



NEWS RELEASE

Zug, 4 May 2011

INTERIM MANAGEMENT STATEMENT AND 2011 Q1 PRODUCTION REPORT

Highlights

- Impact of newly commissioned mines and restarted capacity increased coal, nickel and ferrochrome production compared to the same period in 2010:
 - Commencement of production at the new Mangoola thermal coal operation in Australia ahead of schedule and within budget led to 3% increase in total consolidated coal production[†]
 - 6% increase in nickel production from the restart of the Falcondo ferronickel operation at 50% capacity
 - 4% increase in ferrochrome production as smelters operated at 91% of total capacity
- Adverse weather conditions including flooding in Queensland and Western Australia, tropical cyclone Yasi and heavy rainfall in South Africa, Colombia and other parts of South America impacted production during the period
- Mined copper production was 6% lower at Xstrata Copper compared to the corresponding period in 2010, due to severe weather conditions at Collahuasi (Chile) and a geotechnical event at Alumbrera (Argentina)
- Willy Strothotte, Chairman, Xstrata plc, will retire from the Board as Chairman and non-executive director at the conclusion of the Annual General Meeting on 4 May 2011
- Sir John Bond joined the Xstrata plc Board as a consultant on 7 March 2011 and will be appointed Chairman from the conclusion of the AGM, subject to shareholder election. Sir John is currently Chairman of Vodafone Group Plc and will step down from the Vodafone Board on 26 July 2011
- In February, Xstrata Copper completed the construction of the magnetite base plant at Ernest Henry Mining (EHM), an initial component of the AUD589 million (\$542 million) project to transform EHM into a major underground copper-gold operation. The first shipment of magnetite concentrate is scheduled for the second quarter of 2011
- In February, Xstrata exercised its call option to acquire a 50% plus one share controlling interest in Jumelles Limited, a subsidiary of AIM-listed Zanaga Iron Ore Company. Jumelles, through its subsidiary, MPD Congo, owns the Zanaga iron ore project in the Republic of Congo
- Xstrata Coal settled the majority of annually priced thermal coal contracts with Japanese customers at prices just below \$130 per tonne, representing a 33% increase over the prior Japanese fiscal year contract price
- Quarterly prime hard coking coal contract prices for the second quarter 2011 have been agreed at \$330 per tonne

- In March, Xstrata Coal's proposed 30 million tonnes per annum* Wandoan thermal coal Project in Queensland's Surat Basin received conditional environmental approval from the Australian Government
- In March, Xstrata Copper and Goldcorp Inc. entered into a Letter of Intent with Yamana Gold Inc., granting Minera Alumbra an exclusive option in respect of Yamana's 100% interest in the Agua Rica copper gold project in Catamarca province in northwest Argentina
- Peru's authorities announced approval of the Environmental and Social Impact Study for the \$4.2 billion Las Bambas copper project in southern Peru in March, where construction is on track to commence in the third quarter of 2011
- In March the Collahuasi board approved a \$210 million investment to expand concentrator throughput capacity to 160,000 tonnes per day to be commissioned in the first half of 2013
- Xstrata Zinc acquired the remaining 25% interest in the Lady Loretta joint venture held by Cape Lambert Lady Loretta Pty Ltd for AUD30 million (\$30 million)
- In March, Xstrata Zinc announced a proposed integrated development plan involving its smelters to increase capacity and secure the future of McArthur River Mine in the Northern Territory, Australia
- During the first quarter, significant increased mineral resource estimates were announced at the Frieda River copper project in Papua New Guinea and the Antamina copper and zinc mine in Peru

In the period from 1 January 2011, Xstrata's operating and financial performance continues to be strong and the company's financial position remains robust. Xstrata plc will announce half-yearly results for the period from 1 January to 30 June 2011 on 2 August 2011.

† Excluding Prodeco operations sold in March 2010

*Run of mine production

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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. Headquartered in Zug, Switzerland, Xstrata maintains a meaningful position in seven major international commodity markets: copper, coking coal, thermal coal, ferrochrome, nickel, vanadium and zinc with additional exposure to gold, cobalt, lead and silver. The Xstrata Group also comprises a growing platinum group metals business, iron ore projects, recycling facilities and a suite of global technology products, many of which are industry leaders. The Group's operations and projects span 20 countries.

This Interim Management Statement has been prepared solely to provide additional information to shareholders as a body to meet the relevant requirements of the UK Listing Authority's Disclosure and Transparency Rules and should not be relied on by any other party or for any other purpose.

Q1 2011 PRODUCTION DATA

Xstrata Alloys

In response to stronger market demand, Xstrata Alloys produced 316,000 tonnes of ferrochrome, operating at 91% capacity, in the first quarter of 2011.

Ferrochrome producers achieved an 8% increase in the European benchmark price from \$1.25 per pound in the first quarter to \$1.35 per pound in the second quarter, offset by the strong rand compared to the US dollar and overall cost pressures that are at levels well above inflation.

