



NEWS RELEASE

**TAKEOVERS PANEL SAYS THAT
WMC TARGET'S STATEMENT IS MISLEADING**

Zug, 27 January 2005

In a decision released today in response to Xstrata's application to the Takeovers Panel ("the Panel") on 12 January, the Panel has concluded that the description of Xstrata Capital's offer on page 4 of the WMC target's statement is misleading.

As a result of this decision, WMC has given the Panel undertakings to correct the misleading statements by the issue of a supplementary target's statement to be posted to all WMC shareholders. It will instruct them to disregard page 4 of the current Target's Statement and will contain information about Xstrata Capital's Offer of AUD6.35 per share that addresses the Panel's concerns.

In relation to the other issues raised by Xstrata Capital in its application, the Panel decided that the presentation of the Grant Samuel valuation in the target's statement was not misleading. The Grant Samuel valuation of AUD7.17 to AUD8.24 per share includes the value of cost savings available only to a successful bidder with an existing presence in Australia. Grant Samuel estimated that potential bidders for WMC with an existing Australian presence would be able to cut AUD110 million to AUD115 million dollars of overhead costs from the current WMC corporate structure after acquiring WMC. Xstrata Capital estimates this value to be between 69 cents and 73 cents per share, which means that Grant Samuel's stand-alone value of WMC would be AUD6.48 to AUD7.51 per share.

The Panel also decided that the use of different 2005 forecast assumptions in Grant Samuel's earnings multiple analysis, as used to crosscheck the assessed value of key assets, was not misleading.

The Panel did not consider that any of the issues raised by WMC in its application concerning Xstrata's media release on 4 January 2005 constituted unacceptable circumstances, and as a result, no corrective action is required by Xstrata Capital.

ends

Xstrata contacts

Marc Gonsalves
Telephone +44 20 7968 2812
Mobile +44 7775 662 348
Email mgonsalves@Xstrata.com

Gabrielle Trainor
John Connolly & Partners
Telephone +61 2 9232 1033

Claire Bithell
Telephone +44 20 7968 2871
Mobile +44 7785 964 340
Email cbithell@Xstrata.com

Justine Winn
Telephone +61 2 9253 6748
Mobile +61 416 196 403
Email jwinn@xstratacoal.com

Michael Oke
Aura Financial
Telephone +44 20 7321 0033
Mobile +44 7834 368 299

Sue Sara
Telephone +61 7 3295 7535
Mobile +61 411 206 090
Email suesara@xstrata.com.au