



NEWS RELEASE

XSTRATA CANADA CORPORATION ANNOUNCES INTERNAL REORGANIZATION

Toronto, 28 April 2008

Xstrata plc's subsidiary, Xstrata Canada Corporation (formerly Falconbridge Limited) ("Xstrata Canada"), announced its intention to complete an internal reorganization (the "Reorganization"), which will enable Xstrata Canada to realize certain tax synergies. In connection with the Reorganization to be effected pursuant to a shareholder and court approved plan of arrangement, the Ontario Superior Court of Justice today issued an interim order confirming various matters related to the calling of a special meeting of Xstrata Canada shareholders for the purpose of considering the Reorganization.

Following the Reorganization, Xstrata Canada preferred shareholders will receive preferred shares of a successor company to Xstrata Canada that are identical in all material respects to the current Xstrata Canada preferred shares, including dividends paid by Xstrata Canada and the guarantee of Xstrata plc. Xstrata Canada has received confirmations from Standard & Poor's and DBRS Limited that the Reorganization will not result in any downgrade by the rating agencies of the preferred share ratings.

Xstrata Canada's board of directors unanimously determined that the Reorganization is in the best interests of Xstrata Canada and is fair to Xstrata Canada and the Xstrata Canada shareholders and, accordingly, unanimously resolved to recommend that Xstrata Canada shareholders vote in favour of the Reorganization. TD Securities Inc., acting as the financial advisor to the board of directors, delivered an opinion that based upon and subject to various factors, assumptions and limitations contained therein, the consideration to be received by the Xstrata Canada preferred shareholders, taken in the aggregate, pursuant to the Reorganization is fair, from a financial point of view, to the Xstrata Canada preferred shareholders.

The Reorganization is subject to certain conditions, including the approval of at least 66 2/3% of the votes cast by the holders of the Xstrata Canada common shares and the Xstrata Canada preferred shares, voting together as a class, and the approval of the Ontario Superior Court of Justice at a fairness hearing to be held on or about May 29, 2008.

The special meeting of Xstrata Canada shareholders called to consider the Reorganization will be held at 9:00 a.m. on May 28, 2008 in Toronto, Ontario. A management information circular describing full details of the Reorganization will be filed under Xstrata Canada's profile at www.sedar.com on May 1, 2008 and thereafter mailed to Xstrata Canada shareholders.

Xstrata Canada shareholders with questions or requests for copies of the management information circular, please contact Stephen K. Young, Corporate Secretary of Xstrata Canada, at (416) 775-1556.

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For further information, please contact:

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