Ferrovandium production volumes decreased by 10% compared to the same period in 2010, mainly as a result of the reduced availability of vanadium pentoxide for ferrovandium conversion due to a 53% increase in direct vanadium pentoxide sales compared to the first quarter of 2010.

PGM volumes were substantially lower than the first quarter of 2010 due to delays in the award of the section 102 mineral rights extension of the current Eland open pit operation. The mineral rights were awarded at the end of January 2011. The delay required the operation to mine lower grade oxidised ore, reducing concentrator throughput and recoveries. Production was also impacted by blasting restrictions placed on the eastern pit due to its close proximity to a national highway.

The development of both decline shafts at Eland is progressing well and initial production from the first operating level of the eastern decline, the Nyala shaft, is expected during the fourth quarter of 2011, following the completion of the first phase of the ore handling conveyor belt infrastructure. Production from Eland's underground operations will deliver around 250,000 tonnes per month by the end of 2013 and reach steady state capacity of 500,000 tonnes per month during the last quarter of 2015; with steady state annual platinum production reaching 300,000 ounces.

	Q1 2011	Q1 2010	Year ended 31.12.10
Ferrochrome			
Attributable* saleable production (kt)	316	305	1,165
Indicative average published price (US\$/lb) (<i>Metal Bulletin</i>)	125.0	101.0	124.3
* Reflects Xstrata's 79.5% share of the Xstrata-Merafe Chrome Venture			

	Q1 2011	Q1 2010	Year ended 31.12.10
Vanadium			
Consolidated* saleable production			
Ferrovanadium (k kg)	1,084	1,210	4,311
Vanadium pentoxide (k lb)	5,389	5,509	21,874
Indicative average published price ferrovandium (\$/kg) (<i>Metal Bulletin</i>)	30.8	29.0	30.1
Indicative average published price vanadium pentoxide (\$/lb) (<i>Metal Bulletin</i>)	7.0	6.7	6.9
* Consolidated 100%			

	Q1 2011	Q1 2010	Year ended 31.12.10
Platinum Group Metals			
Consolidated * saleable production (oz)			
Platinum	22,367	32,905	117,659
Palladium	11,443	16,601	59,584
Rhodium	3,620	5,395	19,602
Average prices (\$/oz)			
Average (London Platinum and Palladium Market) Platinum price	1,794	1,561	1,611
Average (London Platinum and Palladium Market) Palladium price	792	440	527
Average (Johnson Matthey) Rhodium price	2,436	2,568	2,406
* Consolidated 100% of Eland and 50% of Mototolo			

Xstrata Coal

Total consolidated production increased by 3% to 19.3 million tonnes in the first quarter of 2011, primarily due to increased thermal coal volumes from Australia following the commencement of production at the new Mangoola operation in New South Wales ahead of schedule and within budget.

Mining commenced at Mangoola in February and contributed to a 10% increase in Australian thermal coal production, including semi-soft compared to the first quarter of 2010. The full impact of new volumes was offset by severe flooding in Queensland which impacted Xstrata Coal's open cut operations. In New South Wales, production was impacted by the cessation of operations at the Blakefield South mine following an underground fire and interruptions to the Ulan longwall as a result of significant water in the underground operating area.

Semi-soft volumes were slightly lower than the comparable period in 2010, due to the planned closure of the United Colliery in New South Wales in February 2010. Coking coal production in the first quarter of 2011 was 0.5 million tonnes lower than the same period in 2010 due to the timing of longwall moves at the Oaky No. 1 mine in Queensland and Tahmoor in New South Wales.

South African thermal coal production was in line with the corresponding period in 2010, with the ramping up of Goedgevonden, which mostly offset the continued transition of the South African coal operations into large-scale, lower cost, primarily open cut complexes.

Cerrejón production remained consistent with the corresponding period in 2010.

	Q1 2011	Q1 2010	Year ended 31.12.10
Production Data			
Total consolidated production (million tonnes)	19.3	18.8*	79.9
Total thermal coal	16.1	14.8	65.6
Australian thermal	9.4	8.1	37.8
South African thermal**	4.1	4.2	17.7
Americas thermal*	2.6	2.5*	10.1
Total coking coal (Australia)	1.7	2.2	7.7
Total semi-soft coking coal (Australia)	1.5	1.8	6.6
Average received export FOB coal price (\$/t)			
Australian thermal	97.3	73.4	85.7
South African thermal**	96.8	73.9	74.4
Americas thermal*	97.6	69.1	72.6
Australian coking	236.5	166.9	204.3
Australian semi-soft coking	158.8	97.3	137.3
* Excludes the Prodeco operations which were sold on 4 March 2010. Prodeco contributed 2.9 million tonnes in Q1 2010			
** Mpumalanga is included in 2010 and 2011 production reporting. For financial reporting Mpumalanga will be excluded from Xstrata Coal's ex-mine revenue as it is classified as an Asset Held for Sale.			

