



NEWS RELEASE

XSTRATA COPPER ENTERS AGREEMENT WITH ZIJIN MINING GROUP IN RESPECT OF INDOPHIL SHARES

Brisbane, 1 December 2009

Xstrata Queensland Limited (ABN 69 009 814 019) ("Xstrata"), a wholly owned subsidiary of Xstrata plc (LSE: XTA.L, ZSE: XTA.S), has entered into an agreement with Zijin Mining Group Co Ltd (HKG: 2899) ("Zijin") in respect of Xstrata's 19.9% stake in Indophil Resources NL (ASX: IRN.AU) ("Indophil").

Under the terms of the agreement, Xstrata has agreed to sell its shareholding in Indophil to Zijin for AUD 1.28 per share, subject to certain conditions. Indophil announced earlier this morning an agreement with Zijin with respect to a takeover offer for Indophil.

Indophil's only major asset is a 34.23% interest, with a right to acquire an additional 3.27%, in the Tampakan copper-gold project in the southern Philippines. Xstrata holds the remaining 62.5% interest in the Tampakan project which is managed by Xstrata's affiliate company, Sagittarius Mines, Inc.

Xstrata Copper Chief Executive, Charlie Sartain, said "Zijin's offer for Indophil clearly demonstrates the attractiveness of the Tampakan project and follows the revised Mineral Resource estimate published on 20 October 2009, which included a 25% increase in Measured tonnes and a 12% increase in Measured and Indicated tonnes for a total resource of 2.4 billion tonnes at a grade of 0.6% copper using a 0.3% copper cut off grade.

"Xstrata welcomes the introduction of a joint venture partner with the capacity to support the advancement of the Tampakan project.

"A Feasibility Study is currently under way at Tampakan and is expected to be completed during the first half of 2010.

"We are also undertaking a comprehensive Environmental and Social Impact Assessment for the project, including extensive specialist studies and stakeholder engagement activities, that is on track to be completed by the end of 2010."

Ends

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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 mining and metallurgical operations and development 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.

Xstrata Copper is the fourth largest global copper producer with attributable mined production in 2008 of 952,000 tonnes of copper in cathodes and concentrates. The company is also the world's second and third largest producer of smelter and refined copper production respectively, including from third party materials.

TAMPAKAN PROJECT

The Tampakan project is located on the southern Philippines island of Mindanao, approximately 65 kilometres north of General Santos City. The project area spans parts of four Provinces – South Cotabato, Sultan Kudarat, Davao Del Sur and Sarangani. The copper gold deposit is located in the Province of South Cotabato, Municipality of Tampakan.

The Tampakan deposit represents one of the largest undeveloped copper-gold deposits in the South East Asia-Western Pacific Region. On 30 March 2007, Xstrata Copper acquired 62.5% of the controlling interest in the Tampakan Project and assumed management control through acquisition of common stock in Philippines based affiliate Sagittarius Mines, Inc. Indophil Resources holds 34.2% and Alsons Group 3.3% of the remaining common stock.

On 20 October 2009, Xstrata announced a revised Measured, Indicated and Inferred Resource estimate totalling 2.4 billion tonnes at a grade of 0.6% copper and 0.2 grams per tonne gold and containing 13.5 million tonnes of copper and 15.8 million ounces of gold, using a 0.3% copper cut-off grade. The Mineral Resource also contained estimated average grades for molybdenum of 70 parts per million (ppm).