



NEWS RELEASE

**INUIT COMMUNITIES RECEIVE \$32.6 MILLION IN
PROFIT-SHARING FROM XSTRATA NICKEL'S RAGLAN MINE**

Quaqtaq, Nunavik (Québec), April 3, 2008 – Xstrata Nickel is pleased to announce that it has presented a cheque in the amount of Cdn\$32.6 million to the Makivik Corporation, representing the local Inuit communities' share of the profits generated in 2007 by the Raglan nickel mine operation, located in the Nunavik Territory of Northern Quebec.

This yearly profit-sharing is part of the Raglan Agreement, a comprehensive agreement signed on February 28, 1995 with Makivik and local Inuit communities. The agreement supports the harmonized relations and fostering of opportunities between Xstrata Nickel and local populations and their representatives in areas such as training, hiring of local businesses and environmental management.

Pita Aatami President of Makivik Corporation, stated: "This year's profit-sharing will be again put to good use in developing economic and training opportunities, which will contribute to the well-being of Inuit communities."

Ian Pearce, Chief Executive Officer of Xstrata Nickel, said "The Raglan Agreement addresses a variety of areas, including preferential hiring of qualified local Inuit personnel and businesses, environmental protection and mitigation, procurement and profit-sharing measures. To date Xstrata Nickel has delivered Cdn\$58.6 million back to the community. We are proud of our strong relationship with the local communities and remain committed to fostering effective engagement with all stakeholders."

Xstrata Nickel's Raglan mining camp was constructed at a cost of Cdn\$600 million and began production in 1997. In 2007, capital investments included Cdn\$48 million to refurbish existing wharf facilities and Cdn\$50 million to expand accommodation facilities. Exploration results have confirmed Zone 5-8 as the largest mineralized zone in Raglan's history, adding an estimated 4.5 million tonnes of inferred resources in 2007.

Raglan consists of three underground and one open pit nickel mines and a concentrator. Approximately 620 employees and 250 contractors work at Raglan. The mine site is linked by all-weather roads to an airstrip at Donaldson and to ship-loading facilities at Deception Bay. The ore from the mine is crushed, ground and treated at the Raglan mill to produce a nickel-copper concentrate. Milling capacity is 3,600 tonnes per day, with 2008 nickel capacity at the concentrator estimated at 24,000 tonnes of nickel-in-concentrate.

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Xstrata Nickel

Xstrata Nickel, headquartered in Toronto, Canada, is one of Xstrata Group's global commodity businesses, comprising five mines and processing facilities in Ontario and Quebec, Canada; a ferronickel mine and processing facility in Bonao, Dominican Republic, a high-grade sulphide mine and processing facility in Western Australia; and a refinery in Kristiansand, Norway. Xstrata Nickel has a significant portfolio of growth projects, including Koniambo in New Caledonia, Nickel Rim South in Canada, Kabanga in Tanzania, Araguaia in Brazil and Sinclair in Australia. Xstrata Nickel is the world's fourth largest nickel producer, with annual managed production of more than 116,000 tonnes of refined nickel.

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 56,000 people, including contractors.

Makivik Corporation

Makivik Corporation is the Inuit owned economic development company created following the signing of the James Bay and Northern Quebec Agreement (JBNQA) in 1975. It has the mandate to represent the 9,800 Inuit of Nunavik at the political level, and to administer the funds of the Agreement accorded to the Inuit (\$90-million has been received over a 20 year period). Makivik owns subsidiary companies such as Air Inuit, First Air, Nunavik Arctic Foods, Nunavik Creations, Halutik Fuels, and jointly owns with other Inuit regional corporations Pan Arctic Inuit Logistics (PAIL) and Cruise North Expeditions.

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