



JOINT NEWS RELEASE

RECOMMENDED A\$23.00 PER SHARE CASH OFFER BY XSTRATA FOR JUBILEE

Highlights:

- **Premium of 36% to the 30-day volume weighted average price and 35% over the closing price of A\$17.10 per Jubilee share on 26 October 2007**
- **Unanimously recommended by Jubilee's Board of Directors**
- **Xstrata has entered into firm sales agreements with shareholders and optionholders representing approximately 17.5% of Jubilee's fully diluted shares**
- **Consolidates Xstrata Nickel's position as a top-tier nickel producer with global reach**
- **Xstrata Nickel intends to establish regional base in Western Australia based around and managed by existing Jubilee team**
- **Enables Jubilee's significant growth potential to be fully realised**

Perth and Zug, 29 October 2007 - Xstrata plc (LSE: XTA.L, ZSE: XTA.S) ("Xstrata") and Jubilee Mines NL (ASX: JBM.AU) ("Jubilee") announce that they have entered into a Bidding Agreement for an all-cash offer (the "Offer") by Ithaki Australia Pty Limited (ACN 128 138 081), a wholly owned subsidiary of Xstrata plc, to acquire all of the issued and outstanding shares of Jubilee by way of a recommended off-market takeover offer.

The Offer is for A\$23.00 per share, valuing Jubilee at approximately A\$3.1 billion (US\$2.9 billion). The Offer represents a 35% premium over the closing price of A\$17.10 per Jubilee share on the Australian Securities Exchange (the "ASX") on 26 October 2007, a 36% premium over the volume weighted average price of Jubilee shares over the last 30 trading days on the ASX and a 25% premium to Jubilee's all time record high share price. The Offer will be financed through Xstrata's existing credit facilities and cash on hand.

The Board of Directors of Jubilee, after consultation with its financial and legal advisors, has unanimously recommended Xstrata's Offer in the absence of a superior offer and believes that it is in the best interests of Jubilee shareholders to accept the Offer. Each of the Directors of Jubilee intends to accept the Offer in respect to the shares held or controlled by them.

Executive Chairman of Jubilee, Kerry Harmanis and certain other shareholders, including the other directors and senior management of Jubilee, have agreed to sell all of their Jubilee shares to Xstrata and no other party for A\$23.00 per share. In addition, the Directors and senior management have committed their employee options to Xstrata. In total, these agreements represent 17.5% of Jubilee's fully diluted shares outstanding

Kerry Harmanis, Jubilee Executive Chairman said: "This is a great offer to be able to recommend to Jubilee shareholders and an important milestone for Jubilee, representing the culmination of 20 years of exploration success, growth and development.

"Jubilee shares have significantly outperformed the market during this time as the company has met its key growth milestones at the Cosmos Nickel Project and continued to build shareholder value through an organic growth strategy which has delivered a strong pipeline of new development projects. Jubilee is, however, at an important stage and will benefit from the deeper capabilities and balance sheet of a major mining company such as Xstrata to maximise the potential of its resource base.

"As a result of a number of expressions of interest, the Jubilee Board approved a due diligence process involving several interested parties (including Xstrata) to determine whether a suitable change of control would provide superior value to shareholders, compared with remaining independent. Xstrata's bid offers shareholders a compelling opportunity to realise in cash the substantial growth in value created by their investment at an attractive point in the commodity cycle and equity markets overall, without taking on the risks associated with the next phase of Jubilee's development.

"We believe Xstrata's recommended offer is the most attractive option for shareholders and positions our operations and employees as part of a rapidly growing, successful global nickel producer. The Jubilee Directors believe that Xstrata is well placed to continue Jubilee's development, and that Jubilee's employees, suppliers, contractors and other stakeholders will benefit from Xstrata's capital, expertise and significant nickel mining and marketing capabilities."

Ian Pearce, CEO of Xstrata Nickel, said, "The combination of Jubilee with Xstrata Nickel marks an exciting step in our strategy to create a world-class nickel business, and represents our entry into Western Australia, one of the world's great nickel provinces.

"Jubilee is clearly the premier independent nickel company in Australia and benefits from a highly experienced team of people. In making this Offer, we have taken full account of Jubilee's existing operations and its various exploration and development projects. We believe this Offer presents Jubilee shareholders with a highly attractive, fully priced cash premium for their investment.

"Xstrata Nickel will establish a regional base for its activities and future growth in Western Australia headquartered in Perth. In line with Xstrata's devolved management approach, our intention is for this regional base to be developed around and managed by Jubilee's existing team, which has an exceptional track record of creating and delivering shareholder value through the operation, exploration and development of Jubilee's mining projects.

