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RESULT OF EQUITY PLACING

NEWS RELEASE

Zug, 17 May 2006

Xstrata plc ("Xstrata" or the "Company") is pleased to announce the successful completion of the placing announced earlier today (the "Placing").

The full amount of 61,994,320 shares of US\$0.50 each (the "Placing Shares"), consisting of 32,543,344 new ordinary shares to be issued by the Company (the "New Shares") and 29,450,976 shares currently held by Batiss Investments Limited, have been placed by Deutsche Bank AG London ("Deutsche Bank") and JPMorgan Cazenove Limited ("JPMorgan Cazenove") with institutions at a price of 2100 pence per Placing Share. Based on the placing price, the gross proceeds are £1,302 million (US\$2,478 million). The New Shares represent 4.8 per cent of Xstrata's issued ordinary share capital prior to the placing.

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 capital 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 has been made for, and the placing of the New Shares is conditional on, inter alia, admission of the New Shares to listing on the Official List maintained by the Financial Services Authority, and to admission 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 is expected to take place, settlement will occur and dealing in the New Shares will commence at 8.00a.m. on 22 May 2006.

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

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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.

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

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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.

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