



PRODUCTION REPORT FOR SIX MONTHS ENDED 30 JUNE 2010

Zug, 27 July 2010

Highlights:

- Production volumes increased for ferrochrome, PGMs, Australian coking and semi-soft coal, refined nickel, zinc in concentrate and lead in concentrate compared to the first half of 2009
- Ferrochrome production rose by 149% in response to improved market conditions. The third quarter ferrochrome benchmark price was settled at \$1.30 per pound
- Australian coking coal production was 73% higher following the resumption of longwall operations at Oaky No. 1 in August 2009 and increased productivity at Oaky North. Semi-soft production increased by 50% at the expense of thermal coal volumes to take advantage of higher market prices
- During the first half, Xstrata Coal commissioned the underground Blakefield South mine in Australia that will replace Beltana and is ramping up to reach full capacity in the third quarter of 2010 and continued the ramp of the recently completed Goedgevonden greenfield open cut operation in South Africa, to its capacity of 12 million ROM tonnes per annum (100%)
- Xstrata's share of Collahuasi's copper production increased by 8% to 117,363 tonnes, due to improved mill throughput, ore grades and metallurgical recoveries. Higher copper grades improved production at Kidd Mine
- Total refined nickel increased by 8% as the integrated nickel operations maximised capacity through processing all of Xstrata Nickel Australasia's feed. In April, Nickel Rim South commenced full mine operation and is on track to reach full capacity of 18,000 tonnes of nickel in concentrate per annum in 2011
- The ongoing transformation of Xstrata Zinc through expansions and productivity improvements at the Australian operations contributed to a 6% increase in production of zinc in concentrate. Zinc metal and lead metal volumes increased with all smelters operating at full capacity.

Xstrata Alloys

Ferrochrome production rebounded strongly to 608,000 tonnes in the first half of 2010 in response to rising demand, increasing 149% over the same period in 2009. Ferrochrome producers achieved a 35% increase in the benchmark price from \$1.01 per pound in the first quarter to \$1.36 per pound in the second quarter, set against the continued strengthening of the rand against the US dollar and electricity price increases in South Africa. The third quarter benchmark price has been settled at a slightly reduced level of \$1.30 per pound.

Compared to the first six months of 2009, ferrovanadium production volumes increased by 66% to 2,186,000 kg in response to improving demand.

PGM volumes were 2% higher than the same period in 2009, mainly as a result of increased production at the Mototolo joint venture. The development of Eland's western decline shaft is progressing according to plan and the eastern decline development commenced in the second quarter of the year. Production from underground operations is projected to double current production levels to reach some 250,000 tonnes per month by 2013, with steady state capacity of 500,000 tonnes per month being achieved during 2015.

Ferrochrome

	Six months to 30.06.10	Six months to 30.06.09	Year ended 31.12.09
Attributable* saleable production (kt)	608	244	786
Indicative average published price (c/lb) (Metal Bulletin)	118.5	74.0	85.0
* Reflects Xstrata's 79.5% share of the Xstrata-Merafe Chrome Venture			

Vanadium

	Six months to 30.06.10	Six months to 30.06.09	Year ended 31.12.09
Consolidated* saleable production			
Ferrovanadium (k kg)	2,186	1,313	2,284
Vanadium pentoxide (k lb)	10,707	7,039	11,492
Indicative average published price ferrovanadium (\$/kg V) (Metal Bulletin)	30.7	22.5	25.0
Indicative average published price vanadium pentoxide (\$/lb) (Metal Bulletin)	7.0	5.2	6.0
* Consolidated 100%			

Platinum

	Six months to 30.06.10	Six months to 30.06.09	Year ended 31.12.09
Consolidated** saleable production (oz)			
Platinum	63,937	63,508	132,969
Palladium	32,882	31,723	67,435
Rhodium	10,759	9,801	21,182
Average (London Platinum and Palladium Market) Platinum price (\$/oz)	1,597	1,098	1,205
Average (London Platinum and Palladium Market) Palladium price (\$/oz)	468	217	264
Average (Johnson Matthey) Rhodium price (\$/oz)	2,635	1,290	1,559
** Consolidated 100% of Eland and 50% of Mototolo			

Xstrata Coal

Xstrata Coal's consolidated production for the six months to June 2010 was at a similar level to the corresponding period of 2009. Australian coking coal production increased by 73% or 1.6 million tonnes due to the inclusion of longwall operations at Oaky No.1, which had not been fully operational in the previous period and increased productivity at Oaky North.

