



JOINT NEWS RELEASE

PLANNED MAINTENANCE OF FERROCHROME FURNACES

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Xstrata Alloys and Merafe Resources confirm the planned temporary suspension of ferrochrome production at seven furnaces at the Boshhoek, Rustenburg & Wonderkop operations of the Xstrata Merafe Chrome Venture. The temporary suspensions are required to conduct maintenance on the furnaces and have been planned for the South African winter months when electricity demand and power costs are at their peak.

It is anticipated that five of the furnaces will be brought back into operation after the winter period. A decision regarding the timing of the return to production of the remaining two furnaces will be made in the second half of 2005, taking account of prevailing ferrochrome demand. As a consequence, planned production of the Xstrata Merafe Chrome Venture is expected to reduce by up to 78,000 tonnes in 2005.

In addition, the continued suspension of the two furnaces that form part of the Xstrata's Wonderkop Joint Venture with Samancor will reduce Xstrata's planned 2005 production by a further 27,500 tonnes this year.

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Note to Editors

Due to the inherent nature of the ferrochrome manufacturing process, a major re-build of a ferrochrome furnace is required approximately every five years of its operational life. Amongst other things, the re-build entails the repair of the shell and the replacement of the protective fire resistant inner lining of the furnace. All other control and protective mechanisms are also checked and, if necessary, repaired or replaced during this process. In addition to this major re-build, a further shut-down for maintenance work on a furnace is usually necessary every two to three years.