



MEDIA RELEASE

ANTAMINA APPROVES US\$1.3 BILLION EXPANSION

Zug, 05 January 2009

Xstrata plc announces that the Board of Compañía Minera Antamina has approved an investment of US\$1.3 billion to expand ore processing capacity at its mine site by 38% to 130,000 tonnes per day.

Xstrata holds a 33.75% interest in the company, which operates the Antamina copper-zinc mine in Peru's Ancash Region, and is represented on its Board and Executive Committee.

In November 2008, Antamina announced a 77% increase to Mineral Reserves to 745 million tonnes following an intensive in pit exploration program. This significant increase to Mineral Reserves was incorporated into the expansion feasibility study, enabling Antamina to approve this expansion to processing capacity and extend the mine life by six years to 2029.

Xstrata Copper Chief Executive Charlie Sartain commented: "This is the third brownfield expansion of an operation involving Xstrata Copper that has been approved in recent months, following the announcements to construct Lomas Bayas II in October and Ernest Henry underground earlier in December. These three projects provide a firm foundation for Xstrata Copper to implement its business strategy to grow production by 60% to 1.5 million tonnes in 2015."

Xstrata Zinc Chief Executive Santiago Zaldumbide said: "The zinc production coming from Antamina reinforces the position of Xstrata Zinc as the largest integrated zinc producer in the world."

The expansion will require the acquisition of new mining equipment, an expansion to the truck workshop and concentrator plant, the construction of a new 55 kilometre electric power transmission line, and enhancements to the current water management and tailings storage systems.

The expansion will create 2,726 jobs in the construction phase and 500 additional permanent positions. Construction will commence in the first quarter of 2010 and the project is scheduled to be commissioned in the fourth quarter of 2012.

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ABOUT XSTRATA

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 ANTAMINA

The Antamina open pit operation is located in north-central Peru's Ancash Region and is operated by the joint venture company, Compañía Minera Antamina SA. The joint venture partners are Xstrata (33.75%), BHP Billiton (33.75%), Teck Resources (22.5%) and Mitsubishi Corporation (10%). Xstrata is represented on Antamina's Board and Executive Committee.

In 2008, Antamina produced 370,000 tonnes of copper and 403,000 tonnes of zinc in concentrate.