



NEWS RELEASE

XSTRATA COPPER TO DOUBLE ELECTRONIC SCRAP RECYCLING CAPACITY

Toronto, 16 January 2008

Xstrata Copper's recycling business, the world's largest consumer of copper and precious metal-bearing electronic scrap, announces plans to double electronic scrap recycling capacity at the Horne smelter in Rouyn-Noranda, Quebec. Once the project is fully implemented, the smelter will have the capacity to receive and process 100,000 metric tonnes per year of electronic scrap.

This expansion will position Xstrata Copper to meet the growing need for electronic scrap smelting capacity. As the use of electronic equipment increases, the volume of electronic waste has become a serious environmental concern. The European Union's Waste Electrical and Electronic Equipment (WEEE) Directive is aimed at tackling this issue by requiring that all electronic scrap is recycled. Similar legislation is expected to be adopted in other countries.

At Xstrata Copper's Horne smelter, electronic scrap from end-of-life electronic devices is processed for copper and precious metal recovery, with the refined copper and precious metals returned for fabrication into new products. The expansion will leverage Horne's existing smelting technology and make use of its capacity to process larger volumes of electronic scrap. The main aspect of the project will be the modification of the Horne's receiving and sampling processes.

With limited capital spending required and no significant technical hurdles or smelter flowsheet modifications to address, phase 1 of the expansion is expected to be up and running by January 2009. Phase 2 of the project will be completed by January 2010.

"We are pleased to be able to expand our activities in electronic scrap recycling to meet a growing market need with a low-cost solution that can be quickly and easily implemented. We also expect that the project will have economic benefits to the local community, including the potential for job creation," said Paul Healey, Manager of Recycling at Xstrata Copper.

The Horne smelter has a long history of providing responsible recycling services. Xstrata Copper started recycling materials through its Horne smelter in the 1940s and now recycles more than 120,000 metric tonnes per year of various metal-bearing materials.

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Notes to editors**ABOUT XSTRATA COPPER**

Headquartered in Brisbane, Xstrata Copper is a business unit of Xstrata Plc, a major global diversified mining group with operations and projects spanning 18 countries. Xstrata Copper's 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.

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

Further information about Xstrata Copper can be found on the following websites: www.xstrata.com and www.xstratarecycling.com