Australian thermal coal production, including semi-soft, was in line with the first half of 2009. Semi-soft production in New South Wales increased by 50% or 1.3 million tonnes to take advantage of higher prices. This was offset by a loss of around 2 million tonnes of thermal coal (100% basis) due to flooding at Rolleston during the cyclone season.

South African production was 16% lower than in 2009, mainly as a result of the planned shutdown of the Southstock Opencut in the second half of 2009 having reached the end of its reserves and industrial action at Tavistock and logistics provider, Transnet. In addition, unusually high rainfall reduced volumes during the ramp up phase of the new Goedgevonden mine and at ATCOM East, which was transferred into Xstrata's operations in December 2009 following the restructuring of the Douglas Tavistock joint venture.

Thermal production from the Cerrejón joint venture in Colombia was at a similar level to the corresponding period in 2009.

The Prodeco operations in Colombia produced a total of 3.3 million tonnes in the period from 1 January to 13 April. Under the terms of the Option Agreement with Glencore, Xstrata is entitled to earnings from Prodeco up to 13 April 2010. Production from Prodeco has been excluded from all reported production in this report.

(million tonnes)	Six months to 30.06.10	Six months to 30.06.09	Year ended 31.12.09
Total consolidated production**	38.6	38.8	84.7
Total thermal coal	30.9	34.0	72.1
Australian thermal	17.4	18.8	41.1
South African thermal*	8.2	9.8	20.8
Americas thermal**	5.3	5.4	10.2
Total coking coal (Australia)	3.8	2.2	6.4
Total semi-soft coking (Australia)	3.9	2.6	6.2
Average received export FOB coal price (\$/t)			
Australian thermal	80.3	89.2	80.3
South African thermal	69.9	69.8	68.1
Americas thermal	68.5	77.2	73.5
Australian coking	193.7	142.6	145.0
Australian semi-soft coking	123.1	169.8	122.5
<p>* For production reporting DTJV is included for the full year ended 31 December 2009. For financial reporting DTJV was excluded from Xstrata Coal ex-mine results from 3 March 2008 to 1 July 2009 due to the DTJV re-structuring</p> <p>For production reporting Mpumalanga is included for the first six months of 2010. For financial reporting Mpumalanga will be excluded from Xstrata Coal's ex-mine results for first six months of 2010 as it is classified as an Asset Held for Sale</p>			
<p>** Excludes 3.3 mt to 13 April 2010 from Prodeco operations (5.0 mt to 30 June 2009 and 10.5mt to 31 December 2009)</p>			

Xstrata Copper

Total mined copper production decreased by 3% in the first half of 2010 compared to the corresponding period in 2009. Lower production was mainly due to reduced volumes at Mount Isa and Ernest Henry as a result of lower grades and at Antamina, where higher mill throughput and recoveries only partially compensated for lower copper ore grades. To a lesser extent, production was also impacted by lower mining rates and recoveries at Lomas Bayas and reduced grades at Tintaya as a result of processing stockpiled ore.

At Collahuasi, Xstrata's share of production increased by 8% to 117,363 tonnes, due to improved mill throughput, ore grades and metallurgical recoveries, more than offsetting an illegal contractors strike that impacted production for nine days in May. Production improved at Kidd Mine as a result of higher copper grades and because of seismic events impacting output in the first six months of 2009.

Total gold production decreased by 21% due to declining gold ore grades at Alumbraera, Ernest Henry and Tintaya.

Total mined and third party cathode production rose by 3% compared to the same period of 2009, when volumes were impacted by a record wet season in North Queensland and the global slump in sulphuric acid demand impacted refined copper production.

	Six months to 30.06.10	Six months to 30.06.09	Year ended 31.12.09
Argentina – Alumbraera*			
Material mined (t)	44,032,190	44,064,458	88,199,734
Ore mined (t)	13,864,795	13,679,496	29,303,980
Copper head grade (%)	0.49	0.49	0.46
Gold head grade (g/t)	0.47	0.56	0.49
Ore milled (t)	18,831,179	18,918,910	37,533,923
Concentrate produced (t)	291,532	293,944	550,943
Copper in concentrate (t)	76,502	76,465	143,084
Gold in concentrate (oz)	174,826	215,489	366,368
Gold in doré (oz)	26,968	35,500	55,628
Total gold (oz)	201,794	250,989	421,996
Australia - Ernest Henry			
Material mined (t)	17,473,949	9,617,512	24,784,595
Ore mined (t)	5,055,591	954,372	2,673,307
Copper head grade (%)	0.40	1.16	0.75
Gold head grade (g/t)	0.19	0.61	0.38
Ore milled (t)	4,321,312	3,698,789	8,020,446
Concentrate produced (t)	57,726	74,356	127,708
Copper in concentrate (t)	16,162	20,651	35,562
Gold in concentrate (oz)	19,540	27,056	45,227
Australia - Mount Isa			
Ore mined (t)	2,972,672	2,955,597	5,980,268
Copper head grade (%)	2.67	3.02	2.95
Ore milled (t)	2,948,297	2,985,404	6,028,600
Concentrate produced from ore (t)	288,348	316,817	627,117
Copper in concentrate from ore (t)	71,928	82,231	161,947
Anode copper (t)	89,688	111,130	214,350
Copper cathode (t)	138,770	131,057	277,320

