

PRESS RELEASE

Investment in Xstrata Community Program North Queensland reaches \$25 million

Mount Isa, Wednesday 29 February 2012

Xstrata has committed an additional \$4.67 million to north Queensland communities through the Xstrata Community Program North Queensland (XCPNQ) that has been improving vital services and facilities in the north Queensland communities of Mount Isa, Cloncurry, Townsville and Bowen for over seven years.

These additional funds will support five new partnerships valued at \$1.67 million as well as our recently announced support of two major social infrastructure projects being a \$1 million contribution to Ronald McDonald House Townsville and a \$2 million investment in the Cloncurry Community Precinct, and will bring the combined value of the XCPNQ to \$25 million since 2005.

Mr Steve de Kruijff, Chief Operating Officer Xstrata Copper North Queensland said that the program's significant achievements to date demonstrated Xstrata's passion and commitment to its local communities.

"Through our XCPNQ program we have been able to make a vital contribution to north Queensland.

"We are delighted to be able to continue our support with five exciting new partnerships which are sure to reap wide spread benefits within our communities in the short and long term," said Mr de Kruijff.

"To date our program has seen major success with investments made in local infrastructure delivery, school information technology improvements, medical staff training, improvements in medical services, and helping disadvantaged people gain skills and jobs.

"The XCPNQ supports our investment in the future of our north Queensland operations. In this way we are working to secure the prosperity and longevity of local jobs, businesses and communities. I look forward to continuing to share the benefits of our business performance with our employees, communities and our partner organisations through this program well into the future," he said.

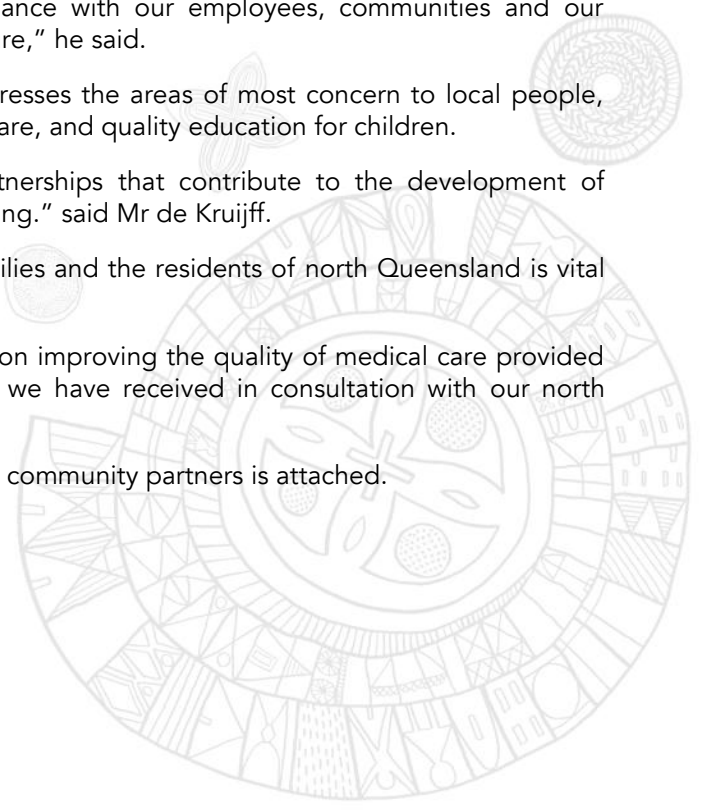
"The program's strength lies in the fact that it directly addresses the areas of most concern to local people, such as addressing social disadvantage, improved medical care, and quality education for children.

"Through this program we aim to foster community partnerships that contribute to the development of sustainable communities and emphasise local capacity building." said Mr de Kruijff.

"We believe that the wellbeing of our employees, their families and the residents of north Queensland is vital to maintaining our social licence to operate.

"A number of our new partnerships have a particular focus on improving the quality of medical care provided to people who need it the most, which reflects feedback we have received in consultation with our north Queensland communities;" he said.

A full list of new initiatives in north Queensland for 2012 and community partners is attached.



New 2012 North Queensland Partnerships (\$4.67 million):

- **Cloncurry Shire Council (\$2 million)** – Having previously partnered with Cloncurry Shire Council in the development of the Cloncurry Community Precinct to the value of \$750,000, we are pleased to reconfirm our support in making an additional \$2 million contribution to this project. Once complete the precinct will be a state of the art facility for the local community and we are extremely proud to be the largest financial supporter of the project. The precinct will incorporate a library, art gallery, function rooms, amenities, communal outdoor space and the refurbishment of the historical Cloncurry Shire Hall.
- **Ronald McDonald House Townsville (\$1 million)** – This social infrastructure partnership will enable construction of a new 12 bedroom facility on the doorstep of Townsville Hospital, and enable them to extend their support to north Queensland families with seriously ill babies and children. Our partnership will deliver tangible and long lasting benefits to north Queensland families of seriously ill children when they need it most.
- **The Wesley Research Institute (\$900,000)** – Our three year partnership will enable vital research into the health of Retired Mine Workers and Injured Worker Recovery within the Queensland mining industry, thus ensuring quality of life through medical research.
- **Mount Isa Fish Stocking Group (\$235,000)** – Our two year partnership will enable the construction of a hatchery project to be located at Outback at Isa. The hatchery will deliver an abundance of benefits to the Mount Isa community including an additional tourism venture, investment in industry diversification for the community (aquaculture) and has strong linkages to some of our existing partners and local schools. Once established the hatchery will be self-sustaining and capable of producing enough fingerlings to support fish stocks and provide a stable income stream for continued investment into local fishing and aquaculture activities.
- **North Queensland Helicopter Rescue Service (\$300,000)** – Our three year partnership will help to ensure the North Queensland Helicopter Rescue Service can continue to provide a viable full time community rescue helicopter service to Mount Isa and surrounding North West communities. Additionally the helicopter will provide our north Queensland operations with invaluable emergency retrieval capabilities, particularly within our remote sites at Ernest Henry Mining and Lady Loretta Mine. The service works closely with the Royal Flying Doctor Service and Queensland Health, two of our existing major partners in health delivery to the community.
- **Mount Isa Concert Band & Orchestra (\$100,000)** – Music education is essential for the development all Australian school students. Our two year partnership with Mount Isa Concert Band & Orchestra will enable the provision of quality musical instruments and associated equipment to Mount Isa, Cloncurry and School of the Air students who may otherwise be deprived of a musical education of the same standard of students living in coastal areas.
- **Cloncurry Shire Council (\$135,000)** – Our two year partnership with 'Cloncurry Cycle Pathways' will enable the construction of much needed new pathways throughout town. These pathways will be used by cyclists, pedestrians and young mothers as a safe exercise option. The need for new pathways was recognised by the Cloncurry community through a liveability survey and will make a positive and lasting difference to the community by encouraging people to exercise in a safe environment.

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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 the Xstrata Community Program North Queensland

The Xstrata Community Program North Queensland has entered its eighth year of working in partnership with community organisations and government to address the areas of greatest need in the north Queensland communities where our employees live and work.

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 program addresses the six key areas of enterprise and job creation, education, environment, social and community development, health, and arts and culture.

Since 2005 we have made a significant contribution to north Queensland and Xstrata has provided almost \$25 million funding for projects in our local host communities such as installing computer rooms in schools, helping to train medical staff, improving medical services, and helping disadvantaged people gain skills and jobs.

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 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 mine 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.