



Xstrata plc
Registered Office: 4th Floor, Panton House, 25/27 Haymarket, London SW1Y 4EN
Registered in England and Wales
Company Number 4345939

Notice of Annual General Meeting and resolutions to be proposed

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

If you sell or transfer or have sold or otherwise transferred all of your Ordinary Shares in Xstrata plc ("Ordinary Shares"), please forward this document and the accompanying documents to the purchaser or transferee or the stockbroker, bank or other agent through whom the sale or transfer is/was effected for onward transmission to the purchaser or transferee. If you sell or transfer or have sold or otherwise transferred only part of your holding of Ordinary Shares, you should retain this document and the accompanying documents.

Notice of Annual General Meeting and resolutions to be proposed

NOTICE is hereby given that the fifth Annual General Meeting of Xstrata plc (the "Company") will be held at Theater-Casino Zug, Artherstrasse 2-4, Zug, Switzerland on Tuesday, 8 May 2007 at 11:00 am (Central European Summer Time) to consider and, if thought fit, pass resolutions 1 to 8, being items of ordinary business, and resolutions 9 to 12, being items of special business in accordance with Article 70 of the Company's Articles of Association, as follows:

Resolutions 1 to 9 to be proposed as ordinary resolutions

1. To receive and consider and, if thought fit, adopt the Annual Report and Financial Statements of the Company, and the reports of the directors and auditors thereon, for the year ended 31 December 2006.
2. To declare a final dividend of US\$0.30 cents per Ordinary Share in respect of the year ended 31 December 2006.
3. To receive and consider and, if thought fit, to approve the directors' Remuneration Report (on pages 126 to 139 of the Annual Report) for the year ended 31 December 2006.
4. To re-elect Mick Davis, being an executive director retiring in accordance with Article 128 of the Company's Articles of Association.
5. To re-elect Trevor Reid, being an executive director retiring in accordance with Article 128 of the Company's Articles of Association.
6. To re-elect Sir Steve Robson, being a non-executive director retiring in accordance with Article 128 of the Company's Articles of Association.
7. To re-elect David Rough, being a non-executive director retiring in accordance with Article 128 of the Company's Articles of Association.
8. To re-appoint Ernst & Young LLP as auditors to the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the directors to determine the remuneration of the auditors.

Special business

9. That in place of all existing authorities and pursuant to the authority conferred on the directors by Article 14 of the Company's Articles of Association, the directors be authorised to allot relevant securities for a period expiring (unless previously renewed, varied or revoked) at the end of the next Annual General Meeting of the Company after the date on which this resolution is passed and for that period the section 80 amount shall be US\$161,663,784.50 (equivalent to 323,327,569 ordinary shares of US\$0.50 each in the capital of the Company).

Resolutions 10 and 11 to be proposed as special resolutions

10. That in place of all existing powers and pursuant to the power conferred on the directors by Article 15 of the Company's Articles of Association, the directors be authorised to allot equity securities, as if section 89(1) of the Companies Act 1985 did not apply, for a period expiring at the end of the next Annual General Meeting of the Company after the date on which this resolution is passed and for that period the section 89 amount is US\$24,249,567.50 (equivalent to 48,499,135 ordinary shares of US\$0.50 each in the capital of the Company).

11. That the Company may send or supply any document or information that is required or authorised to be sent or supplied to a member or any other person by the Company by a provision of the Companies Acts (as defined in section 2 of the Companies Act 2006 ("the 2006 Act")), or pursuant to the Company's Articles of Association or to any other rules or regulations to which the Company may be subject, by making it available on a website, and the provisions of the 2006 Act which apply to sending or supplying a document or information required or authorised to be sent or supplied by the Companies Acts (as defined in section 2 of the 2006 Act) by making it available on a website shall, the necessary changes having been made, also apply to sending or supplying any document or information required or authorised to be sent by the Company's Articles of Association or any other rules or regulations to which the Company may be subject by making it available on a website and this resolution shall supersede any provision in the Company's Articles of Association to the extent that it is inconsistent with this resolution.

