



NEWS RELEASE

XSTRATA-MERAFE CHROME VENTURE ANNOUNCES SUSPENSION OF SIX FERROCHROME FURNACES

Rustenburg, 10 November 2008

Xstrata Alloys and Merafe Resources Limited announce the temporary suspension of six furnaces, representing 500,000 tonnes of annual ferrochrome production or approximately 29% of the Xstrata-Merafe Chrome Venture's total available capacity. Three furnaces at Rustenburg, two at Lydenburg and one at Wonderkop will remain suspended until further notice, reducing ferrochrome production in 2008 by some 80,000 tonnes.

Peet Nienaber, Xstrata Alloys Chief Executive, commented:

"As the global market leader in ferrochrome, Xstrata and Merafe are acting responsibly and decisively to cut back production during a period of short term demand weakness. Today's announcement underlines the Xstrata-Merafe Chrome Venture's operational flexibility, which enables us to scale back production and optimise unit costs, while redeploying employees within the organisation. We will continue to respond promptly to market conditions as necessary."

Ends

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Notes to editors

Xstrata Alloys

Xstrata Alloys is a business unit of Xstrata PLC, listed on the London and Swiss stock exchanges. Headquartered in Rustenburg, Xstrata Alloys is one of the largest South African producers of ferrochrome and vanadium.