



NEWS RELEASE

ADDITIONAL RESOURCES ANNOUNCED AT RAGLAN NICKEL MINE

Toronto, 5 December 2007

Exploration results at Xstrata Nickel's Raglan operation in northern Quebec have confirmed Zone 5-8 as the largest mineralized zone in Raglan's history, adding an estimated 4.5 million tonnes of inferred resources in 2007, up from the 2 million tonnes of resources previously announced.

In August 2007 Xstrata Nickel announced plans to increase mine production at Raglan to over two million tonnes of ore per annum. Work is currently under way to increase production to 1.3 million tonnes per annum by the end of 2008 and additional infrastructure is expected to be implemented to allow a further expansion to reach 1.5 million tonnes by 2011 and potentially double current production by 2013. After the expansion, Raglan will be one of the largest nickel mines in the world, with output approaching 50,000 tonnes of contained nickel-in-concentrate per annum, together with copper and platinum group metal (PGM) by-products.

Ian Pearce, Xstrata Nickel CEO, said; "Our aggressive exploration strategy at Raglan continues to unlock significant value from this major nickel district. These exceptional exploration results confirm Zone 5-8 as Raglan's next mining centre and provide us with additional confidence in progressing our plans to increase production to two million tonnes per annum.

"We will invest over \$200 million in further exploration activity at Raglan over the next five years to ensure we continue to realize the full potential of this exceptional property for the benefit of our shareholders and local stakeholders in the operation."

Zone 5-8 now contains proven and probable mineral reserves of 0.8 million tonnes at 3.02% nickel and 0.80% copper, measured and indicated mineral resources of 0.4 million tonnes at 1.30% nickel and 0.35% copper, and inferred mineral resources of 11.5 million tonnes at 3% nickel and 0.8% copper.

The *Association de l'exploration minière du Québec* (AEMQ) recently presented Xstrata Nickel with the "Development of the Year" award for the discovery of significant additional mineral resources at the Zone 5-8 project at Raglan. The award recognizes an individual or group that has participated in a mining development project, directing it towards its production phase.

Xstrata Nickel's expansion plans at Raglan will deliver additional benefit to surrounding communities and stakeholders through continued employment and supply contracts, as well as through the annual profit sharing program between Xstrata Nickel and local Inuit communities under the Raglan Agreement. Payments of CAD26 million in total have been made to date to the Makivik Corporation under the agreement.

Ends

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Resource calculations are supervised and approved by Terry Mallinson (Geology Superintendent, Raglan Mine), who is the Qualified Person for Raglan Mine Geology. Core samples are assayed at the Raglan Mine laboratory and a QA-QC program is followed that includes regular insertions of mineral reference standards in each batch of samples. Check assays are performed at SGS Lakefield Laboratory.

About Raglan

Located in the far north region of Quebec, Xstrata Nickel's Raglan property consists of a series of high-grade ore deposits, with nickel and copper as the primary metals. Three mines are currently in operation and a fourth mine is under construction. Raglan enjoys year-round road connections to a landing strip at Donaldson and to harbour facilities at Deception Bay. Ore from the mines is crushed, ground and processed into nickel-copper concentrate at the Raglan concentrator, and shipped via Quebec City to Xstrata Nickel's Sudbury smelter for further processing before being sent to Xstrata Nickel's Nikkelverk refinery in Kristiansand, Norway, for refining. Raglan has approximately 600 direct employees and more than 200 contractors.

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 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 additional exposures to platinum group metals, gold, cobalt, lead and silver, recycling facilities and a suite of global technology products, 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, the Philippines, South Africa, Spain, Tanzania, the USA and the UK. Xstrata employs approximately 50,000 people, including contractors.