



NEWS RELEASE

XSTRATA COPPER COMPLETES THE SALE OF 70% INTEREST IN EL MORRO TO NEW GOLD

Santiago, 16 February 2010

Xstrata Copper announces that its subsidiary Xstrata Copper Chile SA has today completed the sale of its 70% interest in El Morro SCM, the holder of the El Morro copper-gold project, and associated rights and assets to New Gold Inc. for a total cash consideration of US\$463 million. New Gold, through a subsidiary, currently holds 30% of El Morro SCM and, through a separate subsidiary, has completed the purchase of Xstrata Copper's 70% interest after exercising its right of first refusal.

Xstrata Copper will continue to have an active presence in Chile through its Lomas Bayas copper mine (which recently commenced construction on a project to extend its life to 2020), the Altonorte Metallurgical Complex, a 44% interest in the Collahuasi joint venture and the Energía Austral hydropower plant project.

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 Alumbraera, 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 2009 of 907,000 tonnes of copper in cathodes and concentrates. The company is also one of the world's largest producers of smelter and refined copper, including from third party materials.

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 its interest in the El Morro project in August 2006 as part of the Xstrata Group's acquisition of Canadian miner Falconbridge. In March 2008 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.

Prior to the divestment announced today, the partners in El Morro SCM were Xstrata Copper Chile SA (70%) and Datawaves Sciences Inc, a subsidiary of New Gold Inc (30%).