



XSTRATA PURCHASE OF LONMIN SHARES

Zug, 1 October 2008

Xstrata plc ("Xstrata") announces that it has today acquired 22,232,940 Lonmin ordinary shares ("Lonmin Shares") at an average price of approximately £19.79 per Lonmin Share for a total cash consideration of approximately £440 million (\$786 million). These acquisitions will be entirely funded through the Xstrata Group's debt facilities. The number of Lonmin Shares acquired today represents approximately 14.2% of Lonmin's issued ordinary share capital.

The Lonmin Shares acquired today together with those previously acquired by Xstrata represent approximately 24.9% of Lonmin's issued ordinary share capital (38,939,421 Lonmin Shares). The Xstrata Group's shareholding in Lonmin has been acquired for a total aggregate cash consideration of approximately £991 million (\$1,770 million).

Mick Davis, Xstrata plc Chief Executive commented:

"Xstrata's purchase of an additional stake in Lonmin today provides us with a significant shareholding in one of the world's largest platinum producers. We continue to believe the medium and long-term fundamentals of platinum are robust and that the structure of the platinum industry remains attractive.

"Xstrata has today entered into a new three-year \$5 billion multi-currency revolving loan facility with a group of its relationship banks. The new facility will be used to refinance existing debt and for general corporate purposes and underlines Xstrata's robust financial position and flexibility. Xstrata remains well positioned to execute its strategy of growth and value creation for shareholders from a broad range of growth options."

Ends

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Notes to editors

About Xstrata

Xstrata is a global diversified mining group, listed on the London and SWX 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 a growing platinum group metals business, additional exposures to gold, cobalt, lead and silver, recycling facilities and a suite of global technology products, many of which are industry leaders. The Xstrata 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.

About Lonmin

Lonmin is the world's third largest platinum producer with operations and growth projects located in the Bushveld complex in South Africa, a country which accounts for approximately 77% of global platinum supply. Lonmin's operations are fully integrated from mine to market and benefit from a substantial resource base with a published life of mine in excess of 30 years and further growth potential. Lonmin's principal asset, the Marikana complex, is located some 10 kilometres from Xstrata Alloys' Wonderkop complex and within 40 kilometres of Xstrata Alloys' head office.

For the year ended 30 September 2007, Lonmin's profit before tax was US\$705 million (US\$396 million for the six months ended 31 March 2008) and as at 31 March 2008, Lonmin's gross assets were US\$3,859 million.