



MEDIA RELEASE

XSTRATA COPPER CONFIRMS ITS OFFER FOR INDOPHIL WILL LAPSE IF LION IS ACQUIRED BY INDOPHIL – UPDATE TO CONDITIONS

Brisbane, 5 June 2008

Xstrata Queensland Limited ("Xstrata") today provided an update to the conditions which will attach to its proposed offer for Indophil Resources NL ("Indophil"), announced on 15 May 2008.

1. Extension of Indophil offer for Lion

Indophil today indicated that it has extended its takeover offer for Lion Selection Limited ("Lion") by four weeks until 7 July 2008.

In light of this extension, Xstrata has decided that its takeover offer, when made, will not include condition (c)(ii) from its 15 May 2008 announcement. This will ensure that Indophil shareholders continue to receive the benefit of Xstrata's all cash offer for their shares, notwithstanding Indophil's decision to extend its takeover offer for Lion.

Xstrata notes that Indophil has previously announced that its offer for Lion will not be increased.

2. Impact of Indophil's offer for Lion on Xstrata's offer for Indophil

Xstrata's offer for Indophil remains subject to condition (c)(i) which provides:

"before the end of the Offer Period, the 50.1% minimum acceptance condition under Indophil's takeover bid for Lion is not satisfied or waived by Indophil".

Xstrata notes that to date, Indophil has received negligible acceptances from Lion shareholders for its offer for Lion. Indophil currently has a relevant interest of 0.60% of Lion shares and has received acceptances in relation to 1.20% of Lion options.

However, should Indophil receive sufficient acceptances from Lion shareholders to satisfy the 50.1% minimum acceptance condition prior to the close of the Xstrata offer, Xstrata confirms that it does not intend to waive this condition.

Accordingly, if Indophil is successful in acquiring 50.1% of Lion Selection or greater, Xstrata's offer for Indophil will lapse.

If the Xstrata offer for Indophil lapses, it is likely that the Indophil share price will fall substantially. The 30-day volume weighted average price of Indophil shares prior to the announcement of the Xstrata offer was \$0.77 (30.6% lower than yesterday's closing price for Indophil shares).

3. Timetable update

Xstrata expects to lodge its Bidder's Statement, containing its takeover offer for Indophil with ASIC and the ASX within a week and to dispatch it to Indophil shareholders two weeks later. The document contains material information with respect to the Tampakan Project, which is Indophil's only material asset.

BOTH LION AND INDOPHIL SHAREHOLDERS SHOULD TAKE NO ACTION UNTIL THEY READ THE XSTRATA BIDDER'S STATEMENT.

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About the Tampakan copper project

The Tampakan copper project is located on the southern Philippine island of Mindanao, approximately 65 kilometres north of General Santos City. The current project is situated on the boundary of three Provinces – South Cotabato, Sultan Kudarat and Davao Del Sur. The Tampakan copper gold deposit is located in the province of South Cotabato, municipality of Tampakan.

The Tampakan mineral resource is the largest undeveloped copper-gold deposit in South East Asia. The latest mineral resource estimate confirmed 2.2 billion tonnes containing 12.8 million tonnes of copper and 15.2 million ounces of gold at a 0.3% copper cut-off grade.

On 30 March 2007, Xstrata Copper acquired 62.5% of the controlling interest in the Tampakan copper project and assumed management control through its Philippines based affiliate Sagittarius Mines, Inc. www.smi.com.ph

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, Minera Alumbrera, 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's world-leading portfolio of growth projects includes Las Bambas in Peru, Tampakan in the Philippines, El Morro in Chile, El Pachón in Argentina and Frieda River in Papua New Guinea.

Xstrata Copper is the fourth largest global copper producer with annual attributable production capacity of over one million tonnes. It employs over 15,000 people, including contractors.

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 56,000 people, including contractors.

Xstrata is a major, long-term investor in Australia and currently employs over 11,000 people at its coal, copper, zinc and nickel operations in New South Wales, Queensland, the Northern Territory and Western Australia. Since 2002 Xstrata has invested over A\$16 billion (US\$11.2 billion) in Australia.