



NEWS RELEASE

UPDATE ON SOUTH AFRICAN POWER

Johannesburg, 30 January 2008

Xstrata Alloys has been informed by South Africa's Eskom that 80% of normal power supply will be restored to its operations on 30 January 2008 and 90% of normal power supply will be restored by 1 February 2008. The restoration of the remaining 10% is entirely dependent on the success of a nationwide recovery plan presented to major industrial and local government users. Xstrata Alloys will work closely with Eskom to assist in the 10% national reduction in power supply.

Xstrata Coal South Africa is participating in a working group to alleviate any coal supply issues comprising Eskom, the Chamber of Mines and the Department of Minerals and Energy. The working group has agreed upon a process that will assist coal-fired power stations to maintain 20-day stockpiles of coal in anticipation of increased demand during the South African winter. Xstrata Coal will also cooperate with Eskom on its medium-term demand reduction strategy.

Ends

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