



MEDIA RELEASE

XSTRATA COPPER UPDATE ON INDOPHIL BID

Brisbane, 20 June 2008

Xstrata Queensland Limited (ABN 69 009 814 019) ("Xstrata") a wholly owned subsidiary of Xstrata plc (LSE: XTA.L, ZSE: XTA.S), notes the announcement by a consortium comprising Crosby Capital Limited, the Alsons Group and Mr Richard Laufmann, CEO and Managing Director of Indophil Resources NL (Indophil) ("Crosby Capital Consortium") to acquire 100 per cent of Indophil for \$1.28 cash per share ("the Competing Offer").

Given Indophil's bid for Lion Selection Limited ("Lion Selection") is still outstanding, the approval of Lion shareholders is required to effect the sale of that part of Lion's investment in Indophil pursuant to the pre-bid acceptance agreement with Xstrata dated 14 March 2008. The pre-bid acceptance agreement contains a provision (Clause 7(c)) which, in the event of a higher competing offer for Indophil being announced prior to the date of the Lion Selection general meeting, allows the directors of Lion to withdraw their recommendation that Lion shareholders vote in favour of the resolution to approve the sale pursuant to the Xstrata pre-bid acceptance agreement if Xstrata does not announce an intention to at least match that higher competing offer either by the fifth business day after the higher competing offer is announced or at least 24 hours before the commencement of the general meeting of Lion Selection (whichever is earlier). The Lion Selection general meeting is due to be held on Monday 23 June 2008.

Given the significant risks and costs associated with the Tampakan Copper project, which are well detailed in Xstrata's bidder's statement lodged with ASIC on 13 June 2008 and the significant premium which has been offered by the Crosby Capital Consortium, Xstrata has chosen not to match the Competing Offer at this time.

Xstrata is considering its options and will review its position with regard to its offer for Indophil after the Lion Selection General Meeting. Xstrata will continue to advise the market of its current intentions.

Deutsche Bank is acting as financial adviser and Allens Arthur Robinson is acting as legal adviser to Xstrata in relation to the Offer.

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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 Alumbraera, 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.