“Jubilee offers Xstrata Nickel immediate access to additional production, geographic diversification and introduces substantial near term growth potential into its portfolio. In particular, the combination of two of the most successful exploration teams in the nickel industry, together with Jubilee’s highly prospective regional land position, offer excellent prospects for significant additional growth in the region. We look forward to optimizing Jubilee’s growth potential, creating additional employment opportunities and increasing capital and community investment in the region, for the benefit of shareholders, employees and the stakeholders in Jubilee’s current and future operations.”

Xstrata and Jubilee have entered into a Bidding Agreement, which includes customary deal protection including traditional “no shop” and “no talk” clauses, and the payment to Xstrata of a break fee of A\$31.3 million in certain circumstances where a deal is not completed.

Xstrata expects to dispatch its Bidder’s Statement to all Jubilee shareholders containing detailed information relevant to the Offer within one month. Jubilee expects to dispatch its Target’s Statement either together with or shortly after dispatch of the Bidder’s Statement.

The Offer will be open for acceptance for a period of not less than one month from the date the documents are mailed and will be conditional upon, among other things, valid acceptances of the Offer by Jubilee shareholders owning not less than 90% of the Jubilee shares. The terms of the conditions of the Offer are set out in Appendix 1. Once the 90% acceptance level is achieved, Xstrata intends to take steps available to it to acquire any outstanding Jubilee shares.

Xstrata has received informal clearance from the Australian Competition and Consumer Commission (ACCC) for its Offer. No further anti-trust approvals are required. The Offer will be subject to certain customary conditions, namely approval by Australia’s Foreign Investment Review Board and the absence of a material adverse change with respect to Jubilee. Xstrata may waive the conditions of the Offer in certain circumstances.

Morgan Stanley is acting as financial adviser and Cochrane Lishman is acting as legal adviser to Jubilee in relation to the Xstrata Offer. Macquarie Bank Limited is acting as financial adviser and Mallesons Stephens Jacques and Freshfields Bruckhaus Deringer are acting as legal counsel to Xstrata.

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Australian Investment Market Call

Investors and analysts are invited to join a conference call with senior management of Jubilee on Monday 29 October, 2007 at 11.30am Sydney time / 9.30am Perth time.

Analysts, brokers and institutional investors are invited to dial in by calling 1800 064 347 or + 61 3 8660 4944. Please dial in 10 minutes before the scheduled conference time. The teleconference will be recorded and will be available for playback by calling 1800 060 851 or + 61 3 8663 3100 and entering reservation number 7002822. An audio file of the call will be available as an archive from Xstrata's website (www.xstrata.com).

Australian Media Call

Media representatives are invited to join a conference call with senior management of Xstrata Nickel and Jubilee by calling 1800 062 634 or + 61 3 8660 4951 at 12.30pm Sydney time / 10.30am Perth time. Please dial in 10 minutes before the scheduled conference time. The teleconference will be recorded and will be available for playback by calling 1800 060 851 or + 61 3 8663 3100 and entering reservation number: 7002823. An audio file of the call will be available as an archive from Xstrata's website (www.xstrata.com) following the event.

UK/European Investment Market Call

A conference call with Xstrata senior management for the UK and European investment market will be held on Monday 29 October at 10:00 am UK / 11:00 am CET / 9:00 pm Sydney.

To participate, please call: +44 (0)20 3003 2666. A recording of the conference call will be available by dialing +44 20 8196 1998 and entering access code: 757121 and an audio file will also be made available from Xstrata's website www.xstrata.com.

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About Jubilee

Jubilee Mines NL (ASX: JBM) is a leading Australian nickel producer with a primary focus on high grade nickel sulphides.

Jubilee owns and operates the world-class Cosmos Nickel Project in the acclaimed Mt Keith-Leinster region of Western Australia 40km north of Leinster and has recently announced formal approval to proceed with the development of its wholly owned Sinclair Nickel Project located 100km to the south. The Cosmos Nickel Project is located in the heart of one of Australia's most prospective and historically productive nickel sulphide regions, which hosts deposits such as Mt Keith, Yakabindie, Honeymoon Well, Perseverance and Rocky's Reward at Leinster.

To date, Jubilee has discovered eight high grade massive nickel sulphide deposits within the vicinity of the Cosmos Nickel Project, namely Cosmos, Cosmos Deeps, Alec Mairs (AM) 1, 2 and AM5, Prospero, Tapinos and Sinclair along with the large low grade Anomaly 1 deposit.

