



This letter and its enclosures are important and require your immediate attention.

Dear Shareholder,

Payment of dividends

Tax Implications

Xstrata plc is, for tax purposes, a Swiss resident company and any dividend payment which we make will be taxed in Switzerland at the current Swiss Federal Withholding Tax rate which at 1st January 2011 was 35% (the "Withholding Tax"). The Withholding Tax must be withheld by the Company from the gross distribution and paid directly to the Swiss Federal Tax Administration.

Refund of Withholding Tax

A full or partial refund of the Withholding Tax may be available in certain circumstances, depending on your place of residence, (beneficial) ownership, related refund applications and evidence. Please read the enclosed information regarding the dividend taxation refund which may be applicable to you, headed "Swiss Withholding Tax and Claim for Refund".

Should you have any queries with any of the above, please do not hesitate to contact the helpline of the Company's Registrar on +44 (0) 870 707 1417. The helpline will not be able to provide advice concerning individuals' tax implications. If you are in any doubt about your tax position in respect of the proposed dividend, you should seek appropriate professional advice.

Yours faithfully,

RP Elliston

Company Secretary
Xstrata plc

If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all your shares in Xstrata plc, you should send this document and attachments at once to the purchaser or transferee, or to the stockbroker, bank or other agent through or to whom the sale or transfer was effected, for transmission to the purchaser or transferee.



Xstrata plc

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