



NEWS RELEASE

**COLLECTIVE AGREEMENT RATIFIED BETWEEN XSTRATA NICKEL
SUDBURY OPERATIONS AND UNITED STEELWORKERS WORKERS
LOCAL 2020**

Sudbury, Ontario - March 2, 2010

Xstrata Nickel is pleased to announce that it has successfully renewed a three-year Collective Agreement with the United Steelworkers Union, Local 2020, representing Xstrata Nickel's Sudbury office, clerical and technical employees.

Negotiations began in mid-January and the Agreement was ratified by Union membership on Tuesday evening.

Highlights of the Agreement include competitive wage and benefit adjustments, a Continuity Allowance and a revised Nickel Bonus formula. Also included was a new employee incentive program tied to the performance of Sudbury Operations and Xstrata Process Support, the Company's research and development facility located in Falconbridge. It also includes a commitment from the Union to work with the Company on addressing pension cost challenges longer term.

Xstrata Nickel's plans to reactivate copper mining at the Fraser Mine will enable the recall of 12 workers previously affected by the restructuring of Sudbury Operations in 2009. A six-month transition protocol was agreed to as part of this initiative.

"We are very pleased our office, clerical and technical employees have shown their strong support for the Agreement," said Marc Boissonneault, Vice-President, Sudbury Operations. "With the successful conclusion of negotiations with both the United Steelworks Union Local 2020 and our production and maintenance employees represented by the Canadian Auto Workers Sudbury Mine, Mill and Smelter Workers Union Local 598, we will focus on our operation's future. This includes the transitioning of Nickel Rim South to full operation, the ramp up production at our Fraser Copper Mine and making enhancements at our Strathcona Mill and Sudbury Smelter to improve the performance of these plants."

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Editors Notes

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.

Xstrata Nickel

Xstrata Nickel, headquartered in Toronto, Canada, is one of Xstrata Group's global commodity businesses. Xstrata Nickel's operations include mines and processing facilities in Canada, the Dominican Republic and Australia, and a refinery in Norway. Xstrata Nickel has a promising portfolio of growth projects in Canada, New Caledonia, Tanzania and Brazil. Xstrata Nickel is the world's fifth largest nickel producer, with annual managed production of more than 107,000 tonnes of refined nickel.

Xstrata Nickel's Sudbury Operations

Xstrata Nickel's Sudbury Operations consist of the Nickel Rim South project, a mill and a smelter. The facilities are spread throughout the 60 kilometre, oval-shaped geological formation known as the Sudbury Basin. Nickel and copper are the primary metals but cobalt and precious metals such as platinum are also produced.