



NEWS RELEASE

XSTRATA PLC BOARD APPROVES ATCOM EAST PROJECT

Johannesburg, 15 October 2009

Xstrata Coal today announces it has received Xstrata plc Board approval for the full implementation of the ATCOM East Project in South Africa, at a capital commitment of approximately US\$407 million (R3,151 million).

The new ATCOM East Project will be integrated into the existing Xstrata Coal South Africa ("XCSA") ATCOM infrastructure and produce approximately 5.7 million tonnes per annum of run of mine production and 3.1 million tonnes of saleable thermal product for domestic and export markets annually.

"The ATCOM East Project will play a significant role in the continued growth and development of Xstrata Coal's South African operations," said Peter Freyberg, Xstrata Coal Chief Executive.

Implementation of the ATCOM East Project includes the purchase of mining equipment, upgrade of the existing Coal Handling and Processing Plant ("CHPP") and the construction of new infrastructure.

The operation will create 900 new jobs during construction, with 263 permanent jobs at full production and is expected to ramp up to full integrated production in 2011.

ATCOM East was formerly part of the Douglas Tavistock Joint Venture (DTJV) between XCSA (16%) and BHP Billiton Energy Coal South Africa (84%). Xstrata approved the separation of the DTJV in February 2008 and XCSA will take full ownership of its 16% share of reserves and mobile equipment on 1 December 2009.

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