



MEDIA RELEASE

Ernest Henry Mining stormwater discharge event 2008/09 wet season

Cloncurry, 8 September 2010

Ernest Henry Mining Pty Ltd (EHM) confirms it has not challenged proceedings brought forward by the Queensland Department of Environment and Resource Management (DERM) under the *Environmental Protection Act 1994* in relation to a stormwater discharge event from EHM in early 2009.

The stormwater discharge event from the EHM site was the result of unprecedented rainfall and widespread flooding that affected North West Queensland during the 2008/09 wet season.

EHM General Manager, Myles Johnston said EHM acted immediately to inform DERM of the discharge event at two of the mine's licensed stormwater runoff points.

"Following the stormwater discharge event, we worked closely with DERM to assess potential impacts and instigate a comprehensive remediation process," said Mr Johnston.

"We also worked closely with our pastoralist neighbours, providing an alternative water supply for neighbouring stock and fencing to exclude stock from the affected area.

"Since the event, we have invested in excess of \$1.5 million on remediating the affected areas and on upgrading stormwater capacity on-site to limit the potential for any future discharge event.

"New sediment dams at EHM allow for an additional 90 million litres of surface water capacity and a pumping system has been installed to redirect water to evaporation dams if required.

"Post-remediation water monitoring has indicated that water quality is within EHM's environmental limits and we will continue to closely monitor water quality in the region.

"Xstrata is committed to continuous environmental improvement. Since 2006, we have invested around \$11 million on stormwater improvements at our north Queensland operations, including Xstrata Mount Isa Mines and EHM."

(Ends)

Xstrata Contacts:

Josh Euler

Senior Communications Advisor, Xstrata
Telephone +61 7 3295 7543
Mobile 0435 659 987
Email jeuler@xstrata.com.au

Catherine Bryant

Senior Community Relations Advisor, Xstrata
Telephone +61 7 4744 3140
Mobile + 61 7 423 849 009
Email cbryant@xstratacopper.com.au



Ernest Henry Mining Pty Ltd
PO Box 527
Cloncurry QLD 4824
Tel: (07) 4769 4500
Fax: (07) 4769 4555
ABN: 1800 849 5574

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 a growing platinum group metals business, additional exposures to 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 19 countries.

ABOUT XSTRATA COPPER

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: Australia, Argentina, Chile, Peru, Canada, the USA, the Philippines and Papua New Guinea. Its operations are administered by five separate divisions, based close to the mining operations, namely the North Queensland, Minera Alumbrera, North Chile, Southern Peru and Canada divisions. It also has a recycling business (Xstrata Recycling) with plants in the United States and offices in Canada and Asia.

Xstrata Copper is the fourth largest global copper producer with attributable mined production in 2009 of 907,000 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.

ABOUT XSTRATA COPPER NORTH QUEENSLAND AND ERNEST HENRY MINING (EHM)

Xstrata Copper's North Queensland Division is headquartered in Mount Isa and comprises the Mount Isa Mines copper operations consisting of the Enterprise and X41 underground copper mines, the copper concentrator, Mount Isa copper smelter, Ernest Henry Mining open pit copper mine located near Cloncurry, and the Townsville operations comprising the copper refinery, and Townsville port facilities and logistics.

The Division's integrated operations have the capacity to produce 300,000 tonnes of refined copper per annum. In 2009, Xstrata Copper North Queensland contributed \$1.3 billion to the Queensland economy.

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 2009, EHM produced 36,000 tonnes of copper in concentrate and 45,000 ounces of gold in concentrate.