



NEWS RELEASE

**XSTRATA SUBSIDIARY FALCONBRIDGE LIMITED
DECLARES PREFERRED SHARE DIVIDENDS**

Toronto, September 19, 2007

Xstrata plc (LSE:XTA)(ZSE:XTA.S) subsidiary, Falconbridge Limited (“Falconbridge”), has declared the following preferred share dividends:

Name of Falconbridge Security	Trading Symbol	Dividend Amount Per Share	Record Date	Payable Date
Preferred Shares, Series 2	FAL.PR.A	Floating rate Floating rate Floating rate	September 28, 2007 October 31, 2007 November 30, 2007	October 12, 2007 November 12, 2007 December 12, 2007
Preferred Shares, Series 3	FAL.PR.B	Cdn\$0.2863	November 15, 2007	December 3, 2007
Preferred Shares, Series H	FAL.PR.H	Cdn\$0.40625	December 14, 2007	December 31, 2007

On February 21, 2007, the Parliament of Canada enacted amendments to the *Income Tax Act* (Canada) which are intended to reduce the personal tax rate on “eligible dividends” paid after 2005. Falconbridge hereby notifies its holders of preferred shares that the full amounts of the dividends to be paid on the respective series of preferred shares set out above are designated as eligible dividends for purposes of these amendments and any applicable corresponding provincial provisions.

About Xstrata

Xstrata is a global diversified mining group, listed on the London and Swiss Stock Exchanges, with its headquarters in Zug, Switzerland. Xstrata's businesses maintain a meaningful position in seven major international commodity markets: copper, coking coal, thermal coal, ferrochrome, nickel, vanadium and zinc, with recycling facilities, additional exposures to gold, cobalt, lead and silver and a suite of global technology products, many of which are industry leaders. Xstrata Group's operations and projects span 18 countries: Argentina, Australia, Brazil, Canada, Chile, Colombia, the Dominican Republic, Germany, New Caledonia, Norway, Papua New Guinea, Peru, the Philippines, South Africa, Spain, Tanzania, the USA and the UK. Xstrata employs approximately 43,000 people, including contractors.

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