



NEWS RELEASE

**XSTRATA CANADA ANNOUNCES INTENTION TO
REDEEM PREFERRED SHARES, SERIES H AND SERIES 2**

Toronto, 22 May 2008

Xstrata plc's subsidiary, Xstrata Canada Corporation ("Xstrata Canada"), announces its intention to redeem all of its outstanding Cumulative Preferred Shares, Series H (TSX: FAL.PR.H) and Series 2 (FAL.PR.A) by the end of July 2008. Holders of Series H shares will receive C\$25.00 per share in cash and holders of Series 2 shares will receive C\$25.50 in cash, in each case plus accrued and unpaid dividends in respect of each share up to, but excluding, the date of redemption. Xstrata Canada intends to use its internal cash resources to fund the aggregate redemption price of approximately C\$275 million.

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Forward Looking Statements

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and may be beyond Xstrata Canada's ability to control or predict. Forward-looking statements are not guarantees of future performance.