



NEWS RELEASE

XSTRATA COPPER ENTERS INTO AGREEMENT TO ACQUIRE ADVANCED COPPER PROJECTS IN NORTH WEST QUEENSLAND

Brisbane, 20 April 2011

Xstrata Copper has entered into an agreement with Exco Resources Ltd ("Exco") to acquire the E1 and Monakoff copper tenements in north west Queensland, Australia for a cash purchase price of AUD175 million, to expand production at its Ernest Henry Mining operation. The transaction remains subject to a number of conditions being satisfied including Exco shareholder approval. The Exco Board has endorsed the transaction.

Strategically located close to the Ernest Henry Mining processing facilities, the E1 and Monakoff tenements contain open pit copper mineral resources with completed Feasibility Studies. The production from these deposits would make an incremental contribution to Ernest Henry's production profile from the second half of 2012, including gold by-product credits. Ore would be trucked from the E1 and Monakoff copper projects to Ernest Henry and processed through the operation's existing concentrator.

Xstrata Copper North Queensland Division Chief Operating Officer, Steve de Kruijff, said:

"Ernest Henry's open pit operations are scheduled to finish later this year and we are currently in the process of transforming the site into a major underground mining operation with an associated magnetite extraction plant.

"The E1 and Monakoff copper projects offer an attractive opportunity to expand Ernest Henry's expected production profile by utilising the remaining capacity of the Ernest Henry concentrator while leveraging other significant synergies available through our existing site infrastructure, equipment and workforce.

"Subject to the transaction completing and the necessary government approvals, we expect initial production from the E1 and Monakoff copper projects to commence in the second half of 2012.

"We anticipate that the development and operation of the E1 and Monakoff copper projects will create around 100 full-time jobs, some of which will be sourced from Ernest Henry's existing open pit workforce."

The E1 and Monakoff deposits have a combined JORC compliant resource of 52.1 million tonnes grading 0.77% Cu and 0.23g/t gold at a cut-off grade of 0.3% copper for E1 and 0.5% copper for

Monakoff.¹ This represents 401,000 tonnes of contained copper metal and 384,000 ounces of contained gold metal.

The E1 and Monakoff tenements are located 8 kilometres east and 21 kilometres south respectively of the Ernest Henry Mining operation.

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Neither the content of the company's website nor the content of any other website accessible from hyperlinks on the company's website is incorporated into, or forms part of, this announcement

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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.

ABOUT XSTRATA COPPER

Xstrata Copper is the fourth largest global copper producer with attributable mined production in 2010 of 913,500 tonnes of copper in cathodes and concentrates. The company is also one of the world's largest producers of smelter and refined copper, including from third party materials.

Headquartered in Brisbane, Xstrata Copper is one of the commodity business units within the major global diversified mining group Xstrata plc. Its mining and metallurgical operations and development projects span eight countries: Argentina, Australia, Canada, Chile, Peru, the Philippines, Papua New Guinea and the USA. Its operations and projects are administered through a regional divisional management structure, which ensures that critical decisions are taken close to the related businesses. It also has a recycling business (Xstrata Recycling) with plants in the United States and offices in Canada and Asia.

¹ Source: Exco Resources Ltd. Press release dated 7 April 2010. See Exco Resources Ltd website.

ABOUT ERNEST HENRY MINING (EHM)

Ernest Henry Mine, 38 kilometres north east of Cloncurry in north west Queensland, began commercial production in 1998 as an open pit copper mine. Mined ore is processed at a concentrator on-site at the rate of 11 million tonnes per annum (mtpa). Copper concentrate containing gold is trucked 157 kilometres to Mount Isa for smelting to anode, and the anode is then railed to Townsville for refining to cathode at Xstrata Copper's refinery.

In 2010, EHM produced 74,595 tonnes of copper in concentrate and 91,259 ounces of gold in concentrate. EHM concentrate usually represents around 30% of Xstrata Copper North Queensland's total production. The University of Queensland's Centre for Social Responsibility in Mining (CSRSM) found in 2007 that Ernest Henry Mining was responsible for over 30% of Cloncurry's economic activity.

The EHM open pit was based on an optimised pit design to recover as much as is economically possible of the copper-gold orebody. The design had seven stages of development with mining commencing in 1996 and scheduled to be complete in 2011. Processing of mined open pit ore will be completed in 2012.

On 3 December 2009, Xstrata Copper announced corporate approval of a A\$589 million development to extend the life of EHM to at least 2024 through the transformation of open pit mining operations to a major shaft underground mine with an associated magnetite extraction plant. The project will create approximately 330 jobs during construction and 400 permanent jobs from 2013.