



NEWS RELEASE

COPPER MINERAL RESOURCES INCREASE IN SOUTHERN PERU BY ALMOST 400 MILLION TONNES TO A TOTAL OF OVER 1.6 BILLION TONNES

Santiago, 3 March 2008

Xstrata Copper announces a total Mineral Resource of over 1.6 billion tonnes of copper mineralisation in southern Peru, underpinning this region as an emerging major copper producing district for the Xstrata Group. This represents a 31% tonnage increase, the equivalent of 390 million tonnes, to previously announced resources for the region.

The Ore Reserve and Mineral Resource Statement includes a substantial increase in Mineral Resources at Xstrata Copper's Las Bambas and Antapaccay development projects, and the first Mineral Resource published for the Coroccohuayco project, all in southern Peru. Both Antapaccay and Coroccohuayco are located approximately 10 kilometres from Xstrata Copper's Tintaya mine.

Xstrata Copper Chief Executive Charlie Sartain said of the latest Mineral Resource upgrades:

"The significant and expanding Mineral Resources at attractive grades that we now have across a number of projects in this exciting mineralised district support our business strategy to progressively increase annual production from our Southern Peru division fourfold to half a million tonnes of copper over the next five years. The proximity of these projects to our established operations at Tintaya and to other district infrastructure provides us with a strong platform from which to rapidly grow our business in southern Peru."

Mineral Resources in Southern Peru*

Name of Operation		Ore Reserves		Mineral Resource†			Total Resources
		Proved	Probable	Measured	Indicated	Inferred	
Tintaya	Mt Ore	63	51	74	70	14	158
	% Cu	1.21	1.24	1.19	1.23	1.16	1.20
Antapaccay	Mt Ore	-	-	139	217	164	520
	% Cu	-	-	0.77	0.74	0.67	0.72
Coroccohuayco	Mt Ore	-	-	2	30	60	92
	% Cu	-	-	3.01	3.20	3.06	3.10
Las Bambas	Mt Ore	-	-	70	520	270	860
	% Cu	-	-	0.66	0.98	0.90	0.93
Total Resources	Mt						1,630

*As reported in Xstrata's Reserves and Resources statement on 3 March 2008, not including by product credits. See Appendix to Press Release for more details on Antapaccay, Coroccohuayco and Las Bambas. Xstrata Copper's full Reserves and Resources statement is published on Xstrata's website: www.xstrata.com.

† Measured, Indicated and Inferred Resources are inclusive of Ore Reserves

Antapaccay and Coroccohuayco

The Antapaccay and Coroccohuayco projects are located approximately 9 and 10 kilometres southwest and southeast respectively of Xstrata Copper's Tintaya mine in southern Peru's Cusco Region and hold the potential to increase district production levels either as part of, or additional to, the Tintaya operation.

In 2007, 40,000 metres of drilling was conducted as part of pre-feasibility work at Antapaccay resulting in the publication of a 10 percent increase in Mineral Resources to 520 million tonnes at a grade of 0.72% copper, plus gold and molybdenum by-product credits, using a 0.4% copper cut-off grade.

Following the completion of a successful pre-feasibility study at Antapaccay in 2007, Xstrata Copper is now conducting a Final Feasibility into the development of Antapaccay as a stand-alone mining and processing operation from 2010, supported by the existing Tintaya and district infrastructure.

Coroccohuayco

Xstrata Copper acquired Coroccohuayco copper-gold prospect through its acquisition of Tintaya in June 2006. Following detailed evaluation of work undertaken to date, including 71,016 metres in 185 drill holes of historical drilling, Xstrata Copper has been able to establish a Mineral Resource of 92 million tonnes at a grade of 3.10% copper, 0.30 grams per tonne gold and 0.014% molybdenum using a 1.5% copper cut-off grade.

A drill programme of 4,000 metres in eight drill holes is planned at Coroccohuayco in 2008.

