in accordance with the Placing Agreement and the signing of the Terms of Sale by the Managers, Batiss, Xstrata Capital Corporation and the Company recording the final Placing Price and the final number of Placing Shares (the "Terms of Sale"), each of JPMSL and Deutsche Bank has agreed in the Placing Agreement that, to the extent that the Managers fail to procure Placees to subscribe for all the Placing Shares at the Placing Price (such number of Placing Shares which are not so subscribed being the "Unplaced Placing Shares"), itself to subscribe or purchase (or to nominate one or more subscribers or purchasers), at the Placing Price, for all of the Unplaced Placing Shares. The Banks, the Company and Batiss are not obliged to sign the Terms of Sale.

The Batiss Shares will be sold free and clear of all liens, encumbrances, equities or claims and with full title guarantee. The New Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing issued ordinary shares of US\$0.50 per share in the capital of the Company ("Ordinary Shares") including the right to receive all dividends and other distributions declared, made or paid after the date of their issue and participate in future preemptive placings.

In this Appendix, unless the context otherwise requires, Placee means a person (including individuals, funds or others) on whose behalf a commitment to subscribe for Placing Shares has been given.

Application for listing and admission to trading

Application will be made to the Financial Services Authority (the "FSA") for admission of the New Shares to the Official List of the UK Listing Authority (the "Official List") and to London Stock Exchange plc (the "London

Stock Exchange”) for admission to trading of the New Shares on its market for listed securities and an official notification will be sent to SWX with regard to the admission of the New Shares on the SWX (together “Admission”). It is expected that Admission will become effective on or around 23 May 2006 and that dealings in the New Shares will commence at that time.

Bookbuild

As of the date of this Announcement, the Managers will be conducting an accelerated bookbuild process (the “Bookbuild Process”) to determine demand for participation in the Placing by Placees. If the Placing proceeds the Bookbuild Process will establish a single price per Placing Share payable by all Placees (the “Placing Price”). This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

Participation in, and Principal terms of, the Bookbuild Process

A bid in the Bookbuild Process will be made on the terms and conditions in this Appendix and will not be capable of variation or revocation after the close of the Bookbuild Process.

A person who wishes to participate in the Bookbuild Process should communicate its bid by telephone or in writing to its usual sales contact at Deutsche Bank or JPMorgan Cazenove.

Each Placee’s allocation and the Placing Price will be confirmed to Placees orally by the relevant Manager following the close of the Bookbuild Process, and a trade confirmation will be dispatched as soon as possible thereafter. The relevant Manager’s oral confirmation to such Placee will constitute an irrevocable legally binding commitment upon such person (who will at that point become a Placee) to subscribe for the number of Placing Shares allocated to it at the Placing Price on the terms and conditions set out in this Appendix and in accordance with the Company’s Memorandum and Articles of Association.

The Company will make a further announcement following the close of the Bookbuild Process detailing the number of Placing Shares to be issued and the price at which the Placing Shares have been placed (the “Placing Results Announcement”).

Each of the Managers and its affiliates is entitled to participate as principal in the Bookbuild Process.

The Bookbuild Process is expected to close on 17 May 2006, but may be closed earlier or later at the sole discretion of the Managers. Each of the Managers may, at its sole discretion, accept bids that are received after the Bookbuild Process has closed.

Each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to the relevant Manager through whom such Placee submitted its bid, to pay to it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to subscribe.

Each Placee will, subject to fractional corrections, receive the same proportion of New Shares and Batiss Shares as each other Placee.

Conditions of the Placing

The Banks' obligations under the Placing Agreement in respect of the New Shares are conditional on, inter alia:

(a) the execution of the Terms of Sale by each of the Banks, Batiss and the Company and the publication of the Placing Results Announcement through a Regulatory Information Service by not later than 6.00 p.m. on the date hereof (or, if the Terms of Sale is executed after market close, by not later than 8.00 a.m. on the dealing day following the date of this announcement);

(b) Admission taking place not later than 8.00 a.m. on 23 May 2006.

The Banks' obligations under the Placing Agreement in respect of the Batiss Shares are conditional on, inter alia, delivery of the Batiss Shares from the custody account in which they are held to such account or accounts as the Managers may specify.

If (i) any of the conditions contained in the Placing Agreement in relation to the New Shares are not fulfilled or waived by the Banks by the respective time or date where specified (or such later time or date as the Banks may agree), (ii) any of such conditions becomes incapable of being fulfilled or (iii) the Placing Agreement is terminated in the circumstances specified below, the Placing in relation to the New Shares will lapse and the Placee's rights and obligations hereunder in relation to the New Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof.