One of the key highlights of the 2007 financial year has been the discovery of the AM5 deposit, adjacent to the AM1 and AM2 deposits, which has demonstrated the potential of the Alec Mairs complex as a major nickel sulphide system.

Jubilee's emerging Sinclair project, 100km south of Cosmos, is evolving as a substantial new production centre, with the Company recently announcing formal approval to proceed with a new A\$90 million standalone mine and processing facility.

The Company has announced an updated targeted production profile from the 2007/08 financial year through until the 2014/15 financial year for both its core high-grade nickel sulphide business and for a potential larger scale development of the AM5 nickel deposit. This targeted profile sees high-grade production of nickel-in-concentrate increasing from 12,000 tonnes in 2007/08 to approximately 17,000 tonnes in 2008/09 and 22,000 tonnes in 2010/11 to around 30,000 tonnes per annum thereafter.

In the 12 months ended 30 June 2007, Jubilee recorded gross profit of A\$274 million and net profit of A\$173 million. The book value of the total assets of Jubilee as at 30 June 2007 was A\$492 million.

Jubilee's senior management team comprises Mr Kerry Harmanis, Executive Chairman, Mr Gary Lethridge, Executive General Manager Corporate, Chief Financial Officer and Company Secretary, Mr Peter Langworthy, Executive General Manager Exploration and Mr Brian Dawes, Executive General Manager Operations and Projects.

About Xstrata Nickel

Xstrata Nickel, headquartered in Toronto, Canada, is one of Xstrata Group's global commodity businesses, comprising five mines and processing facilities in Ontario and Quebec, Canada; a ferronickel mine and processing facility in Bonao, Dominican Republic; and a refinery in Kristiansand, Norway. Xstrata Nickel has a significant portfolio of growth projects, including Koniambo in New Caledonia, Nickel Rim South in Canada, Kabanga in Tanzania and Araguaia in Brazil. Xstrata Nickel is the world's fourth largest nickel producer, with annual managed production of more than 110,000 tonnes of refined nickel.

About Xstrata plc

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. The company also has recycling facilities, additional exposures to gold, lead, silver and cobalt 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, New Caledonia, Norway, Papua New Guinea, Peru, Philippines, South Africa, Spain, Tanzania, the USA and the UK.

Xstrata is a major, long-term investor in Australia and currently employs over 11,000 Australians at its coal, copper and zinc operations in New South Wales, Queensland, the Northern Territory and Western Australia. Since 2002 Xstrata has invested over A\$10.4 billion (US\$7.3 billion) in Australia.

Further information on Xstrata and Jubilee will be provided to Jubilee shareholders in the Bidder's Statement and Target's Statement that will be distributed to shareholders within one month.

Legal Notice

The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law and therefore persons in such jurisdictions into which this announcement is released, published or distributed should inform themselves about and observe such restrictions.

Appendix 1 – Offer Conditions

1.1 Minimum acceptance

That during, or at the end of, the Offer Period Bidder has acquired a relevant interest in at least 90% (by number) of Jubilee Shares.

1.2 Foreign Acquisitions and Takeovers Act

The Treasurer of the Commonwealth of Australia consents, on an unconditional basis under the Foreign Acquisitions and Takeovers Act 1975 (Cwlth) (“**Act**”) to the proposed acquisition by Bidder of Jubilee and the Treasurer is taken to have so consented:

- (a) if Bidder receives written advice from or on behalf of the Treasurer to the effect that the acquisition of Jubilee is not inconsistent with the Australian Government’s foreign investment policy or is not objected to under the Act; or
- (b) if notice of the proposed acquisition of Jubilee is given to the Treasurer and the Treasurer has ceased to be empowered to make any order under Part II of the Act in relation to the proposed acquisition because of lapse of time.

1.3 No restraining orders

That between the Announcement Date and the end of the Offer Period:

- (a) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority; and
- (b) no application is made to any Public Authority (other than by any member of the Bidder Group), or action or investigation is announced, threatened or commenced by a Public Authority,

in consequence of, or in connection with, the Offer (other than a determination by ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act), which:

- (c) restrains or prohibits (or if granted could restrain or prohibit), or otherwise materially adversely impacts on, the making of the Offer or the completion of any transaction contemplated by the Offer (whether subject to conditions or not) or the rights of Bidder in respect of Jubilee and the Jubilee Shares to be acquired under the Offer; or
- (d) requires the divestiture by Bidder of any Jubilee Shares, or the divestiture of any assets of the Jubilee Group, the Bidder Group or otherwise;

