



ALTONORTE ASKS LABOUR INSPECTORATE TO MEDIATE IN COLLECTIVE BARGAINING PROCESS

Antofagasta, December 17, 2009

As part of the collective bargaining process, the Altonorte Metallurgical Complex will ask the Antofagasta Labour Inspectorate to mediate, after workers in Labour Union No. 1 did not accept the last offer presented by the company in a vote held today afternoon.

In the last few weeks, representatives of Altonorte and Labour Union No. 1 have carried out negotiations in a climate of dialogue and respect where they presented their positions and structured the terms of an agreement for their mutual benefit. Nevertheless, a majority of the unionized workers decided to reject the company's most recent offer presented on December 10.

In this regard, the General Manager of Altonorte, José Urrutia, expressed his confidence in the fact that a fruitful agreement will be reached after mediation. "We hope that the positions will draw closer together so they can reach an agreement that is beneficial to both parties and will have the least possible effect on the well-being of our workers and the continuity of the operation. Considering the complicated current and future situation of the market for copper smelters, it is necessary for the company-worker alliance to continue in order to make Altonorte competitive in the future."

There are 274 unionized workers in the negotiation process, who represent about 40% of the company's workers.

Ends

Contacts:

Xstrata Copper North Chile

Ursula Weber
Corporate Affairs Manager
Telephone: +56 55 416 116
Mobile: +56 78 089 606
uweber@xstratacopper.cl

Xstrata Copper

Emily Russell
Communications Manager
Telephone: +44 1865 510918
Mobile: +44 7795 571023
erussell@xstratacopper.com



Notes to the editors

ABOUT THE NORTH CHILE DIVISION

The North Chile Division of Xstrata Copper administers the wholly owned operations of Xstrata like the Altonorte metallurgical complex and the Lomas Bayas mine, including 44% of the Xstrata holding in Minera Collahuasi.

Altonorte is a metallurgical complex, without a mine, that provides treatment of raw materials and alternative materials, copper concentrates, and other mining by-products to obtain copper anodes, sulphuric acid, and molybdenum oxide, to a lesser degree. It started operating in 1993 and is located 20 kilometres south of the city of Antofagasta, on the Panamerican highway, at kilometre 1,348, Sector La Negra, Region of Antofagasta.

Lomas Bayas is an open pit mine with the lowest cut-off grade in the country. Its only raw material is rock ore that contains copper oxide, which is leached with sulphuric acid in two permanent heaps, one with a high grade and the other with a low grade. The process continues at a solvent-extraction plant and then an electrowinning plant, producing cathodes with 99.99% copper. It started operating in 1998 and it located on Route 385, approximately 110 kilometres northeast of the city of Antofagasta at kilometre 36, community of Sierra Gorda, Region of Antofagasta.

ABOUT XSTRATA COPPER

Xstrata Copper, whose headquarters is located in Brisbane, Australia, is one of the commodities business units that make up the important international diversified mining group, Xstrata plc. The operations and projects of Xstrata Copper are distributed among eight countries: Argentina, Australia, Canada, Chile, United States, Philippines, Papua New Guinea, and Peru. Its operations are administered by five independent divisions, established near those mining operations: Queensland Norte, Minera Alumbrera, North Chile, Southern Peru, and Canada. Xstrata Copper also owns a recycling business (Xstrata Recycling) with plants in the United States and offices in Canada and Asia.

Xstrata Copper is the fourth largest producer of copper in the world. In 2008 it produced 952,000 metric tons of copper in cathodes and concentrates that was attributable to extracted copper.