



PRESS RELEASE

Construction of new mine shaft to double production at Ernest Henry Mine

Cloncurry, 10 May 2012

Xstrata Copper's Ernest Henry Mining (EHM) operation near Cloncurry in north-west Queensland has commenced construction works to sink a new hoisting shaft that will enable production at its new underground mine to double following its commissioning in 2013.

Today's announcement marks another significant milestone in EHM's \$589 million project to extend the life of the mine to at least 2024 through underground mining.

EHM General Manager, Myles Johnston, said the seven-metre wide shaft would reach a depth of around 1,000 metres over the next year with fit-out and commissioning works to follow.

"We transitioned to underground mining late last year, following the completion of our open pit operations, and we are currently trucking ore from the mine via a decline at a rate of approximately two million tonnes per annum," Mr Johnston said.

"Our production will ramp up to three million tonnes per annum by the end of 2012, producing around 25,000 tonnes of copper and 35,000 ounces of gold in concentrate.

"Following the commissioning of the shaft at the end of 2013, production will increase to six million tonnes per annum producing 50,000 tonnes of copper and 70,000 ounces of gold in concentrate.

"Over the last year we have installed and commissioned key pieces of infrastructure, including six winders and a 28 metre tall sky-shaft, to enable shaft sinking to commence and to progress at a rate of up to three metres per day."

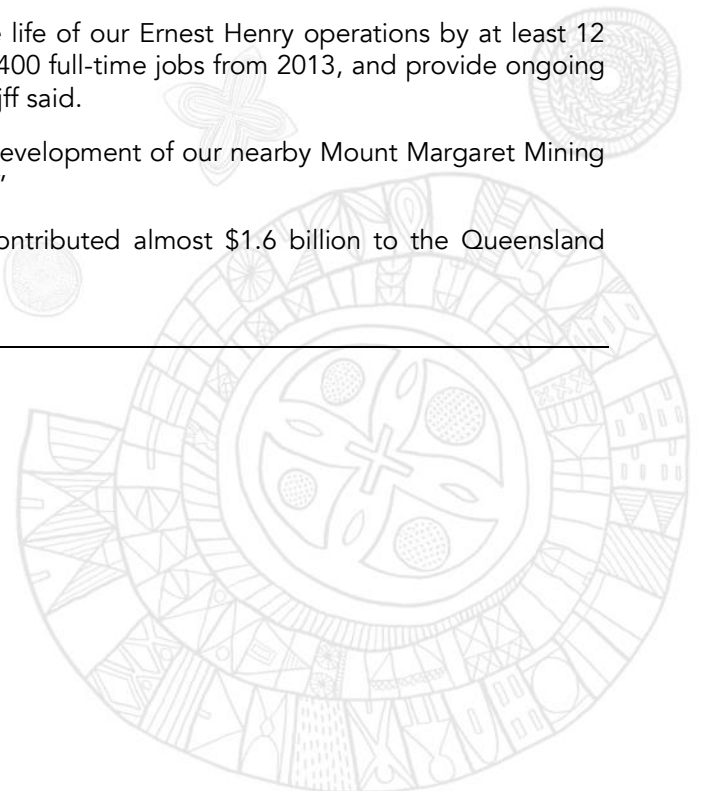
Xstrata Copper North Queensland Chief Operating Officer, Steve de Kruijff, said the EHM underground shaft project is playing an important role in sustaining Xstrata's North Queensland operations, which provide significant economic benefits to the region and the state.

"Our \$589 million investment in this project will extend the life of our Ernest Henry operations by at least 12 years, creating 330 jobs during the construction phase and 400 full-time jobs from 2013, and provide ongoing economic security for the Cloncurry community," Mr de Kruijff said.

"We also expect to create an additional 100 jobs with the development of our nearby Mount Margaret Mining Project which we acquired for \$175 million in June last year."

In 2011, Xstrata's North Queensland copper operations contributed almost \$1.6 billion to the Queensland economy and employed more than 4,400 people.

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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

We are a major producer of a range of vital commodities used in everything from constructing buildings and delivering electricity, to developing jet engines and mobile phones. We are one of the top five global producers of copper, thermal and metallurgical coal, ferrochrome, zinc and nickel and we also produce silver, lead, platinum, gold, cobalt and vanadium.

Founded in 2002 and headquartered in Switzerland, we operate in over 20 countries and employ over 70,000 people at more than 100 operations and projects around the world. We work in a responsible and sustainable way, with an entrepreneurial spirit and dynamic approach. For more information, visit www.xstrata.com

About Xstrata Copper

We are the fourth largest global copper producer and one of the world's largest producers of smelter, refined and recycled copper, including from third party materials.

The copper we produce is essential to our modern society, being used extensively in electronic, consumer and building products, and with its use in green-technologies, anti-microbial applications and ability to be recycled, it is playing a vital role in our sustainable future.

Headquartered in Brisbane, Australia, we have operations and projects in eight countries and employ over 20,000 people. We play an essential role in the communities in which we live and work, by providing jobs, training, infrastructure, income for suppliers and support for social development. For more information, visit www.xstratacopper.com

About Ernest Henry Mining

We are a copper, gold and magnetite mining and processing operation located 38 kilometres north east of Cloncurry in north west Queensland, Australia. We began commercial production in March 1998 as an open pit mining operation and transitioned to underground mining and magnetite processing in December 2011 as part of our \$589 million project to extend the life of our operations beyond open pit completion to at least 2024.

We are currently trucking ore from our underground mine via a decline at a rate of approximately two million tonnes per annum. Production will ramp up to three million tonnes per annum by the end of 2012, producing around 25,000 tonnes of copper and 35,000 ounces of gold in concentrate. We are constructing a 1,000 metre deep underground shaft which will enable production rates increase to six million tonnes per annum,

producing 50,000 tonnes of copper and 70,000 ounces of gold in concentrate from 2013 once the shaft is commissioned.

We are also working to advance our nearby Mount Margaret Mining Project which we acquired for \$175 million in June 2011 and expect production from this project to commence in the second half of 2012.

While we traditionally employed around 600 people for our open pit operations there are close to 900 people working on site at present during our project construction phase. For more information, visit www.ernesthenrymining.com.au