



NEWS RELEASE

XSTRATA OFFER FOR INDOPHIL TO CLOSE

Brisbane, 21 August 2008

Xstrata Queensland Limited ("Xstrata") today announced that its takeover offer for Indophil Resources NL ("Indophil") will not be extended beyond the scheduled closing time of 7pm (Sydney time) on Friday, 29 August 2008.

Charlie Sartain, Xstrata Copper Chief Executive commented:

"We see no value in remaining involved in a competitive process with the Stanhill Resources/Crosby Consortium ("Stanhill"). In our view, there must be a high degree of uncertainty concerning the financing of the Stanhill bid, particularly in light of the significant future funding obligations and lack of exposure to product for marketing for the Tampakan project that any eventual owner of Indophil Resources faces, together with the fact that Tampakan will not generate cash for several years.

"Our decision to not further extend our cash offer for Indophil beyond August 29 underlines our disciplined approach to acquisitions. In our position as the majority owner and operator of the Tampakan project we remain fully committed to developing Tampakan in a manner that is consistent with Xstrata's industry-leading approach to responsible social and environmental management."

Any acceptances received from Indophil shareholders after the close of the offer will be invalid.

Ends

Contacts

Xstrata Group

Claire Divver

Telephone: +44 20 7968 2871

Mobile: +44 7785 964 340

Email: cdivver@xstrata.com

Xstrata Group

Investors and analysts

Hanré Rossouw

Telephone: +44 20 7968 2820

Mobile: +44 7879 455 885

Email: hrossouw@xstrata.com

Deutsche Bank

Alex Cartel
Managing Director
Co-Head Natural Resources Group
Telephone: +61 3 9270 4475
Mobile: +61 407 434 220
Email: alex.cartel@db.com

Xstrata Copper

Emily Russell
Telephone: +56 2 4782204
Mobile: +56 9 78879487
Email: erussell@xstratacopper.cl

www.xstrata.com

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

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.

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.