



## NEWS RELEASE

### **XSTRATA COPPER PURCHASES 17.83% STAKE IN INDOPHIL RESOURCES FROM LION SELECTION**

Brisbane, 5 September 2008

Xstrata Queensland Limited (ABN 69 009 814 019) ("Xstrata"), a wholly owned subsidiary of Xstrata plc (LSE: XTA.L, ZSE: XTA.S), has agreed to purchase a 17.83% stake in Indophil Resources NL (ASX: IRN.AU) ("Indophil") from Lion Selection Limited ("Lion Selection"), the largest shareholder of Indophil, for A\$1.17 per share or a consideration of A\$82 million (US\$69 million). The purchase will be financed through Xstrata's existing credit facilities and cash on hand.

The purchase follows the expiry of Xstrata's offer for Indophil at A\$1.28 per share on 29 August, 2008 and brings Xstrata's total shareholding in Indophil to 19.99%. Xstrata has no current intention to make a further offer for the outstanding Indophil shares.

Indophil's flagship asset is its 34.23% interest, with a right to acquire an additional 3.27%, in the Tampakan copper project in the southern Philippines. Xstrata Copper has management control and holds 62.5% of the issued common shares in Sagittarius Mines Inc, the holder of the project.

Xstrata Copper Chief Executive, Charlie Sartain, said: "We are pleased to have acquired this strategic share in our minority partner in the Tampakan project from its largest shareholder. Xstrata's position as a significant shareholder in Indophil provides us with greater influence over the future ownership of our partner in the Tampakan project.

"Xstrata's offer for 100% of Indophil at A\$1.28 per share was open for acceptance until 29 August and expired following the Indophil Board's decision to recommend what we believe to be a highly uncertain offer by the Stanhill Consortium. We remain fully committed to developing the Tampakan project in a manner that is consistent with Xstrata's industry-leading approach to responsible social and environmental management."

*ENDS*

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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](http://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.

**About Indophil**

Indophil Resources NL is an ASX listed company, incorporated in 1996, to acquire, explore for and develop gold and copper-gold opportunities in the Asia-Pacific region and it is now looking to broader horizons. Indophil's team is highly-experienced and successful in minerals development, with specialisation in the Philippines.

Indophil's focus has been the development of the world class Tampakan copper project in the southern Philippines. Indophil owns 34.23% of the Tampakan project, and has arrangements in place to lift that stake to 37.5%. The remaining 62.5% is held by Xstrata.