Resolution 12 to be proposed as an ordinary resolution

12. That 13,609,948,397 of the authorised but unissued ordinary shares of US\$0.50 each in the capital of the Company be cancelled pursuant to section 121(2)(e) of the Companies Act 1985 so as to diminish the authorised share capital of the Company from US\$7,554,974,199.00 and £50,000 to US\$750,000,000.50 and £50,000 divided into 1,500,000,000 ordinary shares of US\$0.50 each, 50,000 non-voting deferred shares of £1.00 each and one special voting share of US\$0.50.

By order of the Board

Richard Elliston
Secretary

Registered Office:
4th Floor, Panton House
25/27 Haymarket
London SW1Y 4EN
United Kingdom

4 April 2007

Explanatory notes

Resolution 1

The directors must present the report of the directors and the accounts of the Company for the year ended 31 December 2006 to shareholders at the Annual General Meeting. The report of the directors, the accounts, the directors' Remuneration Report, the report of the Company's auditors on the accounts and on those parts of the directors' Remuneration Report that are capable of being audited are contained within the Annual Report.

Resolution 2

Subject to the passing of resolution 2, the final dividend for the year ended 31 December 2006 will be paid on 18 May 2007 to shareholders on the register at the close of business on 27 April 2007.

Resolution 3

In line with best practice in corporate governance (and reflected in the Directors' Remuneration Report Regulations 2002), the Board of directors of the Company has presented its directors' Remuneration Report to shareholders in the Annual Report.

The directors' Remuneration Report, which may be found on pages 126 to 139 of the Annual Report, gives details of the directors' remuneration for the year ended 31 December 2006 and sets out the Company's overall policy on directors' remuneration. As required by the Directors' Remuneration Report Regulations, the Company's auditors, Ernst & Young LLP, have audited those parts of the directors' Remuneration Report capable of being audited and their report may be found on pages 141 to 142 of the Annual Report.

The Board of directors considers that appropriate executive remuneration plays a vital part in helping to achieve the Company's overall objectives and, accordingly, and in compliance with the Directors' Remuneration Report Regulations, shareholders will be invited to approve the directors' Remuneration Report.

Resolutions 4, 5, 6 and 7

Resolutions 4, 5, 6 and 7 set out in the Notice of Annual General Meeting concern the re-election to the Board of directors of the Company of **Mick Davis** (director and Chief Executive), **Trevor Reid** (director and Chief Finance Officer), **Sir Steve Robson** (non-executive, independent director and Chairman of the Audit Committee) and **David Rough** (non-executive, senior independent director and Chairman of the Nominations Committee), together referred to as the "retiring directors". The Board of directors recommends the shareholders to vote in favour of each of these resolutions. In making this recommendation the Board of directors has been guided by the recommendation of the Board's Nomination Committee. The Board of directors was informed of the results of formal performance evaluations of the two non-executive directors and is of the view that, in the case of each of the retiring directors, his performance continues to be effective and each continues to show commitment to his individual and collective roles and the Board is of the opinion that it will continue to benefit from the skills, knowledge and experience which each retiring director brings to his role. Mick Davis, Trevor Reid, David Rough and Sir Steve Robson took no part in the Board's consideration of their own re-election or performance evaluation.

Mick Davis, aged 49, is the Chief Executive of Xstrata. Mr Davis was appointed as Chief Executive of Xstrata AG in October 2001, and was appointed to the Board of Xstrata in February 2002. Previously, Mr. Davis was Chief Financial Officer and an executive director of Billiton Plc, appointed in July 1997, and served as Executive Chairman of Ingwe Coal Corporation Limited from 1995. He joined Gencor Limited in early 1994 from Eskom, the South African state-owned electricity utility, where he was an executive director.

Trevor Reid, aged 46, is the Chief Financial Officer of Xstrata. Mr Reid joined Xstrata AG in January 2002, and was appointed to the Board of Xstrata in February 2002. Prior to joining Xstrata, he was Global Head of Resource Banking at the Standard Bank Group. He joined the Standard Bank Group in 1997 from Warrior International Limited, a corporate finance boutique specialising in the minerals sector.

