



PRESS RELEASE

XSTRATA COPPER CONFIRMS TOTAL DONATIONS OF CDN\$150,000 TO MURDOCHVILLE

Murdochville, Québec, 2 December 2008

Xstrata Copper and the Town of Murdochville have signed a letter of agreement in which Xstrata Copper will donate goods and services totalling close to CDN\$150,000 to the municipality.

The agreement provides for CDN\$29,700 to level and beautify the entrances to the town, CDN\$41,600 to demolish old industrial buildings and remove dangerous elements from the town's tunnels, CDN\$10,000 to build a skateboard park and CDN\$15,000 for other rehabilitation and demolition work.

The agreement also includes CDN\$50,000 towards the operating costs of a new building that contains senior's housing and an early childhood centre. The donation will be spread over five years, at a rate of \$10,000 a year, once the centre starts operating.

These donations are in addition to the land and industrial buildings which Xstrata donated to the town several years ago, including the building that now houses the Corus Centre for research on wind energy. In 2005, the Copper Interpretation Centre, which receives about 10,000 visitors a year, also received a donation worth CDN\$50,000 in equipment from the mine and smelter.

The mayor of Murdochville, Délicsa Ritchie-Roussy, noted how cooperative Xstrata Copper has been throughout the closure of the company's facilities in Murdochville: "We are very pleased with the cooperation we are receiving from Xstrata management, who listen to us and do everything possible to minimize the inconveniences of the major rehabilitation efforts underway in our town. Xstrata Copper is a key player in our history and leaves an important legacy that extends far beyond the donations announced today."

Jacques Moulins, General Manager, Site Environment and Rehabilitation for Xstrata Copper Canada, pointed out how important it is for the company to leave the community with an environment that will allow for future development: "The rehabilitation and demolition work is now drawing to a close and we wanted to give an additional hand to this dynamic community which is taking responsibility for its future."

This summer, an important milestone was reached on September 16, 2008 when the last roll of sod was laid down as part of the rehabilitation of properties in and around the town. Some 675 lots were rehabilitated, one year ahead of schedule.

Major projects are underway on the industrial site and several large buildings have already been demolished, including the smelter. Xstrata Copper has also made good progress in the Sandy Beach area in Gaspé, where it has rehabilitated 90% of the residential lots.

Xstrata Copper expects the work in Murdochville and Gaspé to be completed in 2009, for a total cost of CDN\$140 million.

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Notes to editors

ABOUT XSTRATA COPPER

Headquartered in Brisbane, Australia, Xstrata Copper is one of the commodity business units within Xstrata plc, a major global diversified mining group. Its operations and projects span eight countries: Argentina, Australia, Canada, Chile, Papua New Guinea, Peru, the Philippines and the USA. 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 is the fourth largest global copper producer with an annual attributable production capacity of over one million tonnes. Its world-class portfolio of six copper development projects provides it with the potential to double its annual production through organic growth.

ABOUT XSTRATA

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 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 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.