If (i) any of the conditions contained in the Placing Agreement in relation to the Batiss Shares are not fulfilled or waived by the Banks by the respective time or date where specified (or such later time or date as the Banks may agree), (ii) any of such conditions becomes incapable of being fulfilled or (iii) the Placing Agreement is terminated in the circumstances specified below, the Placing in relation to the Batiss Shares will lapse and the Placee's rights and obligations hereunder in relation to the Batiss Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof.

By participating in the Bookbuild Process each Placee agrees that its rights and obligations cease and terminate only in the circumstances described above and will not be capable of rescission or termination by it.

The Banks may, at their discretion and upon such terms as they jointly think fit, waive compliance by the Company with the whole or any part of any of the Company's obligations in relation to the conditions in the Placing Agreement save that condition (b) above relating to Admission taking place may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

Neither of the Managers nor the Company shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision it may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Bookbuild Process each Placee agrees that any such decision is within the absolute discretion of the Managers or the Company.

Right to terminate under the Placing Agreement

The Banks, acting jointly, are entitled, at any time before Admission, to terminate the Placing Agreement in relation to its obligations in respect of the New Shares (after such consultation with the Company as the circumstances shall permit) by giving notice to the Company if:

- (a) the Company's Warranties or any of them are not true and accurate or have become misleading (or would not be true and accurate or would be misleading if they were repeated at any time before Admission) in respect of a matter which, in the opinion of the Banks (acting in good faith), is material in the context of the Placing by reference to the facts subsisting at the time when the termination notice referred to below is given; or
- (b) the Company fails, in any respect which is material in the opinion of the Banks (acting in good faith), to comply with any of their respective obligations under the Placing Agreement; or
- (c) in the opinion of the Banks (acting in good faith), there has been a material adverse change or prospective material adverse change in or affecting the operations, properties, condition (financial or other), trading position or prospects or results of operations or general affairs of the Xstrata group (other than in relation to Falconbridge Limited) taken as a whole; or
- (d) in the opinion of the Banks (acting in good faith), there has been:
 - a change in national or international financial, political, economic or stock market conditions (primary or secondary);

- an incident of terrorism, outbreak or escalation of hostilities, war, declaration of martial law or any other calamity or crisis;
- a suspension or material limitation in trading of securities generally or the securities of the Company on any stock exchange; or
- any change in currency exchange rates or exchange controls or a disruption of settlement systems or a material disruption or general moratorium in commercial banking,

as would, in the opinion of the Banks (acting in good faith) be likely to prejudice the success of the Placing.

The Banks, acting jointly, may at any time before Admission, terminate the Placing Agreement in relation to its obligations in respect of the Batiss Shares (after such consultation with Batiss and Xstrata Capital Corporation together (the "Sellers") as, in such case, the circumstances shall permit) by giving notice to the Company if:

(a) the Sellers' Warranties or any of them are not true and accurate or have become misleading (or would not be true and accurate or would be misleading if they were repeated at any time before Admission) in respect of a matter which, in the opinion of the Banks (acting in good faith), is material in the context of the Placing by reference to the facts subsisting at the time when the termination notice referred to below is given; or

(b) the Sellers fail, in any respect which is material in the opinion of the Banks (acting in good faith), to comply with any of their respective obligations under the Placing Agreement; or

(c) in the circumstances described in paragraphs (c) and (d) above pursuant to which the Banks also have a right to terminate the Placing Agreement in relation to its obligations in respect of the New Shares.

By participating in the Bookbuild Process you agree that the exercise by the Banks of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of the Banks and that they need not make any reference to you and that none of them shall have any liability to you whatsoever in connection with any such exercise.

No Prospectus

No offering document or prospectus has been or will be submitted to be approved by the FSA in relation to the Placing and Placees' commitments will be made solely on the basis of the information contained in this Announcement and the Placing Results Announcement. Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement and the Placing Results Announcement is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of the Managers, Batiss or the Company or any other person and neither of the Managers nor Batiss nor the Company nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Registration and Settlement

Settlement of transactions in the Placing Shares (ISIN: GB0031411001) following Admission will take place within the CREST system, subject to certain exceptions. Each of the Managers reserves the right to require settlement for and delivery of the Placing Shares to Placees by such other means that it deems necessary if delivery or settlement is not possible or practicable within the CREST system within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Each Placee allocated Placing Shares in the Placing will be sent a trade confirmation stating the number of Placing Shares allocated to it, the Placing Price, the aggregate amount owed by such Placee to the relevant Manager and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that

delivery and payment is completed in accordance with either the standing CREST or certificated settlement instructions that it has in place with the relevant Manager.

