



NEWS RELEASE

XSTRATA COPPER TO VOTE AGAINST INDOPHIL RESOLUTION

Brisbane, 31 October 2008

Xstrata Queensland Limited (ABN 69 009 814 019) ("Xstrata"), a wholly owned subsidiary of Xstrata plc (LSE: XTA.L, ZSE: XTA.S), is the largest shareholder in Indophil Resources NL with a 19.9% shareholding.

Indophil's only major asset is its 34.23% interest, with a right to acquire an additional 3.27%, in the Tampakan copper project in the southern Philippines. On 11 September 2008, the Board of Indophil announced that it had received an offer from Alsons Corporation to acquire Indophil's interest in the world class Tampakan copper deposit. The terms of any sale agreement with Alsons have not yet been negotiated.

Despite the lack of clarity over the terms of any sale agreement, the Indophil Board is seeking shareholder approval to provide it with an open-ended mandate to sell the Company's only major asset at a general meeting to be held on 12 November 2008.

The Resolution proposed by the Indophil Board exposes shareholders to potential loss of value and lacks clarity in a number of key areas, including price, timeframe, whether and how cash would be returned to shareholders and the funding arrangements of any purchaser given the financial market crisis. Given this uncertainty, Xstrata intends to vote against the resolution

If the Resolution is approved:

- Indophil's Board will have the authority to sell its interest in the Tampakan Project at a lower price than the indicative level of \$1.28 per share;
- Indophil could elect not to return any proceeds from the sale of the Tampakan Project to Indophil shareholders, but instead retain them for corporate purposes; or
- A sale could trigger a large tax liability for Indophil shareholders or Indophil or both. The result would be to reduce the value of any sale for Indophil shareholders. The Indophil Board has not disclosed the size or nature of tax liabilities resulting from its proposal.

Xstrata Copper Chief Executive, Charlie Sartain, said:

"We, like other Indophil shareholders, acquired our stake in Indophil at a premium to the current share price and want to maximise the value of our shareholding. We are not necessarily opposed to the sale of Indophil's interest in the Tampakan project at a definitive, acceptable price, in a manner that returns cash to shareholders in a tax-efficient and timely manner. Equally, as the manager and majority owner of the Tampakan project, we would welcome Alsons' increased participation in the project.

"However, we are not prepared to give the Indophil Board free rein to sell the company's only major asset at an undisclosed price and on undisclosed terms. No shareholder should be asked to give a Board such an ill-defined, wide-ranging mandate. Only when the Indophil Board has run a competitive sale process and only when it has received a definitive acceptable proposal should shareholders be asked to approve the sale.

"We believe that voting against the Resolution is in the best interests of all shareholders. It is the only way to protect all Indophil shareholders against potential loss of value and to ensure that the Indophil Board provides shareholders with an appropriate amount of information prior to any future proposed sale of Indophil's only major asset. We encourage other Indophil shareholders to vote against the Resolution on 12 November."

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For further information, please contact:

Xstrata Copper

Sue Sara

Telephone: +61 7 3295 7535

Mobile: +61 7 411 206 090

Email: suesara@xstrata.com.au

Xstrata Copper

Emily Russell

Telephone: +56 2 4782204

Mobile: +56 9 78879487

Email: erussell@xstratacopper.cl

Xstrata Group

Claire Diver

Telephone: +44 20 7968 2871

Mobile: +44 7785 964 340

Email: cdivver@xstrata.com

www.xstrata.com

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.

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.