



XSTRATA SECURES OPTION IN EARLY STAGE IRON ORE PROJECT

NEWS RELEASE

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Xstrata plc ("Xstrata") has entered into an agreement with Jumelles Limited ("Jumelles") in respect of the early stage Zanaga iron ore project in the Republic of Congo. Under the agreement, Xstrata will fund a minimum of \$50 million towards ongoing exploration and a pre-feasibility study in return for an option to acquire a 50% plus one share interest in Jumelles, the owner of the project.

If Xstrata elects to exercise the option it will fund a feasibility study and associated costs. The agreement also includes a pathway for Xstrata to acquire 100% of the project post completion of the feasibility study.

A recently completed Order of Magnitude study for the project indicates its potential to become a world class iron ore operation. The project is located in the Lékoumou District of the Republic of Congo, approximately 300 km north east of Pointe Noire. The project will continue to be managed by Jumelle's highly experienced team led by Colin Harris, formerly Project Director of Rio Tinto's Simandou project in Guinea.

Ends

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Notes to editors

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 additional exposures to platinum group metals, 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: Argentina, Australia, Brazil, Canada, Chile, Colombia, the Dominican Republic, Germany, Ireland, New Caledonia, Norway, Papua New Guinea, Peru, the Philippines, South Africa, Spain, Tanzania, the USA and the UK.