It is expected that settlement will be on 23 May 2006 on a T+3 basis in accordance with the instructions set out in the trade confirmation.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above LIBOR as determined by the relevant Manager.

Each Placee is deemed to agree that if it does not comply with these obligations, the relevant Manager may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for the Managers' account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the trade confirmation is copied and delivered immediately to the relevant person within that organisation.

Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax.

Representations and Warranties

By participating in the Bookbuild Process each Placee (and any person acting on such Placee's behalf):

1. represents and warrants that it has read this Announcement, including the Appendix, and the announcement of the offer to acquire the outstanding common shares of Falconbridge Limited not already owned by the Xstrata group (the "Offer Announcement") in their entirety;
2. acknowledges that no offering document or prospectus has been prepared in connection with the placing of the Placing Shares and represents and warrants that it has not received a prospectus or other offering document in connection therewith;
3. acknowledges that the Ordinary Shares are listed on the Official List, and the Company is therefore required to publish certain business and financial information in accordance with the rules and practices of the FSA, which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account, and similar statements for preceding financial years and that it is able to obtain or access such information without undue difficulty;
4. acknowledges that none of the Banks, nor the Company nor any of their affiliates nor the Company nor any of its affiliates nor any person acting on behalf of any of them has provided, and will not provide it with any material regarding the Placing Shares or the Company other than this Announcement; nor has it requested any of the Banks, the Company or any of their affiliates, the Company, any of their affiliates or any person acting on behalf of any of them to provide it with any such information;
5. acknowledges that the content of this Announcement and the Offer Announcement is exclusively the responsibility of the Company and that none of the Banks nor any person acting on their behalf has or shall have any liability for any information, representation or statement contained in this Announcement or any information previously published by or on behalf of the Company and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire the Placing Shares is contained in this Announcement and any information previously published by the Company by notification to a Regulatory Information Service (including, without limitation, the Offer Announcement), such information being all that it

deems necessary to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given or representations, warranties or statements made by any of the Banks or the Company and none of the Banks nor the Company will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement. Each Placee further acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in deciding to participate in the Placing;

6. acknowledges that none of the Banks nor any person acting on behalf of any of them nor any of its affiliates has or shall have any liability for any publicly available or filed information or any representation relating to the Company, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;

7. represents and warrants that it, or the beneficial owner, as applicable, is entitled to subscribe for and/or purchase Placing Shares under the laws of all relevant jurisdictions which apply to it and that it has fully observed such laws and obtained all such governmental and other guarantees and other consents in either case which may be required thereunder and complied with all necessary formalities;

8. represents and warrants that it is, or at the time the Placing Shares are acquired that it will be, the beneficial owner of such Placing Shares, or that the beneficial owner of such Placing Shares is not a resident of Australia, Canada, Japan or South Africa;

9. acknowledges that the Placing Shares have not been and will not be registered under the securities legislation of the United States, Australia, Canada, Japan or South Africa and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within those jurisdictions;

10. if the Placing Shares were offered to it in the United States, represents and warrants that in making its investment decision, (i) it has relied on its own examination of the Company and the terms of the Placing, including the merits and risks involved, (ii) it has made its own assessment of the Company, the Placing Shares and the terms of the Placing based on such information as is publicly available, (iii) it has consulted its own independent advisors or otherwise has satisfied itself concerning, without limitation, the effects of United States federal, state and local income tax laws and foreign tax laws generally and the US Employee Retirement Income Security Act of 1974, the US Investment Company Act of 1940, as amended and the Securities Act and (iv) it has received all information that it believes is necessary or appropriate in order to make an investment decision in respect of the Company and the Placing Shares;

11. acknowledges that the Placing Shares are being offered and sold to it in a transaction not involving any public offering in the United States within the meaning of the Securities Act, and represents and warrants that it is either (i) a QIB and it has duly executed an investment letter in the form provided to it by either of the Managers, or (ii) purchasing the Placing Shares in an "offshore transaction" in accordance with Regulation S under the Securities Act, and if it is a QIB, (i) it is subscribing for the Placing Shares for its own account, or for one or more accounts as to each of which it exercises sole investment discretion and each of which accounts is a QIB, for investment purposes, and not with a view to any distribution or for resale in connection with the distribution thereof, in whole or in part, in the United States and (ii) it has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Placing Shares, and it and any accounts for which it is subscribing Placing Shares (i) are each able to bear the economic risk of its or their investment in the Placing Shares, (ii) will not look to the Company or the Managers for all or part of any such loss or losses it or they may suffer, (iii) are able to sustain a complete loss on its or their investment in the Placing Shares, (iv) have no need for liquidity with respect to its or their investment in the Placing Shares and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Placing Shares;

