



**NEWS RELEASE**  
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## **CHIEF EXECUTIVE CITES ALIGNMENT OF TAMPAKAN DEVELOPMENT TO XSTRATA COPPER GLOBAL STRATEGY**

Taking pride in a topnotch portfolio of greenfield development projects, Charlie Sartain, chief executive of Xstrata Copper, expressed confidence that the copper business unit which he heads up will maintain its remarkable growth momentum in the coming years.

"These growth plans will be conducted with the highest regard for excellence in safety performance, environmental management and community relations," Mr. Sartain said before delegates and guests to the 7th Asia Pacific Mining Conference at the Makati Shangri-la Hotel. "It is within this framework that we are very excited at the possibility of evaluating and developing the Tampakan (copper and gold) project, in genuine partnership with the Philippine government and authorities, local institutions and our neighbouring communities."

Straddling the municipalities of Tampakan, South Cotabato, Kiblawan, Davao del Sur, and Columbio, Sultan Kudarat in southern Mindanao, the Tampakan project is one of the biggest undeveloped copper-gold deposits in Southeast Asia. Pre-feasibility studies confirm a mineral resource of almost 2 billion tonnes, containing 11.6 million tonnes of copper and 14.7 million ounces of gold at a 0.3% copper cut-off grade, with good further exploration potential.

As such, Tampakan represents the largest development project in Xstrata Copper's portfolio. The others are: Frieda River in Papua New Guinea, El Morro in Chile, El Pachón in Argentina and Las Bambas in Peru.

"Each of these projects has the potential to produce between 150,000 and 300,000 tonnes a year of copper, providing the potential to double our production profile, through an additional one million tonnes of annual production," Mr. Sartain disclosed. Since Xstrata Copper has management control over the development of these projects, he added: "This gives us significant influence in matching copper supply with customer demand over the coming decade, and presents us with a healthy range of growth options."

Xstrata Copper exercised its option to acquire 62.5% of the controlling interest in Tampakan on December 21, 2006 and assumed management control on March 30, 2007, through its Philippine affiliate, Sagittarius Mines, Inc. (SMI).

While still in the extended pre-feasibility stage, Tampakan has already earned a reputation as the emerging model of responsible mineral resources development in the Philippines.

"SMI has already directed considerable effort in building and maintaining close working relationships with local communities and indigenous groups, and we aim to build on this foundation," Mr. Sartain said. "Investment in community projects have been focused on education, health, community infrastructure and sustainable development projects. As an example, thanks to some of these initiatives, most children in the project area now have access to free education."

In December 2006, SMI was awarded the Presidential Mining Industry Environmental Award, the highest award to be given to a mining company by the Philippine Mine Safety and Environment Association. This award recognises SMI's dedication and innovation in environmental protection projects and community development initiatives, among other factors.

"I want to emphasise at this point that Tampakan will continue to be run through the Philippines-based company SMI," Mr. Sartain explained. "We have had the opportunity in recent months to integrate the good existing practices with the common standards and systems of Xstrata Copper, and we are establishing a strong locally based management team to continue the leadership of the project."

"Our SMI staff are now immersed in extended pre-feasibility and feasibility study work, following Indophil's evaluation work that was completed last September," he added. "Our comprehensive work programme includes exploration drilling near the mine site, studies to determine the optimum processing option, a review of infrastructure requirements and environmental and social baseline monitoring. We aim to complete the feasibility programs by the end of 2008, after which we will have a clearer understanding of Tampakan's economic and technical feasibility."

At the same time, Sartain said Xstrata Copper will continue to focus on its sustainability objectives, striving for safety excellence, recognition as an environmental leader in the mining sector, and building upon its reputation for social responsibility through the development and implementation of sustainable development programmes in the communities where it operates.

This includes a commitment to transparency that is reflected by participatory community monitoring programs at most of its operations and the publication of site and divisional sustainability reports, which provide a detailed breakdown of health, safety, environmental and community performance.

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## Notes to editors:

Xstrata Copper is one of the five commodity business units of the global, diversified mining company Xstrata Plc. Headquartered in Zug, Switzerland, with its shares trading on the London and Swiss stock exchanges, Xstrata is one of the world's major mining companies. The group has a meaningful position in seven commodities: copper, coking coal, thermal coal, ferrochrome, nickel, vanadium and zinc and its operations and projects span 18 countries, employing more than 43,000 people around the world. Xstrata Plc has a market capitalisation of over US\$55 billion.

Xstrata sets aside at least 1% of its pre-tax profits to support initiatives that contributes to the sustainable development in its host communities. In recognition of its efforts, Xstrata was selected last year as a member of the Dow Jones Sustainability Index.

Mr. Sartain was appointed chief executive of Xstrata Copper in January 2004 following the formation of Xstrata's single global copper business. He is also chairman of the SMI board.

Xstrata Copper has grown substantially over the past year. With the acquisition of Falconbridge, the diversified Canadian mining firm, in August 2006, Xstrata became the 4th largest global copper producer, with annual production exceeding one million tonnes from operations spanning five countries.

The copper business unit accounted for 53% - or 4.5 billion US dollars - of Xstrata's pro forma EBIT of 8.3 billion US dollars in 2006. Xstrata Copper also now comprises over 40% of the group's net assets.

Headquartered in Brisbane, Australia, Xstrata Copper today has operations and projects in seven countries. The business unit's mining and processing operations are managed through five operating divisions that are centred near the operating sites in Australia, Argentina, Peru, Chile and Canada.