



NEWS RELEASE

**XSTRATA COPPER ANNOUNCES DECISION TO SOLE FUND FURTHER
WORK ON TAMPAKAN PROJECT IN THE PHILIPPINES**

Brisbane, 1 November 2006

Xstrata Copper announces its decision to sole fund further work that it considers necessary to determine whether or not to exercise its option to acquire 62.5% of the Tampakan copper-gold exploration project in the Philippines. The decision on whether to exercise or terminate the option needs to be made by Xstrata Copper upon completion of this work, but in any event no later than 31 December 2007.

A pre-feasibility study funded and managed by ASX-listed company Indophil Resources NL and its Philippines affiliate Sagittarius Mines Inc. was completed in September 2006 and a report was subsequently delivered to Xstrata Copper.

Xstrata Copper Executive General Manager - Project Development Peter Forrestal said a decision by Xstrata Copper was necessary following receipt of the Indophil report on the pre-feasibility work program and the completion of the required expenditure of AUD27 million by Indophil.

"Xstrata Copper is in the process of reviewing the results of the Indophil pre-feasibility study, which confirms Tampakan as a major undeveloped copper-gold deposit. In the time since Indophil's study began, the Tampakan Mineral Resource has grown substantially, which has increased the scale, complexity and potential viability of the project.

"Xstrata's decision to sole fund further work is a clear indication of our continuing interest in the Tampakan project," Mr Forrestal said.

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Notes to editors

The Tampakan project is located on the southern Philippines island of Mindanao, approximately 65 kilometres north of General Santos City. The current project is situated on the tri-boundary of three Provinces – South Catabato, Sultan Kudarat and Davao Del Sur. The Tampakan copper-gold deposit is located in the Province of South Cotabato, Municipality of Tampakan. Most of the project area covers generally accentuated topography with the Tampakan deposit located on a NNE trending ridge at an elevation varying from 1000-1300 metres a.s.l.