Sir Steve Robson CB, aged 63, retired as Second Permanent Secretary at HM Treasury in January 2001. He joined HM Treasury after leaving university. His early career included a period as Private Secretary to the Chancellor of the Exchequer and a two-year secondment to Investors in Industry plc (3i). From 1997 until his retirement, his responsibilities included the legal framework for regulation of the UK financial services industry, public private partnerships, procurement policy including the private finance initiative and the Treasury's enterprises and growth unit. Sir Steve is a non-executive director of JPMorgan Cazenove Holdings, Partnerships UK plc and The Royal Bank of Scotland Group plc. Sir Steve was appointed to the Board of Xstrata in February 2002 and is Chairman of the Audit Committee.

David Rough, aged 56, was a Director of Legal & General Group Plc before retiring from Legal & General in June 2002. As Group Director (Investments), Mr. Rough headed all aspects of fund management within Legal & General Investments. Mr. Rough is currently a director of BBA Group plc, Emap plc, Land Securities plc, Brown, Shipley & Co Ltd and Mithras Investment Trust plc. Mr. Rough was appointed to the Board of Xstrata in April 2002, is Deputy Chairman, the Senior Independent Director and Chairman of the Nominations Committee.

Resolution 8

The auditors of a company must be re-appointed at each general meeting at which the accounts are laid. Resolution 8 proposes the re-appointment of the Company's existing auditors, Ernst & Young LLP, until the conclusion of the next general meeting of the Company at which accounts are laid and gives authority to the directors to determine the auditors' remuneration.

Resolution 9

The authority conferred on the directors at the Extraordinary General Meeting held on 30 June 2006 to allot and issue authorised but unissued share capital of the Company will, if resolution 9 is passed, be revoked and replaced at the end of the forthcoming Annual General Meeting by the authority proposed by resolution 9.

Resolution 9, which will be proposed as an ordinary resolution, seeks to authorise the directors to allot relevant securities (as defined in section 80(2) of the Companies Act 1985) up to an aggregate nominal value of US\$161,663,784.50, which is equal to approximately one-third (33.33%) of the Company's issued ordinary share capital as at 18 March 2007. This authority will expire at the end of the next Annual General Meeting of the Company.

The directors have no present intention of exercising this authority. The directors consider the renewal of this authority appropriate in order to retain maximum flexibility to take advantage of business opportunities as they arise.

Resolution 10

The authority conferred on the directors at the Extraordinary General Meeting held on 30 June 2006 to issue equity securities of the Company for cash without the application of pre-emption rights pursuant to section 89 of the Companies Act 1985 expires at the end of the forthcoming Annual General Meeting. Such authority will, if resolution 10 is passed, be replaced at the end of the forthcoming Annual General Meeting by the authority proposed by resolution 10.

Resolution 10, which will be proposed as a special resolution, seeks to renew the directors' authority to issue equity securities of the Company for cash without the application of such pre-emption rights. Other than in connection with a rights, scrip dividend, or other similar issue, the authority contained in this resolution will be limited to a maximum nominal amount of US\$24,249,567.50, which represents approximately 5% of the Company's issued ordinary share capital as at 18 March 2007. This authority will expire at the end of the next Annual General Meeting of the Company.

The directors have no present intention of exercising this authority. The directors consider the renewal of this authority appropriate in order to retain maximum flexibility to take advantage of business opportunities as they arise.

At the date of the Notice of Annual General Meeting, the Company holds no treasury shares. Any sale of treasury shares would be treated as an issue of shares for the purposes of this resolution.

Resolution 11

The purpose of resolution 11 is to allow the Company to take advantage of new Companies Act 2006 rules for communications between companies, shareholders and others that came into force on 20 January 2007.

The key change in relation to such communications made by the new Act is that a shareholder is assumed to have agreed to a company publishing documents and information on a website if certain conditions are met and procedures followed. Shareholders can, however, ask for a hard copy of any document at any time.

One of the conditions is that the Company's shareholders have resolved that the Company may send or supply documents or information to members by making them available on a website.

Resolution 11, which will be proposed as a special resolution, covers all documents or information that the Company may send to shareholders. This includes, but is not limited to, annual accounts and reports, summary financial statements, notices of general meetings and any documents which the Company is required to send to shareholders under the Listing Rules of the UK Financial Services Authority or other rules to which the Company is subject. This resolution supersedes any inconsistent provision in the Company's Articles of Association. The Company's Articles of Association are available for inspection as described in 13 below.

