



NEWS RELEASE

NEW GOLD NOTIFICATION IN RESPECT OF EL MORRO

Santiago, 7 January 2010

Xstrata Copper confirms that its subsidiary, Xstrata Copper Chile SA, has today received notification from New Gold Inc. ("New Gold") of New Gold's intention to exercise its right of first refusal to acquire Xstrata Copper's 70% interest in the El Morro copper-gold project in Chile.

On 12 October 2009, Xstrata Copper announced a formal sale agreement with Barrick Gold Corporation. Under this agreement, Barrick Gold agreed to acquire Xstrata's 70% interest in El Morro SCM, the holder of the El Morro project, and associated rights and assets, for a total cash consideration of \$465 million, subject to several conditions.

Xstrata Copper will review the notice given by New Gold. A further announcement will be made in due course.

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 operations and 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 Alumbreira, 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.

In Chile, Xstrata Copper's North Chile Division is headquartered out of the city of Antofagasta and manages the Lomas Bayas open pit copper mine and Altonorte Metallurgical Complex, both in Antofagasta Region, and Xstrata Copper's 44% interest in the Collahuasi open pit copper mine in Tarapacá Region. Xstrata Copper is also developing the Energía Austral hydropower project in Aysén Region in southern Chile.

Xstrata Copper is the fourth largest global copper producer with annual attributable production capacity of nearly one million tonnes.

About El Morro

The El Morro copper-gold project is located 4,000 metres above sea level in the district of Alto del Carmen, in the Atacama region of north-central Chile. Xstrata Copper acquired El Morro project in August 2006 as part of the Xstrata Group's acquisition of Canadian miner Falconbridge. In December 2007 Xstrata completed a Feasibility Study on El Morro and in November 2008 submitted for approval to the Chilean authorities the project's Environmental and Social Impact Assessment (ESIA). The ESIA is still under evaluation by the Chilean authorities.

The partners in El Morro SCM are Xstrata Copper (70%) and New Gold subsidiary Datawaves Sciences Inc.