



UNDER EMBARGO UNTIL 7PM, WEDNESDAY 16 FEBRUARY 2011.

XSTRATA INVESTS ADDITIONAL \$1.6 MILLION INTO NORTH QUEENSLAND COMMUNITY PARTNERSHIPS

Mount Isa, 16 February 2011

Xstrata today committed \$1.6 million to its successful community partnership program that is improving services and facilities in the north Queensland communities of Mount Isa, Cloncurry, Townsville and Bowen.

The additional funds will support eight partnerships from 2011 to 2012 and will bring the combined value of the Xstrata Community Partnership Program North Queensland (XCPPNQ) to over \$18.1 million over eight years (2005 – 2012).

Xstrata Copper North Queensland Chief Operating Officer, Steve de Kruijff, said the program's achievements to date demonstrated Xstrata's belief that local communities should benefit from the company's operations both in the short and long term.

"Since 2005 the XCPPNQ has made a huge contribution to north Queensland such as installing computer rooms in local schools, helping to train medical staff, improving medical services, and helping disadvantaged people gain skills and jobs," he said.

"I look forward to continuing to share the benefits of our business performance with our employees, communities and our partner organisations through this program.

Xstrata Zinc Australia Chief Operating Officer, Brian Hearne, said the program's strength lies in the fact that it directly addresses the areas of most concern to local people, such as quality education for their children, improved medical care and youth employment and training.

"A number of our new partnerships have a particular focus on helping local Indigenous people to gain skills, education, confidence and jobs.

"This reflects the fact that our consultation with the community has shown that many Indigenous people are not benefiting from the prosperity the broader community is enjoying." he said.

Betty Kiernan MP, Member for Mount Isa said Xstrata's continued investment in local initiatives, programs and projects in north Queensland through the Xstrata Community Partnership Program is testament to the company's commitment to families and communities and their continued support has helped inspire organisations to greater heights and achievements.

"Xstrata continues to prove itself in the arena of corporate social involvement. Its investment of \$1.6 million into community projects and initiatives through the partnership program is a clear demonstration of Xstrata's commitment to north Queensland as a company who lives and breathes its responsibility as a good corporate citizen" she said.

Independent Federal Member for Kenney Bob Katter said the community partnership program was a valuable funding source for grassroots organisations that formed the vital fabric of resource-reliant communities.

“Congratulations should go to Xstrata for their efforts in supporting education and social and community development across our great region,” he said.

The Xstrata Community Partnership Program North Queensland has been working in partnership with communities and government since 2005 to address the areas of greatest need in the north Queensland communities where the company’s employees live and work.

The program addresses six key areas, namely enterprise and job creation, education, environment, social and community development, health, and arts and culture. A full list of new initiatives in north Queensland for 2011 to 2012 and community partners is attached.

Funding for the program is part of Xstrata plc's commitment to Corporate Social Involvement (CSI). The company contributes at least one percent of its pre-tax profit to community initiatives.

The Xstrata Community Partnership Program North Queensland supports the company's investment in the future of its north Queensland operations. In this way Xstrata is working to secure the prosperity and longevity of local jobs, businesses and communities.

The next round of XCPPNQ funding is now open and applications are being called. For more information log onto the Xstrata Mount Isa Mines website www.mountisamines.com.au/SustainableDevelopment

NEW NORTH QUEENSLAND PARTNERSHIPS 2011-2012 (\$1.6 million):

- **Books in Homes** – Empowering disadvantaged children through the supply of books to improve literacy and reading skills to seven schools across north Queensland. Schools participating in the program are Sunset and Central State Schools in Mount Isa, Cloncurry State School and St Joseph’s Catholic Primary School in Cloncurry, Garbutt and Stuart State Schools in Townsville and Bowen State School.
- **Stride Foundation** – the “Sport for Life’ project will promote healthy development through engagement in sporting activities for Mount Isa’s youth.
- **Southern Gulf Catchments** – funding to support a full-time project officer to facilitate and deliver environmental projects for schools and community groups in north-west Queensland.
- **North West Qld Indigenous Catholic Social Services** – funding to provide traineeships to boost the number of qualified childcare service staff in Mount Isa.
- **Cloncurry Justice Association** – support of the Night Patrol community intervention project that aims to prevent harm, maintain peace and provide direction and support for its clients within the Cloncurry community.
- **Perc Tucker Regional Gallery, Townsville** – funding will support the Children’s Art Exhibition and Strand Ephemera VI, a public exhibition of artworks; as well as the 2012 Percival Portrait Award.
- **Delta Society Australia – Townsville Branch** – funding to support the Classroom Canine initiative where trained Delta Therapy dogs visit primary school classrooms to assist children in the development of their literacy skills while at the same time delivering benefits in increasing social skills.
- **St Mary’s Primary School Bowen** – funding to provide laptop computers and the installation of a shade structure at the school.

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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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Notes to editors

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 Zinc

Headquartered in Madrid, Spain, Xstrata Zinc is one of the world's largest producers of zinc and one of the commodity business units within the major global diversified mining group Xstrata plc. Xstrata's zinc and lead operations and exploration projects are located in Australia, Canada, Germany, Peru, Spain and the United Kingdom.

Xstrata Zinc's operations in Spain comprise the San Juan de Nieva zinc smelter and the Arnao zinc semis plant in Asturias, and the Hinojedo roasting plant in Cantabria.

In Australia, operations comprise: the Mount Isa, George Fisher underground, Handlebar Hill open cut and Black Star open cut zinc-lead mines, zinc-lead concentrator, lead smelter and Bowen Coke Works in north Queensland; the McArthur River open pit zinc-lead mine, processing and loading facility in the Northern Territory; and the Lady Loretta zinc lead deposit in north-west Queensland.

In Canada, operations and exploration projects include the Brunswick zinc-lead mine and lead smelter in New Brunswick; 25% of the CEZ zinc smelter near Montreal; and the Perseverance zinc deposit in Quebec.

Xstrata Zinc also operates the Nordenham zinc smelter in northern Germany; the Northfleet lead refinery in the United Kingdom; and owns 33.75% of the Antamina mine in Peru.

Around half of all zinc currently consumed is used for galvanizing steel, which is an environmentally friendly method of protecting steel against corrosion. Zinc also finds application in the manufacture of die-cast alloys, brass and the production of zinc oxides and chemicals.