1.4 No material adverse effect

That no specified event occurs in respect of Jubilee and its subsidiaries that will, or is reasonably likely to, have a material adverse effect on the assets and liabilities, financial position and performance, profits and losses or prospects of Jubilee and its Subsidiaries, including as a result of making the Offers or the acquisition of Jubilee Shares pursuant to the Offers. For these purposes, a “specified event” is:

- (a) an event or occurrence that occurs during the Offer Period;
- (b) an event or occurrence that occurs before the Announcement Date but is only announced or publicly disclosed between the Announcement Date and the end of the Offer Period; or
- (c) an event or occurrence that will or is likely to occur following the Offer Period and which has not been publicly announced prior to the Announcement Date,

other than a change in the market price for nickel, which impacts on Jubilee and its competitors in a similar manner.

1.5 No material acquisitions, disposals or new commitments

Except for any proposed transaction or project publicly announced by Jubilee before the Announcement Date, none of the following events occurs during the period from the Announcement Date to the end of the Offer Period:

- (a) Jubilee or a Subsidiary acquires, offers to acquire or agrees to acquire one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) for an amount in aggregate greater than \$25 million or makes an announcement in relation to such an acquisition, offer or agreement;
- (b) Jubilee or a Subsidiary disposes of, offers to dispose of or agrees to dispose of one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) for an amount, or in respect of which the book value (as recorded in Jubilee's statement of financial position as at 30 June 2007) is, in aggregate, greater than \$25 million or makes an announcement in relation to such a disposition, offer or agreement;
- (c) Jubilee or a Subsidiary disposes of, offers to dispose of or agrees to dispose of any land assets other than the disposal of mining tenements in the ordinary course of business in order to comply with law; or
- (d) Jubilee or a Subsidiary enters into, or offers to enter into or agrees to enter into, any agreement, joint venture, partnership, management agreement or commitment which would require expenditure, or the foregoing of revenue, by Jubilee and/or its Subsidiaries of an amount which is, in aggregate, more than \$25 million, other than in the ordinary course of business, or makes an announcement in relation to such an entry, offer or agreement.

1.6 No persons exercising rights under certain agreements or instruments

After the Announcement Date and before the end of the Offer Period, no person exercises or purports to exercise, or states an intention to exercise, any rights under any provision of any agreement or other instrument to which Jubilee or any Subsidiary is a party, or by or to which Jubilee or any Subsidiary or any of its assets may be bound or be subject, which results, or could result, to an extent which is material in the context of Jubilee or the Jubilee Group taken as a whole, in:

- (a) any monies borrowed by Jubilee or any Subsidiary being or becoming repayable or being capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or other instrument;

- (b) any such agreement or other instrument being terminated or modified or any action being taken or arising thereunder;
- (c) the interest of Jubilee or any Subsidiary in any firm, joint venture, trust, corporation or other entity (or any arrangements relating to such interest) being terminated or modified; or
- (d) the business of Jubilee or any Subsidiary with any other person being adversely affected,

as a result of the acquisition of Jubilee Shares by Bidder.

1.7 Distributions and capital reductions

That between the Announcement Date and the end of the Offer Period Jubilee does not make or declare or announce an intention to make or declare any distribution (whether by way of dividend, special dividend, capital reduction or otherwise and whether in cash or in specie) other than:

- (a) any distribution which has been publicly announced by Jubilee before the Announcement Date; and
- (b) any interim distribution in respect of the 6 month period to 31 December 2007.

1.8 Prescribed occurrences

That during the Offer Period, none of the following events happen:

- (a) Jubilee converts all or any of its shares into a larger or smaller number of shares;
- (b) Jubilee or a Subsidiary resolves to reduce its share capital in any way;
- (c) Jubilee or a Subsidiary:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;
- (d) other than on an exercise of a Jubilee Option, Jubilee or a Subsidiary issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (e) Jubilee or a Subsidiary issues, or agrees to issue, convertible notes;
- (f) Jubilee or a Subsidiary disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) Jubilee or a Subsidiary charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) Jubilee or a Subsidiary resolves to be wound up;

- (i) a liquidator or provisional liquidator of Jubilee or of a Subsidiary is appointed;
- (j) a court makes an order for the winding up of Jubilee or of a Subsidiary;
- (k) an administrator of Jubilee or of a Subsidiary is appointed under sections 436A, 436B or 436C of the Corporations Act;
- (l) Jubilee or a Subsidiary executes a deed of company arrangement; or
- (m) a receiver or a receiver and manager is appointed in relation to the whole, or a substantial part, of the property of Jubilee or of a subsidiary.