



Media release

XSTRATA INCREASES UNCONDITIONAL CASH OFFER PRICE FOR RESOURCE PACIFIC TO \$A3.20 PER SHARE AND DECLARES OFFER PRICE FINAL

Highlights

- Increase of 35 cents per share on previous Xstrata offer
- Offer price is final and will not be increased
- Values Resource Pacific at \$1.077 billion
- Premium of 108% to the average price of Resource Pacific shares before the commencement of takeover activity¹
- Increase of over 12% compared to Xstrata's original offer price
- Offer price is in excess of the highest price at which Resource Pacific shares have ever traded on ASX
- Allows Resource Pacific shareholders to realise a highly attractive cash value for their shares in a volatile market
- Shareholders who have already accepted Xstrata's offer will receive the benefit of the increased Offer
- Offer is now scheduled to close at 7pm (Sydney time), 22 February, 2008 (unless further extended)

Sydney, 8 February 2008 – Titan Holdings Finance Pty Ltd ("Xstrata"), a subsidiary of Xstrata plc has increased its unconditional all-cash offer to acquire all the shares in Resource Pacific Holdings Limited ("Resource Pacific") to A\$3.20 per Resource Pacific share ("Offer"), valuing Resource Pacific's issued share capital at approximately A\$1,077M. The price under the Offer is final and will not be increased.

Xstrata's revised cash Offer is priced at a 108% premium to the average price of Resource Pacific shares before the commencement of takeover activity¹.

Chief Executive, Peter Freyberg, said: "Our offer presents Resource Pacific shareholders with a limited window to capture the certainty of Xstrata's compelling cash Offer. The Offer price will not be increased from this level.

¹ Based on the 30 day volume weighted average price of Resource Pacific shares to 25 September 2007 (adjusted for the discount element of Resource Pacific's 4:9 rights issue), the day prior to the announcement of New Hope Corporation's takeover offer (subsequently withdrawn).

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"Since September 2007, Resource Pacific's share price has been artificially supported by our initial Offer and that of the previous New Hope bid, which has insulated shareholders from production issues and market volatility. Resource Pacific's share price has not moved significantly since the release of its Target's Statement. Xstrata believes this clearly shows that the market does not take seriously the plans of the Resource Pacific management team or the independent expert's valuation.

"While Resource Pacific continues to speak of strengthening coal prices, it has yet to confirm how much of this year's production is contracted to be sold at last year's lower prices, as a result of production shortfalls.

"Xstrata has a relevant interest in over 18% of Resource Pacific's share capital and there is no competing offer for Resource Pacific. In the absence of Xstrata's Offer, shareholders may face an uncertain future, being fully exposed to the business impact of the cumulative production shortfalls from the Newpac mine and future mining risks."

Shareholders who accept Xstrata's Offer will be paid within five business days of receipt of a valid acceptance.

The Offer is now scheduled to close at 7pm (Sydney time) on 22 February 2008 (unless further extended).

Rothschild is acting as financial adviser and Mallesons Stephens Jaques is acting as legal adviser to Xstrata in relation to this offer.

Shareholder information line –
within Australia - 1800 214 245
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About Xstrata Coal

Xstrata Coal is the world's largest exporter of thermal coal and one of the largest producers of hard coking coal. Headquartered in Sydney, Xstrata Coal has interests in more than 30 operating coal mines throughout Australia, South Africa and the Americas.

Xstrata contacts

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