Xstrata Copper

Total mined copper production was 6% lower in the first quarter of 2011 compared to the corresponding period last year, mainly due to challenging conditions at Collahuasi and Alumbra. Severe weather conditions at Collahuasi led to an adjustment to the mine plan which reduced mill throughput and decreased further already expected lower copper grades. A geotechnical event at Alumbra in the fourth quarter of 2010 temporarily restricted access to high grade zones of the pit, impacting head grades. These impacts were partially offset by a strong performance at Ernest Henry as the operation mined the final high grade ore zone of the open pit and increased production at Antamina due to higher copper ore mined and milled.

Total gold production increased by 6% primarily due to improved ore grades at Ernest Henry Mining, offsetting lower grades and recoveries at Alumbra.

Total mined and third party copper cathode production decreased by 19% compared to the first quarter of 2010 due to planned lower production as a result of the permanent closure of the Kidd metallurgical facility in May 2010 and a temporary plant shutdown at the Townsville refinery due to tropical cyclone Yasi in north Queensland in early February.

	Q1 2011	Q1 2010	Year ended 31.12.10
Production Data			
Total mined copper production (t) (contained metal in concentrates and cathodes)	209,935	222,971	913,469
Total mined gold production (oz) (contained metal)	132,136	124,635	524,791
Total copper cathode (t) (from mined and third party material)	156,136	193,235	715,499
Average LME copper price (\$/t)	9,651	7,243	7,536
Average LBM gold price (\$/oz)	1,385	1,106	1,225

Xstrata Nickel

Total nickel production in the first quarter of 2011 increased by 6% compared to the same period in 2010 as the 50% capacity restart of the Falcondo ferronickel operation in the Dominican Republic offset marginally lower refined nickel production from the Integrated Nickel Operations (INO).

Falcondo was successfully restarted in February and ramped up to 50% of its installed capacity by the end of March, producing 1,894 tonnes of nickel in ferronickel during the quarter. Falcondo is expected to run at an annualised rate of 14,000 tonnes of nickel in ferronickel. The project to convert the long-term energy source for Falcondo's process plant from oil to natural gas to enable the operation to reach 100% capacity is continuing in conjunction with the restart.

Total mined nickel production was slightly lower than the same period last year, as increased mining and milling throughput from INO was marginally offset by planned lower grades at Raglan and Cosmos mines.

Higher mined and milled volumes reflected nameplate capacity production from the Nickel Rim South mine in Sudbury, successful management of extreme cold weather conditions at the Raglan operation in northern Québec and a strong performance from Xstrata Nickel Australasia despite challenges associated with heavy rainfall and flooding in Western Australia. Overall grades were lower as Raglan's mine plan entered a period of expected lower grades, and the higher grade Prospero deposit, at Cosmos, approaches the end of its life.

Total mined copper production rose by 20% compared to the same period last year due to increased copper in concentrate from the polymetallic Nickel Rim South mine and improved volumes from the Fraser Copper mine.

Production Data	Q1 2011	Q1 2010	Year ended 31.12.10
Total mined nickel production (t) (contained metal) – INO	14,419	14,692	60,670
Total mined copper production (t) (contained metal) – INO	12,539	10,468	42,697
Total mined cobalt production (t) (contained metal) – INO	287	278	1,094
Total nickel production (t)	24,531	23,045	92,185
- Total refined nickel production (t)	22,637	23,045	92,185
- Total ferronickel production (t)	1,894	–	–
Average LME nickel price (\$/t)	26,899	19,953	21,809
Average LME copper price (\$/t)	9,651	7,243	7,536
Average Metal Bulletin cobalt low grade price (\$/lb)	17.86	19.28	17.91

Xstrata Zinc

Zinc in concentrate production decreased by 6% compared to the same period of 2010 mainly due to a planned reduction in volumes at Antamina where the mine plan progressed into higher copper but lower zinc ore. In addition, production at the Australian operations was impacted by flooding and power shortages caused by the severe weather in Queensland during the first quarter.

Zinc metal production was 14% lower than in the first quarter of 2010 as a result of the closure of the Kidd Metallurgical site in May 2010.

Lead in concentrate production decreased by 8% compared to the same period in 2010 due to the extreme weather conditions in Australia. The lower volumes resulted in a 16% decrease in lead metal production.

Production Data	Q1 2011	Q1 2010	Year ended 31.12.10
Total zinc in concentrate production (t)	240,749	255,913	1,022,252
Total zinc metal production (t)	182,357	212,256	765,867
Total lead in concentrate production (t)	53,764	58,692	235,616
Total lead metal production (t)	51,777	61,357	238,735
Average LME zinc price (\$/t)	2,394	2,288	2,159
Average LME lead price (\$/t)	2,605	2,219	2,148

Ends