



PRESS RELEASE

**XSTRATA COPPER STATEMENT ON
LOS AZULES**

San Juan, Argentina, 2 October 2009

Xstrata Copper announces that it has elected not to exercise its option to acquire a 51% interest in the Los Azules project in San Juan province, Argentina.

Xstrata Copper recognises the potential of Los Azules, as identified by Minera Andes during its evaluation, however considers that the terms and conditions of the Option Agreement do not present a viable back-in opportunity.

Xstrata Copper wishes to re-affirm its interest in developing a regional presence in San Juan, and in continuing to contribute to Argentine national development. This includes activities related to updating the feasibility studies into its major El Pachón project in San Juan, as well as its ongoing management of the world class Minera Alumbrera mine in north-west Argentina.

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Xstrata Copper contacts

Guillermina Elias
Telephone +54 264 427-7653
Mobile +54 9 264 518-7703
Email geliass@xstratacopper.com.ar

Emily Russell
Telephone +44 1865 510918
Mobile +44 7795 571023
Email erussell@xstratacopper.com

Notes to editors

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, 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 annual attributable copper production capacity of over one million tonnes.

ABOUT XSTRATA COPPER SAN JUAN

Xstrata Copper San Juan was formed during the second half of 2008 to establish Xstrata's regional presence in the Andes Mountains in the area covering the provinces of San Juan in Argentina and Choapa in Chile. Headquartered in the city of San Juan, Xstrata Copper San Juan is responsible for development of the El Pachón project and regional exploration and business development opportunities.

El Pachón is located at an elevation of between 3,600 and 4,200 metres above sea level 7 kilometres from the border with Chile. El Pachón is a bi-national project developed under the auspices of the 1997 Mining Integration Agreement between Chile and Argentina, and its Specific Protocol. Xstrata Copper recently announced a 41% increase in the El Pachón Mineral Resource to 1.38 billion tonnes at a copper grade of 0.58%, which has encouraged the company to further update the feasibility studies into the development of this major project.