	Six months to 30.06.10	Six months to 30.06.09	Year ended 31.12.09
Canada - Kidd Creek mine copper			
Ore mined (t)	1,162,493	1,080,426	2,273,366
Copper head grade (%)	2.20	1.99	2.02
Ore milled (t)	1,182,284	1,209,955	2,386,920
Concentrate produced (t)	87,292	82,752	160,714
Copper in concentrate (t)	24,377	22,248	43,620
Copper cathode (t)	37,973	32,201	54,060
Canada – Horne			
Concentrate treated (t)	372,551	305,835	694,900
Anode copper (t)	91,243	65,793	163,700
Canada - CCR Refinery			
Copper cathode (t)	139,306	138,845	278,196
Chile – Collahuasi**			
Material mined (t)	47,228,915	35,895,940	74,870,120
Ore mined (t)	20,777,992	12,650,365	31,327,040
Copper head grade (%)	1.14	1.08	1.21
Ore milled (t)	10,741,537	9,753,196	19,953,234
Concentrate produced (t)	417,900	368,125	808,689
Copper in concentrate (t)	108,614	99,520	216,800
Copper cathode (t)	8,749	9,551	18,977
Chile - Lomas Bayas			
Material mined (t)	27,285,467	28,056,245	54,374,956
ROM leach (t)	17,330,487	20,234,501	37,644,524
ROM copper grade (%)	0.26	0.28	0.28
Heap leach (t)	6,883,147	6,498,747	13,353,301
Heap leach copper grade (%)	0.40	0.42	0.41
Copper cathode (t)	34,620	36,180	73,043
Chile – Altonorte			
Concentrate treated (t)	452,168	442,346	915,049
Anode copper (t)	123,794	113,084	268,014
Peru - Antamina Copper***			
Material mined (t)	19,142,721	19,049,069	38,305,341
Ore mined (t)	5,481,580	6,437,680	12,816,021
Copper head grade (%)	1.01	1.20	1.16
Ore milled (t)	6,115,040	5,497,928	11,331,118
Copper concentrate produced (t)	167,173	187,700	369,045
Copper in concentrate (t)	49,475	53,978	106,671
Peru – Tintaya			
Material mined (t)	43,482,097	40,511,265	82,314,762
Ore mined (t)	1,540,643	3,389,118	8,914,259
Ore milled (t)	3,539,607	3,353,675	6,991,682
Copper grade in ore milled (%)	1.13	1.22	1.39
Gold grade in ore milled (g/t)	0.19	0.24	0.25
Concentrate produced (t)	107,523	105,507	264,971
Copper in concentrate (t)	31,965	33,570	81,739
Gold in concentrate (oz)	12,872	16,814	35,745
Copper cathode (t)	11,755	13,115	25,454
Total mined copper production (t) (contained metal)	434,147	447,509	906,898
Total mined gold production (oz) (contained metal)	234,206	294,859	502,967
Total copper cathode (from own and third party material) (t)	371,173	360,950	727,050
Average LME copper cash price (\$/t)	7,130	4,046	5,150
Average LBM gold price (\$/oz)	1,152	915	973
* 100% consolidated figures			
** Including Xstrata Copper's pro-rata share of Collahuasi (44%)			
*** Including Xstrata Copper's pro-rata share of Antamina (33.75%)			

Xstrata Nickel

Total refined nickel production in the first half of 2010 rose to 45,458 tonnes, 8% higher than the same period last year. Improved volumes were achieved by processing internally all of the feed from Xstrata Nickel Australasia (XNA) to maximise downstream utilisation at the integrated nickel operations. At the end of the first half of 2010, the Nikkelverk refinery successfully completed its first twelve months of production at an increased annualised capacity rate of 92,000 tonnes, following low-cost debottlenecking and capacity enhancing initiatives in 2009.