12. acknowledges that the Placing Shares have not been and will not be registered under the Securities Act or with any State or other jurisdiction of the United States, nor approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, and agrees not to reoffer, resell, pledge or otherwise transfer the Placing Shares except (i) outside the United States in offshore transactions in accordance with Regulation S under the Securities Act, (ii)

in the United States to QIBs pursuant to Rule 144A under the Securities Act, or (iii) pursuant to Rule 144 under the Securities Act, and in any case in compliance with all applicable laws and further agrees to notify any transferee to whom it subsequently reoffers, resells, pledges or otherwise transfers the Placing Shares of the foregoing restrictions on transfer;

13. represents and warrants that if it is a pension fund or investment company, its purchase of Placing Shares is in full compliance with applicable laws and regulations;

14. acknowledges that where it is acquiring the Placing Shares for one or more managed accounts, it represents and warrants that it is authorised in writing by each managed account (i) to acquire the Placing Shares for each managed account and (ii) to execute and deliver an investment letter in the form provided to it by either of the Managers on behalf of each managed account. Each Placee agrees to indemnify and hold the Company and the Managers harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations and warranties in this paragraph 14. Each Placee agrees that the provisions of this paragraph 14 shall survive the resale of the Placing Shares by or on behalf of the managed accounts;

15. if it is a US Placee, acknowledges that no representation has been made as to the availability of Rule 144 or any other exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares;

16. if it is a US Placee, acknowledges and understands that the Placing Shares are being offered and sold in the United States in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act and represents and warrants on its own behalf and on behalf of any accounts for which it is acting that, so long as the Placing Shares are restricted securities, it will not deposit the Placing Shares into any unrestricted depository facility in the United States established or maintained by any depository bank in respect of the Ordinary Shares;

17. represents and warrants that the issue to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to transfer Placing Shares into a clearance system;

18. represents and warrants that it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2003 and the Money Laundering Regulations 2003 (the “Regulations”) and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;

19. represents and warrants that it and any person acting on its behalf is a person falling within Article 19 and/or 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;

20. represents and warrants that it has not offered or sold and, prior to the expiry of a period of six months from Admission, will not offer or sell any Placing Shares to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the FSMA;

21. represents and warrants that it has not offered or sold and will not offer or sell any Placing Shares to persons in the European Economic Area prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the European Economic Area within the meaning of the Prospectus Directive (which means Directive 2003/71/EC and includes any relevant implementing measure in any member state);

22. represents and warrants that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to the Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person;

23. represents and warrants that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;

24. represents and warrants that it and any person acting on its behalf is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions and that it has all necessary capacity and has obtained all necessary consents and authorities to enable it to commit to this participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Announcement) and will honour such obligations;

25. undertakes that it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with this Announcement on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other subscribers or sold as the relevant Manager may in its sole discretion determine and without liability to such Placee;

26. acknowledges that none of the Banks, nor any of its Affiliates, nor any person acting on behalf of any of them, is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placees and that participation in the Placing is on the basis that it is not and will not be a client of any of the Banks and that none of the Banks have duties or responsibilities to it for providing the protections afforded to its clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

27. undertakes that the person who it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee, as the case may be. None of the Banks nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to participate in the Placing and it agrees to indemnify the Company and each of the Banks in respect of the same on the basis that the Placing Shares will be allotted to the CREST stock account of JPMorgan Cazenove who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;

28. acknowledges that any agreements entered into by it pursuant to these terms and conditions shall be governed by and construed in accordance with the laws of England and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or the Banks in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;

29. agrees that the Company, the Banks and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to the Banks on their own behalf and on behalf of the Company and are irrevocable; and

30. agrees to indemnify and hold the Company and the Banks harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing.

The agreement to settle a Placee's acquisition (and/or the acquisition of a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to an

acquisition by it and/or such person direct from the Company for the Placing Shares in question. Such agreement assumes that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement related to any other dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable, for which neither the Company nor the Banks will be responsible. If this is the case, each Placee should seek its own advice and notify the relevant Bank accordingly.

In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the subscription by them of any Placing Shares or the agreement by them to subscribe for any Placing Shares.

When a Placee or person acting on behalf of the Placee is dealing with either of the Managers, any money held in an account with such Manager on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FSA made under the FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from the Manager's money in accordance with the client money rules and will be used by the Manager in the course of their own business; and the Placee will rank only as a general creditor of the Manager.

All times and dates in this Announcement may be subject to amendment. The Managers shall notify the Placees and any person acting on behalf of the Placees of any changes.