



## NEWS RELEASE

# **XSTRATA COPPER ANNOUNCES MINERAL RESOURCE UPDATE FOR THE FRIEDA RIVER COPPER-GOLD PROJECT IN PAPUA NEW GUINEA**

Brisbane, 22 January 2010

Xstrata Copper announces a revised Mineral Resource estimate for the Horse-Ivaal-Trukai (HIT) deposit at the Frieda River copper-gold project in Papua New Guinea. The resource estimate includes significantly increased inventory and improved confidence levels, including a 26% increase in resource tonnage. Measured Resources have been reported for the first time and Measured and Indicated tonnes now total 40% of the increased resource inventory.

The new HIT resource estimate indicates a Measured, Indicated and Inferred Resource of over 1 billion tonnes at 0.53% copper, 0.29 g/t gold and 0.8g/t silver, using a cut-off grade of 0.3% copper.

Xstrata Copper Executive General Manager Project Evaluation, Peter Forrestal, said that the latest results confirmed Frieda River as potentially a very significant copper-gold producer in the Asia-Pacific region.

"Since assuming management control of the Frieda River Project in January 2007, Xstrata Copper has conducted an aggressive evaluation programme, completing 65,000 metres of drilling as part of scoping and pre-feasibility studies. The increased scale of and confidence in the resource indicated by this revised estimate for the Horse-Ivaal-Trukai deposit underlines the success of this approach.

"Our current focus is to conduct various technical studies to support a pre-feasibility study which is scheduled for completion in the third quarter of 2010. Stakeholder engagement and environmental studies are also under way.

"We are committed to moving forward with the Frieda River project in genuine partnership with our joint venture partners Highlands Pacific Limited and OMRD, the project's host communities and district, provincial and national governments," said Mr Forrestal.

**Table 1 Horse-Ivaal-Trukai Mineral Resources\* as of 23 December 2009**

Resource Class	Mt	Cu (%)	Au (g/t)	Ag (g/t)
Measured	30	0.60	0.32	0.7
Indicated	390	0.57	0.33	0.8
Inferred	640	0.51	0.26	0.8
<b>Total</b>	<b>1,060</b>	<b>0.53</b>	<b>0.29</b>	<b>0.8</b>

\* Horse-Ivaal-Trukai is a copper-gold porphyry deposit. The Mineral Resource estimate is reported above a 0.3% copper cut-off and is shown on 100% ownership basis as of 23 December 2009. The figures are constrained by topography and an economic pit calculated with Measured, Indicated and Inferred Resources. Numbers may not be exact as they are rounded for tabulation.

The information in this press release that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Raul Roco, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Roco is a fulltime employee of the company. Mr. Roco has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Roco consents to the inclusion in the press release of the matters based on his information in the form and context in which it appears.

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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.

#### **FRIEDA RIVER PROJECT**

The Frieda River copper-gold project is located on the border of the Sandaun and East Sepik provinces in Papua New Guinea (PNG), about 200 kilometres from the coast and 70 kilometres from the navigable Sepik River. It is a joint venture between Xstrata Frieda River Limited (76.30%), Highlands Frieda Ltd (16.95%) and OMRD Frieda Co Ltd (6.75%). The project is managed by Xstrata Copper and is currently in the pre-feasibility study stage, due for completion in the third quarter of 2010.