Total mined nickel production decreased marginally compared to the first half of 2009, as the ramp up of the new Nickel Rim South mine in Sudbury substantially offset reduced production following the restructuring of the Sudbury assets, the closure of Montcalm and marginally lower production from Raglan and XNA in the first half of 2009.

Total ore mined and head grade from the Sudbury mines increased by 91% and 48% respectively, reflecting higher grade, polymetallic production from Nickel Rim South, which commenced full mine operations in April. The operation is on track to reach full capacity of 18,000 million tonnes of nickel in concentrate in 2011.

Raglan total ore mined and nickel head grade fell slightly by 3% and 2%, respectively, in the first half of 2010 due to a planned transition to new ore zones. At XNA, nickel in concentrate production fell by 9% as a result of the deferral of the Sinclair underground development in April 2009 due to market conditions. The underground development at Sinclair recommenced in April 2010 and production is on track to commence in the fourth quarter of this year.

Total mined copper production increased by 54% compared to the first six months of 2009 as a result of increased volumes and head grade from the polymetallic Nickel Rim South operation and the commencement of copper mining at Sudbury's Fraser mine in April 2010.

The Falcondo ferronickel operation in the Dominican Republic remained on care and maintenance for the period.

	Six months to 30.06.10	Six months to 30.06.09	Year ended 31.12.09
North America – Sudbury Operations – Mine/Mill			
Ore mined (t)	500,787	262,496	715,629
Nickel head grade (%)	1.69	1.14	1.31
Copper head grade (%)	2.88	1.57	2.08
Ore treated (t)	573,208	510,878	1,099,817
Nickel in concentrate from own mines (t)	7,274	4,109	9,151
Nickel in concentrate from third parties (t)	723	700	2,258
Copper in concentrate from own mines and third parties (t)	15,368	8,534	21,361
Cobalt in concentrate from own mines and third parties (t)	159	137	277
North America – Sudbury Operations – Smelter			
Nickel in matte from own mines (t)	27,279	24,658	51,659
Nickel in matte from third parties (t)	5,851	6,784	14,230
Copper in matte from own mines and third parties (t)	10,349	8,408	18,560
Cobalt in matte from own mines and third parties (t)	1,207	1,181	2,476
North America – Montcalm			
Ore mined (t)	-	208,681	208,681
Nickel head grade (%)	-	1.02	1.02
Copper head grade (%)	-	0.61	0.61
Ore treated (t)	-	226,399	226,399
Nickel in concentrate (t)	-	1,961	1,961
Copper in concentrate (t)	-	131	1,179
Cobalt in concentrate (t)	-	73	73
North America – Raglan			
Ore mined (t)	682,619	701,809	1,465,788
Nickel head grade (%)	2.40	2.46	2.56
Copper head grade (%)	0.67	0.66	0.68
Ore treated (t)	662,696	683,034	1,310,657
Nickel in concentrate (t)	13,632	14,700	29,262
Copper in concentrate (t)	3,514	3,644	7,188
Cobalt in concentrate (t)	276	304	586
Australia – XNA			
Ore mined (t)	216,833	304,440	567,469
Nickel head grade (%)	3.77	3.72	3.51
Ore treated (t)	222,422	296,516	648,481
Nickel in concentrate (t)	7,054	7,734	16,678
Copper in concentrate (t)	302	558	928
Cobalt in concentrate (t)	106	272	459
Europe – Nikkelverk			
Nickel metal (t)	45,458	41,972	88,577
Copper metal (t)	17,697	16,279	33,881
Cobalt metal (t)	1,580	1,609	3,510
Total mined nickel production (t) (contained metal)	27,960	28,505	57,052
Total mined copper production (t) (contained metal)	18,264	11,870	25,428
Total mined cobalt production (t) (contained metal)	520	765	1,326
Total refined nickel production (t) (payable metal)	45,458	41,972	88,577
Average LME nickel cash price (\$/t)	21,212	11,690	14,712
Average LME copper cash price (\$/t)	7,130	4,046	5,150
Average Metal Bulletin cobalt low grade price (\$/lb)	18.83	12.95	15.17

Xstrata Zinc

Zinc in concentrate production increased by 6% in the first half of 2010 compared to the same period in 2009 mainly as a result of the ongoing transformation of the business through expansions and productivity improvements at the Mount Isa and McArthur River operations. Xstrata's zinc and lead smelters produced at full capacity during the period, increasing zinc and lead metal volumes by 1% compared to the prior period, despite production at Kidd Creek zinc smelter's being 17% lower due to its permanent closure in May 2010.

Lead in concentrate production increased by 10% during the first half of 2010 as a consequence of higher production from the Australian operations.

