



NEWS RELEASE

**XSTRATA COPPER CONFIRMS A WORLD CLASS MINERAL RESOURCE
AT THE TAMPAKAN COPPER-GOLD PROJECT IN THE PHILIPPINES**

Brisbane, 5 December 2007

Xstrata Copper announces that the Mineral Resource estimate for the world-class Tampakan copper-gold project in the Philippines has been increased by over 10% in both tonnes and contained copper, consolidating Tampakan's position as one of the largest undeveloped copper deposits in South East Asia.

The upgraded Measured, Indicated and Inferred Resource totals 2.2 billion tonnes at a grade of 0.6% copper and 0.2 grams per tonne gold and contains 12.8 million tonnes of copper and 15.2 million ounces of gold using a 0.3% copper cut-off grade. The Mineral Resource, which includes 24,700 metres of drilling conducted in 2007, also includes estimated average grades for molybdenum of 70 parts per million (ppm).

This is the first resource estimate published by Xstrata Copper since it assumed management control of Tampakan in March 2007 through its Philippines based affiliate Sagittarius Mines, Inc. The previous Mineral Resource estimate of 2 billion tonnes at 0.6% copper, using the same cut-off grade, was published in April 2006.

Xstrata Copper Executive General Manager Project Development Peter Forrestal said the Tampakan deposit represents the largest development project in Xstrata Copper's portfolio.

"We continue to look for growth opportunities through improvements at existing operations, acquisitions and the development of our strong project pipeline. The promising mineral resource estimate at Tampakan indicates the project has excellent potential to make a substantial contribution to Xstrata Copper's growth profile," said Forrestal, who is also President of Sagittarius Mines.

"We are committed to evaluating and developing the Tampakan project in genuine partnership with the Philippine government and authorities, local institutions and our neighbouring communities.

"As such, our current focus is on feasibility-related studies, which we aim to complete in the second half of 2009, and on advancing our sustainable development programs with local communities," said Forrestal.

Tampakan Measured, Indicated & Inferred Mineral Resources* as of 15 September 2007

| | Mineral Resources | | | |
|------------------------------|-------------------|-------------|-------------|--------------|
| | Measured | Indicated | Inferred | Total |
| Ore (Mt) | 620 | 860 | 700 | 2200 |
| Copper (%) | 0.71 | 0.58 | 0.5 | 0.6 |
| Gold (g/t) | 0.28 | 0.22 | 0.2 | 0.2 |
| Molybdenum (ppm) | 81 | 71 | 60 | 70 |
| Copper contained (kt) | 4400 | 5000 | 3400 | 12800 |
| Gold contained (kOzs) | 5600 | 6000 | 3600 | 15200 |

* Mineral Resource Estimates are reported above a 0.3 % copper cut-off and are shown on 100% ownership basis as of September, 2007. Competent Person: Dr Phillip Hellman, FAIG, who is a Director of Hellman & Schofield Pty Ltd and who qualifies as a Competent Person under the meaning of the 2004 JORC Code. He consents to the inclusion of these estimates in the form and context in which they appear.

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Notes to editors

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.

XSTRATA COPPER

Headquartered in Brisbane, Xstrata Copper is one of the commodity business units within the major global diversified mining group Xstrata plc. Its operations and projects span eight countries: Australia, Argentina, Chile, Peru, Canada, the USA, the Philippines and Papua New Guinea. Its operations are administered by five separate divisions, based close to the mining operations, namely the North Queensland, Alumbra, North Chile, Southern Peru and Canada divisions. It also has a recycling business (Xstrata Recycling) with plants in the United States and offices in Canada and Asia.

Xstrata Copper is the fourth largest global copper producer with annual managed production of over one million tonnes.

TAMPAKAN PROJECT

The Tampakan project is located on the southern Philippines island of Mindanao, approximately 65 kilometres north of General Santos City. The current project is situated on the boundary of three Provinces – South Cotabato, Sultan Kudarat and Davao Del Sur. The Tampakan copper gold deposit is located in the Province of South Cotabato, Municipality of Tampakan.

The Tampakan deposit represents one of the largest undeveloped copper-gold deposits in the South East Asia-Western Pacific Region. On 30 March 2007, Xstrata Copper acquired 62.5% of the controlling interest in the Tampakan Project and assumed management control through acquisition of common stock in Philippines based affiliate Sagittarius Mines, Inc. Indophil Resources holds 32.5% and Alsons Group 5% of the remaining common stock.