



**NEWS RELEASE**

**XSTRATA-MERAFE CHROME VENTURE ANNOUNCES FURTHER  
FERROCHROME PRODUCTION CUTS**

Rustenburg, 16 January 2009

On 1 December 2008, the Xstrata-Merafe Chrome Venture (the "Venture") announced the temporary suspension of a total of 11 ferrochrome furnaces, representing 906,000 tonnes of annual ferrochrome operating capacity.

Subsequent to this, a further 6 furnaces have been suspended due to the market conditions. The total suspended ferrochrome production capacity represents 1.37 million tonnes or 80% of annual operating capacity.

The Venture will continue to monitor prevailing market conditions closely. No lay-offs are anticipated for permanent employees at the furnaces, enabling the Venture to return to capacity quickly and efficiently when market conditions allow.

*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.