



NEWS RELEASE

XSTRATA COPPER ANNOUNCES DIVESTMENT OF ITS 70% INTEREST IN EL MORRO

Santiago, 12 October 2009

Xstrata Copper announces that its subsidiary Xstrata Copper Chile SA has entered into a formal sale agreement with Barrick Gold Corporation for Xstrata's 70% interest in El Morro SCM, the holder of the El Morro copper-gold project, and associated rights and assets, for a total cash consideration of US\$465 million. The transaction remains subject to several conditions before completion and is expected to close prior to 30 January 2010.

Xstrata Copper Chief Executive Charlie Sartain said "The agreement to divest our interests in the El Morro project represents the successful outcome of a competitive process. While we have demonstrated through the feasibility study that El Morro has strong prospects, our agreement with Barrick is a recognition that it will create more value as part of Barrick's portfolio than Xstrata Copper's. This is in view of the potential synergies with Barrick's existing interests in the region and Xstrata Copper's significant pipeline of organic growth projects in a number of countries, including the north of Chile.

"Xstrata Copper continues to have a world class pipeline of copper greenfield and brownfield expansion projects providing us with significant optionality for future growth. The sale of our interest in the El Morro project will enable us to better direct our resources towards our other priority development projects, five of which are progressing to the final decision stage over the coming months," said Sartain.

Xstrata Copper will continue to have an active presence in Chile through its Lomas Bayas copper mine, Altonorte Metallurgical Complex, 44% interest in the Collahuasi joint venture and the Energía Austral hydropower plant project.

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Xstrata contacts

Name Claire Divver
Telephone +44 207 968 2871
Mobile +44 (7785) 964340
Email cdivver@xstrata.com

Investors and analysts
Name Hanre Rossouw
Telephone +44 (207) 968 2820
Mobile +44 (07879) 455885
Email hrossouw@xstrata.com

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

www.xstrata.com

Notes to editors

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 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 19 countries.

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.

In Chile, Xstrata Copper's North Chile Division is headquartered out of the city of Antofagasta and manages the Lomas Bayas open pit copper mine and Altonorte Metallurgical Complex, both in Antofagasta Region, and Xstrata Copper's 44% interest in the Collahuasi open pit copper mine in Tarapacá Region. Xstrata Copper is also developing the Energía Austral hydropower project in Aysén Region in southern Chile.

Xstrata Copper is the fourth largest global copper producer with annual attributable production capacity of nearly one million tonnes.

ABOUT EL MORRO

The El Morro copper-gold project is located 4,000 metres above sea level in the district of Alto del Carmen, in the Atacama region of north-central Chile. Xstrata Copper acquired El Morro project in August 2006 as part of the Xstrata Group's acquisition of Canadian miner Falconbridge. In December 2007 Xstrata completed a Feasibility Study on El Morro and in November 2008 submitted for approval to the Chilean authorities the project's Environmental and Social Impact Assessment (ESIA). The ESIA is still under evaluation by the Chilean authorities.

The partners in El Morro SCM are Xstrata Copper (70%) and New Gold subsidiary Datawaves Sciences Inc.