A letter has been sent to each member of the Company (enclosed with the Notice of Annual General Meeting) asking each member of the Company individually to agree, in the event that this resolution is passed, that the Company may send or supply documents or information by means of a website. The request explains that, if the Company has not received a response within 28 days beginning with the day that the resolution was passed, the shareholder will be taken to have agreed.

Even if a shareholder fails to respond, and is taken to agree to website publication, he or she can ask for a hard copy of any document from the Company at any time. The Company will send the copy free of charge within 21 days of receiving the request.

The Company will notify shareholders when a document or information is made available on the website. Shareholders may choose to receive this notification in hard copy or by email.

The new arrangements are expected to save considerable administrative, printing and postage costs, while preserving shareholders' rights to receive hard copy documents if they wish.

Resolution 12

The Company published a Class 1 Circular on 30 May 2006 ("the Circular") in connection with the proposed (at that time) acquisition of Falconbridge Limited. It was proposed that part of the financing of the acquisition would be raised through an Equity Bridge Facility, as described in the Circular. At the Extraordinary General Meeting of the Company held on 30 June 2006 to approve the acquisition of Falconbridge Limited and certain other matters, shareholders passed a resolution to increase the authorised share capital of the Company from US\$437,500,000.50 and £50,000 to US\$7,554,974,199.00 and £50,000 by the creation of an additional 14,234,948,397 Ordinary Shares. The purpose of this increase was to provide sufficient authorised but unissued share capital to enable the Company to refinance the whole of the maximum amount permitted to be drawn under the Equity Bridge Facility through one or more issues of new Ordinary Shares at the lowest price at which such new Ordinary Shares are legally allowed to be issued, being their nominal value of US\$0.50 per Ordinary Share.

The directors of the Company stated in the Circular that it was their intention at the first Annual General Meeting of the Company following the full refinancing of the Equity Bridge Facility, to seek shareholder approval to reduce the authorised share capital of the Company by cancelling such number of authorised but unissued ordinary shares as the directors of the Company consider appropriate taking into account the capital structure of the Company at the time.

On 3 October 2006 the Company launched a rights issue to refinance part of the Equity Bridge Facility. As a result of the successful completion of the rights issue, the Company issued on 30 October 2006 235,787,596 new Ordinary Shares at 1,265 pence per new Ordinary Share, increasing the issued ordinary share capital of the Company to US\$471,575,191.50 (equivalent to 943,150,383 Ordinary Shares).

The directors now consider, in the light of the current capital structure of the Company, that it is appropriate to diminish the authorised ordinary share capital by the cancellation of 13,609,948,397 authorised but unissued Ordinary Shares pursuant to section 121(2)(e) of the Companies Act 1985 which will result in authorised ordinary share capital of US\$750,000,000.00 represented by 1,500,000,000 Ordinary Shares (representing a decrease in the authorised ordinary share capital of the Company of approximately 90.07%).

Recommendation of the Board of directors with respect to all items of business

The board of directors is of the opinion that all of the proposed resolutions are in the best interests of shareholders as a whole and of the Company. Accordingly, the Board of directors recommends that you vote in favour of each resolution, as the directors intend to do in respect of their own beneficial shareholdings held at the time of the Annual General Meeting.

Note 1

A member entitled to attend and vote at the Annual General Meeting (the "AGM") is entitled to appoint one or more proxies to attend and vote instead of them. The proxy need not also be a member of the Company. A proxy of a member's own choice may be appointed by inserting the proxy's name on the Form of Proxy in the space provided. If a Form of Proxy is returned without an indication as to how the proxy shall vote on any resolution, the proxy will exercise his/her discretion as to whether, and if so how, he/she votes on that resolution.

