



## NEWS RELEASE

### REDEMPTION OF OUTSTANDING US\$375 MILLION 4% GUARANTEED CONVERTIBLE BONDS DUE 2017

Zug, 20 August 2010

Xstrata plc ("Xstrata") announces that its subsidiary, Xstrata Capital Corporation A.V.V. (the "Issuer"), is exercising its right to call for the redemption of all of its outstanding US\$375,000,000 4 per cent. Guaranteed Convertible Bonds due 2017 (the "Bonds").

The terms and conditions of the Bonds permit the Issuer, at any time on or after 14 August 2010, to redeem all of the Bonds at their principal amount plus accrued and unpaid interest up to and including the date preceding the date fixed for redemption. The Issuer has issued a notice to Bondholders informing them that it wishes to exercise its right to redeem any and all outstanding Bonds.

The date fixed for redemption by the Issuer is 27 September 2010. The last day on which Conversion Rights may be exercised by Bondholders is 13 September 2010.

The Notice of Redemption, as delivered to Citibank, N.A. as Principal Paying, Transfer, Conversion and Exchange Agent for communication by them to Euroclear Bank S.A./N.V., as operator of the Euroclear system and Clearstream Banking, société anonyme for communication by them to the accountholders for whose benefit the Bonds are held, is set out in full below.

*Ends*

#### **Contacts**

##### ***Xstrata***

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## **GUARANTEED CONVERTIBLE BONDS**

### **NOTICE TO HOLDERS**

Xstrata Capital Corporation A.V.V.

20 August 2010

#### **XSTRATA CAPITAL CORPORATION A.V.V.**

**US\$375,000,000 4.00 PER CENT. GUARANTEED CONVERTIBLE BONDS DUE 2017 (THE "BONDS")  
GUARANTEED BY XSTRATA PLC AND CONVERTIBLE INTO 4.00 PER CENT. EXCHANGEABLE REDEEMABLE  
PREFERENCE SHARES OF XSTRATA CAPITAL CORPORATION A.V.V. WHICH ARE GUARANTEED BY, AND WILL  
BE EXCHANGEABLE IMMEDIATELY UPON ISSUANCE FOR, ORDINARY SHARES IN XSTRATA PLC**

**NOTICE IS HEREBY GIVEN** by Xstrata Capital Corporation A.V.V. (the "Issuer") that, in accordance with Condition 8.2(i) of the Terms and Conditions of the Bonds (the "Conditions"), any and all Bonds outstanding on 27 September 2010 (the "Redemption Date") will be redeemed by the Issuer for cash on the Redemption Date at 100 per cent. of their principal amount together with accrued but unpaid interest from the last Interest Payment Date to the date preceding the Redemption Date. This interest will amount to US\$2.33 per US\$1,000 in principal amount of Bonds.

The Exchange Price at the close of business on 19 August 2010, being the latest practicable date prior to the publication of this notice, was 807 pence per Ordinary Share converted into US dollars at the fixed exchange rate of US\$1.809=£1.00.

The closing price quoted for the Ordinary Shares as derived from the Daily Official List of the London Stock Exchange at the close of business on 19 August 2010, being the latest practicable date prior to the publication of this notice, was 1,050 pence.

The aggregate principal amount of the Bonds outstanding at the close of business on 19 August 2010, being the latest practicable date prior to the publication of this notice, was US\$374,800,000.

The last day on which Conversion Rights may be exercised by Bondholders is 13 September 2010. Bondholders who wish to exercise their Conversion Rights should deliver the relevant Bond to the Registrar or any Paying, Transfer, Conversion and Exchange Agent during normal business hours accompanied by a completed and signed Conversion Notice.

#### **Defined Terms**

All words and terms that are capitalised herein shall have the same meaning as set out in the Terms and Conditions of the Bonds.

**Trustee**

Law Debenture Trustees Limited  
Fifth Floor, 100 Wood Street  
London EC2V 7EX  
United Kingdom

**Principal Paying, Transfer, Conversion  
and Exchange Agent**

Citibank, N.A.  
21<sup>st</sup> Floor Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**Registrar and Paying, Transfer, Conversion  
and Exchange Agent**

Citibank Global Markets Deutschland AG & Co.  
KGaA  
Reuterweg  
60323  
Frankfurt am Main  
Germany

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