



MEDIA STATEMENT

Darwin, 12 November 2009

RESPONSE TO THE INDEPENDENT ENVIRONMENTAL MONITOR 2008 AUDIT REPORT

The Northern Territory Government appointed, Independent Environmental Monitor's audit into McArthur River Mine's 2008 performance has found that reporting, presentation and interpretation of monitoring has improved substantially.

In the second annual assessment of MRM's environmental monitoring and management programs, the Independent Monitor indicated the mine has adequately conformed to commitments and the conditions for the \$110 million open pit development.

In particular, systems and procedures within the \$2.6 million environmental program were considered to be at a high level of compliance.

Xstrata Zinc Australia Chief Operating Officer, Mr Brian Hearne, said the increased investment by MRM to broaden its environmental programs had been effective although some ongoing operational matters continue to require further attention.

"We want to ensure the mine meets the expectations of the community and our own commitment to continually improve environmental protection," Mr Hearne said.

"The areas raised as priorities by the Independent Monitor had already been identified by MRM and significant action has been taken."

Preventing seepage from the tailings storage facility is one of these priorities.

MRM has invested over \$2 million in recent years installing state-of-the-art geopolymer barrier walls to provide an additional safeguard to eliminating seepage. This year, technical studies were conducted as part of planning to address sulphate levels. In 2010, a further \$1 million will be invested in additional recovery and containment options.

"We are continuing to upgrade this facility as new technology and practices emerge," Mr Hearne said.

The Independent Monitor also identified salt from the dredge spoil ponds at Bing Bong loading facility as an area for attention.

"We have acted on the recommendations made by the Independent Monitor and completed work to improve monitoring and analysis, reinstate perimeter drainage and reinforce the walls around each pond," Mr Hearne said.



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Notes to editors about Xstrata:

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 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.

ABOUT XSTRATA ZINC

Headquartered in Madrid, Spain, Xstrata Zinc is one of the world's largest producers of zinc and one of the commodity business units within the major global diversified mining group Xstrata plc. Xstrata's zinc and lead operations and exploration projects are located in Australia, Canada, Germany, Peru, Spain and the United Kingdom.

Xstrata Zinc's operations in Spain comprise the San Juan de Nieva zinc smelter and the Arnao zinc semis plant in Asturias, and the Hinojedo roasting plant in Cantabria.

In Australia, assets comprise: the Mount Isa, George Fisher underground, Handlebar Hill open-cut and Black Star open-cut zinc-lead mines, zinc-lead concentrator, lead smelter and Bowen Coke Works in north Queensland; the McArthur River open-pit zinc-lead mine, processing and port operations in the Northern Territory; and 75% of the Lady Loretta zinc-lead deposit in north-west Queensland.

In Canada, operations and exploration projects include the Brunswick zinc-lead mine and lead smelter in New Brunswick; 25% of the CEZ zinc smelter near Montreal; and the Perseverance zinc deposit in Quebec.

Xstrata Zinc also operates the Nordenham zinc smelter in northern Germany; the Northfleet lead refinery in the United Kingdom; and owns 33.75% of the Antamina mine in Peru.

Around half of all zinc currently consumed is used for galvanizing steel, which is an environmentally friendly method of protecting steel against corrosion. Zinc also finds application in the manufacture of die-cast alloys, brass and the production of zinc oxides and chemicals.