



MEDIA RELEASE

XSTRATA COMPLETES CONSTRUCTION OF MAGNETITE PLANT IN QUEENSLAND, AUSTRALIA

Cloncurry, 1 February 2011

Xstrata Copper announces the completion of construction of the magnetite base plant at Ernest Henry Mining (EHM), a key component of the \$589 million project to transform EHM into a major underground copper-gold operation. The newly constructed plant has produced the first magnetite concentrate, an important by-product of the copper-gold concentrating process, with exports expected to commence from Townsville port in the first half of 2011.

Construction of the \$79 million facility commenced in July 2010 and the operation is now in the commissioning phase. EHM General Manager, Myles Johnston said the magnetite processing plant will play a key role in securing the long-term future of the EHM operations.

"I am pleased to report that the project has been delivered safely, on time and within budget, which is a credit to all those involved," said Mr Johnston.

"Magnetite processing is an important part of EHM's Life of Mine extension project which will extend the life of the EHM operation to at least 2024. The transformation of open pit mining operations to a major shaft underground mine is on budget with the shaft scheduled to be commissioned in the first quarter of 2013."

Xstrata Copper North Queensland Chief Operating Officer, Steve de Kruijff, said the new facility will play an important part in sustaining Xstrata's north Queensland copper operations that make a significant contribution to the local and state economies.

"The magnetite processing operation at EHM will produce approximately 1.2 million tonnes of magnetite concentrate per annum at full capacity for export to Asia, making us Queensland's first magnetite concentrate exporter and providing further opportunities to strengthen the state economy," said Mr de Kruijff.

"In 2010, Xstrata Copper North Queensland contributed around \$1.34 billion to the Queensland economy.

"Our magnetite processing facility created approximately 144 jobs during construction and once fully operational it will deliver additional jobs to the region and further secure the long-term future of EHM's operations."

ends

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

Xstrata Copper contacts

Name	Josh Euler	Name	Vicki Wilson
Telephone	+61 3295 7543	Telephone	+61 7 4769 4578
Mobile	+61 435 659 987	Mobile	+61 7 407 026 671
Email	jeuler@xstrata.com.au	Email	vwilson@xstratacopper.com.au

www.xstratacopper.com

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.

ABOUT XSTRATA COPPER NORTH QUEENSLAND

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 and Mount Isa copper smelter), the Ernest Henry Mining open pit copper mine located near Cloncurry, and the Townsville operations (comprising the copper refinery and port facilities).

The Division's integrated operations have the capacity to produce 300,000 tonnes of refined copper per annum. In 2010, Xstrata Copper North Queensland contributed \$1.34 billion to the Queensland economy.

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 (CSR/M) found in 2007 that Ernest Henry Mining was responsible for over 30% of Cloncurry's economic activity.

The EHM open pit is scheduled for completion in August 2011, however on 3 December 2009, Xstrata Copper announced corporate approval of 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 full time jobs from 2013.