	Six months to 30.06.10	Six months to 30.06.09	Year ended 31.12.09
Australia – Mount Isa			
Ore mined (t)	4,043,327	3,168,683	7,321,971
Zinc head grade (%)	5.5	6.2	6.0
Lead head grade (%)	2.8	2.9	2.9
Silver head grade (g/t)	54.8	60.2	59.1
Ore treated (t)	3,990,961	3,476,765	7,424,153
Zinc in concentrate (t)	168,148	154,376	324,164
Lead in concentrate (t)	72,640	58,966	126,227
Lead in lead/silver bullion (t)	73,972	71,737	146,099
Lead in purchased concentrate smelted(t)	7,988	13,494	20,166
Silver in crude lead (k oz)	3,791	4,274	7,792
Silver in purchased concentrate smelted (k oz)	1,204	2,056	2,999
Australia – McArthur River			
Ore mined (t)	1,062,308	872,383	2,092,179
Zinc head grade (%)	11.2	9.7	10.3
Lead head grade (%)	4.3	4.3	4.5
Ore treated (t)	1,088,886	946,390	2,170,895
Zinc in concentrate (t)	88,459	69,165	166,467
Lead in concentrate (t)	14,561	15,898	37,093
Silver in concentrate (k oz)	641	596	1,465
Europe – San Juan de Nieva			
Zinc metal (t)	253,287	243,608	500,776
Europe – Nordenham			
Zinc metal (t)	70,091	69,877	146,634
Europe – Northfleet			
Mount Isa sourced lead (t)	78,927	76,312	157,865
Other lead (t)	55	-	-
Total lead (t)	78,982	76,312	157,865
Mount Isa refined silver (k oz)	3,762	4,405	8,758
Total silver (k oz)	3,762	4,405	8,758

	Six months to 30.06.10	Six months to 30.06.09	Year ended 31.12.09
North America – Brunswick mine			
Ore mined (t)	1,655,328	1,745,616	3,322,565
Zinc head grade (%)	8.3	8.8	8.6
Lead head grade (%)	3.3	3.4	3.3
Silver head grade (g/t)	101	102.2	101
Ore treated (t)	1,658,567	1,721,549	3,321,219
Zinc in zinc concentrate (t)	110,092	122,296	232,709
Zinc in bulk concentrate (t)	11,281	10,887	19,707
Lead in bulk concentrate (t)	7,361	7,912	13,824
Lead in lead concentrate (t)	26,509	27,311	52,638
Lead in lead concentrate to smelter (t)	25,637	27,535	51,977
Lead in other feeds to smelter (t)	15,091	17,972	20,118
Total refined lead (t)	44,224	45,507	83,620
Silver in bulk concentrate (k oz)	514	524	959
Silver in lead concentrate to smelter (k oz)	1,376	1,319	2,480
Silver in other feeds to smelter (k oz)	3,360	2,137	6,026
Total silver in doré (k oz)	6,568	4,343	9,075
Copper in concentrate (t)	4,514	3,599	7,153
North America – CEZ refinery *			
Zinc metal (t)	35,250	31,985	65,105
North America – Perseverance			
Ore mined (t)	563,893	524,764	1,010,598
Zinc head grade (%)	13.9	14.66	14.4
Ore treated (t)	534,653	515,055	1,023,699
Zinc in concentrate (t)	68,982	69,255	135,708
Copper in concentrate (t)	5,233	4,318	8,607
North America-Kidd Creek			
Zinc metal (t)	46,243	55,783	112,693
Peru - Antamina Zinc**			
Ore mined (t)	5,481,580	6,437,680	12,816,021
Zinc head grade (%)	2.6	2.9	3.0
Ore treated (t)	6,115,040	5,497,942	11,331,118
Zinc in concentrate (t)	74,601	67,829	154,000
Total zinc in concentrate production (t)	521,563	493,808	1,032,755
Total zinc metal production (t)	404,871	401,253	825,208
Total lead in concentrate production (t)	121,071	110,086	229,782
Total lead metal production (t)	123,206	121,819	241,485
Average LME zinc price(US\$/t)	2,155	1,322	1,659
Average LME lead price (US\$/t)	2,084	1,332	1,726
* Xstrata Zinc's pro-rata share of CEZ production (25%)			
** Xstrata Zinc's pro-rata share of Antamina production (33.75%)			

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 additional exposures to platinum group metals, 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 18 countries: Argentina, Australia, Brazil, Canada, Chile, Colombia, the Dominican Republic, Germany, New Caledonia, Norway, Papua New Guinea, Peru, the Philippines, South Africa, Spain, Tanzania, the USA and the UK.