Las Bambas

Following its third year of exploration, Xstrata Copper has upgraded its Mineral Resource for Las Bambas to 860 million tonnes at a grade of 0.93% copper, using a 0.4% copper cut-off grade in accordance with the mine plan. This represents a 19% increase in tonnage compared to the Mineral Resource of 721 million tonnes published in March 2007 using the same cut-off grade, and includes important gold and molybdenum by-product credits.

In 2007, the Las Bambas project conducted 85,000 metres of drilling that not only increased the total tonnage but also confidence in the resource with the inclusion for the first time of 70 million tonnes in the Measured Category. In 2008 a further 67,000 metres of infill drilling is planned to take the initial five-year mine plan into the Measured Category as part of the pre-feasibility study that is planned for completion by the end of this year.

The Mineral Resource covers three mineralised systems, Chalcobamba, Ferrobamba and Sulfobamba in the Las Bambas copper district in southern Peru's Apurimac Region. Since acquiring the project in August 2004, Xstrata Copper has drilled a total of 241,000 metres at Las Bambas.

ends

Xstrata contacts

Emily Russell		Claire Diver	
Telephone	+56 2 4782204	Telephone	+44 207 968 2871
Mobile	+56 9 78879487	Mobile	+44 (7785) 964340
Email	erussell@xstratacopper.cl	Email	cdivver@xstrata.com

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.

ABOUT 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 attributable copper production capacity of over one million tonnes.

ABOUT SOUTHERN PERU

In November 2007, Xstrata Copper announced the creation of the Southern Peru Division, headquartered out of the city of Arequipa. The new division is responsible for the management of the Tintaya mining operation, the Las Bambas, Antapaccay and Coroccohuayco development projects, regional exploration and the development and implementation of the company's growth strategy in southern Peru. This division also supports Xstrata Copper's interests and involvement in the Antamina joint venture in Peru's Ancash Region.

Tintaya has annual production capacity of 120,000 tonnes per annum of copper in concentrates and cathodes.

Appendix

Mineral Resource Summary Tables as published in Xstrata's Reserves and Resources Statement on 3 March 2008

Name of Project	Owner	Mining Method	Commodity	Mineral Resources				Total
				Measured	Indicated	Mea - Ind	Inferred	
Antapaccay* 0.4% Cu cut off grade	100%	OC	Mt Ore	139	217	356	164	520
			% Copper	0.77	0.74	0.75	0.67	0.72
			g/t Gold	0.15	0.15	0.15	0.13	0.14
			Silver g/t	1.8	1.6	1.7	1.8	1.7
			% Molybdenum	0.006	0.006	0.006	0.006	0.006
Coroccohuayco* 1.5% Cu cut off grade	100%	UG	Mt Ore	2	30	32	60	92
			% Copper	3.01	3.20	3.19	3.06	3.10
			g/t Gold	0.28	0.33	0.33	0.28	0.30
			Silver g/t	10.40	11.90	11.81	13	12.58
			% Molybdenum	0.012	0.016	0.013	0.013	0.014
Las Bambas** 0.4% Cu cut off grade	100%	OC	Mt Sulphide Ore	70	520	590	270	860
			% Copper	0.66	0.98	0.94	0.90	0.93
			% Molybdenum	0.018	0.020	0.020	0.022	0.021
			Gold g/t	0.05	0.07	0.07	0.08	0.07

* The information in this press release which relates to Antapaccay and Coroccohuayco Mineral Resources is based on information compiled by Mr. Luis Rivera who is a member of a "Recognised Overseas Professional Organisation" as described by the JORC Code, namely, The Australasian Institute of Mining and Metallurgy (AusIMM). Mr. Rivera consents to the inclusion in the press release of the matters based on his information in the form and context in which it appears

** The information in this press release which relates to Las Bambas Mineral Resources is based on information compiled by Mr. Raul Roco who is a member of a "Recognised Overseas Professional Organisation" as described by the JORC Code, namely, The Australasian Institute of Mining and Metallurgy (AusIMM). Mr. Roco consents to the inclusion in the press release of the matters based on his information in the form and context in which it appears.