



NEWS RELEASE

XSTRATA ZINC AND UNIVERSITY OF BALLARAT ANNOUNCE \$2.1 MILLION ALLIANCE TO SUPPORT MINERALS INDUSTRY EDUCATION

Mount Isa, Wednesday 22 November 2006

The University of Ballarat and Xstrata Zinc have signed a Memorandum of Understanding and announced funding to establish the Xstrata Zinc Institute of Minerals Industry Education at the University's Mount Helen campus in Victoria.

The \$2.1 million agreement, signed yesterday in Mount Isa by University of Ballarat Deputy Vice-Chancellor (Academic and Research) Professor Wayne Robinson and Chief Executive Xstrata Zinc and Executive Director Xstrata plc Santiago Zaldumbide, covers funding for five years from 2007 to assist the University with its range of minerals industry education programs, including allowing the University to re-establish a metallurgy degree at the campus.

The alliance aims to strengthen the link between industry and students studying earth sciences, enabling a total minerals industry education package to be offered. For example, currently the University's metallurgy program is run for the first two years at the Mount Helen campus, with the final year at Western Australia's Curtin University of Kalgoorlie. The alliance with Xstrata Zinc will once again allow Ballarat University to offer students a Bachelor's degree in metallurgy on campus with lecturers and other staff funded through Xstrata's support.

Professor Wayne Robinson said a number of the University's geology graduates had gone on to successful careers at Xstrata, so there was a firm bond and relationship between the two organisations.

"We now look forward to resuming our metallurgy degree and re-affirming the University's international reputation for geology and mining research and excellence," Professor Robinson said.

"I am also extremely confident the Xstrata Zinc Institute of Minerals Industry Education, which will be centred at the University, will quickly gain a prestigious and respected reputation as one of the nation's leading institutes in its field."

Chief Executive Xstrata Zinc and Executive Director Xstrata plc, Santiago Zaldumbide, said the agreement would help address the skills shortage facing the Australian resources industry.

"Xstrata Zinc's agreement with the University of Ballarat will help address this situation by increasing the number of graduates from the University's School of Science and Engineering through our investment in specialised minerals industry education.

"This partnership will allow the Xstrata Zinc Scholarship Program to be offered to 1st, 2nd and 3rd year undergraduates in the fields of metallurgy, mining, geology, civil engineering and

mechanical engineering, it will fund two metallurgy lecturer positions, fund the development of a post graduate minerals education in Honours, Masters and PhD programs, and will offer a metallurgical plant operator trainee program.

“Xstrata has a similar partnership with The University of Queensland where we have committed \$1.5 million over 10 years to fund the Xstrata Chair of Metallurgical Engineering, which was established in October 2005. Since this time, student numbers in program classes have more than doubled.

“Xstrata’s agreements with these two universities are an example of our partnership approach with schools, universities, training bodies and government to help address the skills shortage facing the resources industry in Australia, while at the same time is providing exciting career pathways for young people.”

Professor Wayne Robinson said a range of training courses and student field visits will be run at Mount Isa. Student scholarships also will be offered and support provided for promotional and recruitment activities in Western Victorian schools.

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Notes to editors:

About Xstrata:

Xstrata is a major global diversified mining group, listed on the London and Swiss stock exchanges. Headquartered in Zug, Switzerland, Xstrata maintains a meaningful position in seven major international commodity markets: copper, coking coal, thermal coal, ferrochrome, nickel, vanadium and zinc, with a smaller but profitable aluminium business, recycling facilities, additional exposures to gold, lead and silver and a suite of global technologies, many of which are industry leaders. The Group's operations and projects span 18 countries: Argentina, Australia, Brazil, Canada, Chile, Colombia, the Dominican Republic, Germany, Jamaica, New Caledonia, Norway, Papua New Guinea, Peru, South Africa, Spain, Tanzania, the USA and the UK.

About Xstrata Zinc:

Xstrata Zinc is one of the world’s largest producers of zinc. Around half of all zinc currently consumed is used for galvanizing steel, which is an environmentally friendly method of protecting steel against corrosion. Zinc also finds application in the manufacture of die-cast alloys, brass and the production of zinc oxides and chemicals.

Xstrata’s zinc and lead operations are located in Australia, Canada, Germany, Spain and the UK. They comprise: the San Juan de Nieva zinc smelter and the Arnao zinc semis plant in Asturias, Spain; the Hinojedo roasting plant in Cantabria, Spain; the Nordenham zinc smelter in northern Germany; the Mount Isa, George Fisher-Hilton and Black Star zinc-lead mines and lead smelter in Queensland, Australia; McArthur River zinc-lead mine in the Northern Territory, Australia; the Northfleet lead refinery located in the UK; the Brunswick zinc-lead mine and lead smelter in New Brunswick, Canada, 25% of the CEZ zinc smelter near Montreal, Canada; 50% of Lennard Shelf zinc lead mine in Western Australia; 75% of Lady Loretta zinc lead deposit in Queensland, Australia; 33.75% of Antamina mine in Peru and the Perseverance zinc deposit in Quebec.

About the University of Ballarat

The University of Ballarat (UB) is one of Australia's newest and most progressive universities, with a history of providing tertiary education and training reaching back more than 135 years.

It is pre-eminently a regional institution, with three major campuses in Ballarat and one in each of Horsham, Stawell and Ararat. It also has a national and international focus and is actively building extensive partnerships and strategic alliances beyond its immediate region.

As a regional, multi-sector University with approximately 25,000 students, UB aspires to achieve national and international standing for the high quality and relevance of its teaching, research, and engagement with industry, commerce, the professions and the regional communities it serves.

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