Note 2

To be valid, a Form of Proxy and, if applicable, any authority under which it is signed, or a copy of such authority certified in accordance with the Company's Articles of Association, must be lodged at the offices of Computershare Investor Services PLC, PO Box 1075, The Pavilions, Bristol, BS99 3FA, UK, not later than (i) 10:00 am (British Summer Time) on Sunday, 6 May 2007; or (ii) not less than 48 hours before the time of any adjourned meeting; or (iii) where a poll is taken more than 48 hours after it is demanded, after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll. Where a poll is not taken forthwith but is taken not more than 48 hours after it was demanded, a Form of Proxy may be valid if it is delivered at the meeting at which the poll was demanded to the chairman of the meeting or to the company secretary or to any director. CREST members may also choose to utilise the CREST electronic proxy appointment service in accordance with the procedures set out in Note 12. The lodging of the Form of Proxy (or the electronic appointment of a proxy) will not preclude shareholders from attending and voting in person at the AGM, should they so wish.

Note 3

To be valid, a Form of Proxy must be signed by the holder or any person duly authorised by the holder or, if the holder is a corporation, executed by a duly authorised person or under its common seal or in any other manner authorised by its constitution.

Note 4

In the case of joint holders, the signature of any one holder is sufficient. If more than one holder lodges a Form of Proxy only that of the holder first named on the Company's Register of Members will be regarded as valid.

Note 5

Any alteration made to a Form of Proxy should be initialled.

Note 6

The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the Register of Members of the Company as at 6:00 pm (British Summer Time) on Sunday, 6 May 2007 (or, in the event that the AGM is adjourned, in the Register of Members 48 hours before the time of any adjourned meeting(s)) shall be entitled to attend or vote at the AGM in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries on the Register of Members after 6:00 pm (British Summer Time) on Sunday, 6 May 2007 (or, in the event that the AGM is adjourned, on the Register of Members 48 hours before the time of any adjourned meeting(s)) shall be disregarded in determining the rights of any person to attend or vote at the meeting.

Note 7

Resolutions 1 to 9 and resolution 12, being ordinary resolutions, will be decided by a show of hands unless a poll is demanded in a manner permitted by the Company's Articles of Association.

Resolutions 10 and 11, being special resolutions, must be taken on a poll as required by the Company's Articles of Association.

Note 8

On a show of hands, each member present in person or by proxy has one vote. If a person holds more than one proxy to vote in different ways, then that person may vote for and against on a show of hands, although this will only count as one vote in each sense, without regard to the number of shares in respect of which the proxy has been appointed.

Note 9

As permitted by the Company's Articles of Association, the chairman of the meeting (or at least five members present in person or by proxy having the right to vote at the AGM or any member or members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to vote at the AGM) may demand a poll. On a poll, each member present in person or by proxy has one vote for each fully paid Ordinary Share of which he is a holder.

Note 10

As permitted by the Company's Articles of Association, a proxy appointment will (a) include the right: (i) to demand, or join in demanding, a poll; (ii) to speak at a meeting; and (iii) to vote on any amendment of a resolution as the proxy thinks fit; and (b) (unless it provides to the contrary) be valid for any adjournment of the meeting.

Note 11

A proxy appointment which is not delivered or received in accordance with these notes and the Company's Articles of Association shall be invalid. When two or more valid proxy appointments are delivered or received in respect of the same share for use at the AGM, the one which was executed last shall be treated as replacing and revoking the others as regards that share; if the Company is unable to determine which was executed last, none of them shall be treated as valid in respect of that share.

Note 12

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM to be held on Tuesday, 8 May 2007 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Computershare Investor Services PLC (ID 3RA50) by (i) 10.00 am (British Summer Time) on Sunday, 6 May 2007; or (ii) not less than 48 hours before the time of any adjourned meeting; or (iii) where a poll is taken more than 48 hours after it is demanded, after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Computershare Investor Services PLC is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After such time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in accordance with the provisions of the Uncertificated Securities Regulations 2001.

Note 13

The following documents will be available for inspection at the AGM for at least 15 minutes prior to and during the AGM:

- i) the Memorandum and Articles of Association of the Company;
- ii) directors' service contracts; and
- iii) the Register of Directors' Interests.

Copies of the documents referred to in i) and ii) above will also be made available for inspection by any person at the registered office of the Company during normal business hours on each business day from the date of posting of the AGM Notice up to the end of the AGM.