



NEWS RELEASE

XSTRATA NORTH QUEENSLAND LAUNCHES EIGHT NEW MOUNT ISA COMMUNITY PARTNERSHIPS

Mount Isa, Thursday 12 April 2007

Xstrata today launched its 2007 Mount Isa based partnerships as part of the Xstrata Community Partnership Program North Queensland, bringing its support of health, social and community development, education, enterprise and job creation, environment, and arts and culture across north Queensland to more than \$5.87 million.

The program was officially launched by Member for Mount Isa, Ms Betty Kiernan, at a special function at Xstrata's Casa Grande attended by representatives of Xstrata's partner organisations (existing and new), as well as members of the business community, government and Xstrata employees.

Steve de Kruijff, Chief Operating Officer Xstrata Copper North Queensland, said: "Following its successful introduction in 2004, the Xstrata Community Partnership Program North Queensland has been extended in 2007 to include twelve new partnerships, eight of which are based in Mount Isa, and now supports more than 60 initiatives across north Queensland at a combined program value of \$5.87 million.

"It gives us great pleasure to welcome our newest Mount Isa partners: Mount Isa Centre for Rural and Remote Health; Mount Isa Fish Stocking Group; Mount Isa Safe Community; Mount Isa Family Support & Neighbourhood Centre; Mount Isa Concert Band and Strings Orchestra; The Queensland Arts Council; James Cook University Research Fellowship, and The Barkly Highway State School.

"The Mount Isa component of the program has delivered significant outcomes and positively impacted the lives of many Mount Isans and their families. We congratulate our partners on their outstanding achievements and thank them for their dedication and continued support."

"The program highlights Xstrata's strong and ongoing commitment to the communities in which we operate in north Queensland, and our belief that the community should benefit from our operations both in the short and long term.

"We look forward to this new chapter in the growth of Xstrata's Corporate Social Involvement and sharing the benefits of our continued growth with our employees, communities and partner organisations through this exciting program," said Mr de Kruijff.

The Xstrata Community Partnership Program Queensland focuses on six key areas – Enterprise and job creation, Health, Education, Environment, Social and community development, and Arts and culture.

The program's key areas of support reflect Xstrata's Corporate Social Involvement policy and guidelines, which set out a commitment to support initiatives that benefit the communities that host Xstrata's operations, employees and their families. Xstrata plc contributes at least one percent of its pre-tax profit to community initiatives. In 2006, Xstrata set aside US\$49 million globally to support communities associated with its operations.

Enterprise and Job Creation category

Apprentices and trainees

Employing and training young people is vital for the health and vitality of local communities and economies and for the future of the mining industry. Mount Isa Mines recognises this and has increased its annual intake of trainees and apprentices. The annual apprentice intake has grown from 25 in 2004, to 50 in 2005, 72 in 2006, and 74 in 2007. In addition, Xstrata has an annual intake of school-based and adult apprenticeships.

The establishment of a multi-million dollar Skills Centre at the Mount Isa operations during 2006 is further evidence of Xstrata's commitment to training. The centre, staffed by 10 training professionals, incorporates a series of training rooms as well as metal fabrication, fitting, electrical and diesel workshops that provide state of the art training facilities to the apprentices.

Health category

JCU & MICRRH – remote health research fellowships

From 2007 Xstrata will enter into a \$135,000 partnership over three years with James Cook University and the Mount Isa Centre for Rural and Remote Health. The partnership will support two full time research project officers that will provide benefit to the local community through research into health issues relevant to Mount Isa and the surrounding region.

Education category

Economic Geology Research Unit/JCU

In an effort to address the increasing skills shortage in the mining industry and improve training and research into economic geology in north Queensland, the XCPP NQ will provide funding of \$450,000 over three years from 2007 which will enable a Research Fellow to be appointed at James Cook University's Economic Geology Research Unit.

Environment category

Mount Isa Fish Stocking Group

Xstrata will help encourage tourism and recreation in Mount Isa by contributing \$31,000 in 2007 towards the establishment of a Fish Stocking Hatchery Project in partnership with the Mount Isa Fish Stocking Group. The funding will be used to erect a hatchery in order to produce native freshwater finfish to stock local waterways.

Social and Community Development category

Mount Isa Family Support Centre & Neighbourhood Centre

Xstrata and the Mount Isa Family Support and Neighbourhood Centre have partnered to provide tenants from indigenous and other ethnic backgrounds hands on support, tuition and other information aimed at reducing the stressors and practices that create crisis and injury in the home environment. Xstrata's funding of \$180,000 over three years commencing 2007 will enable the appointment of a LifeSkills Facilitator to provide this service to the local community members utilising the centre.

Mount Isa Safe Community

Mount Isa stakeholder organisations and community groups have embraced the World Health Organisations's Safe Communities model in an project designed to contribute to a sustained reduction in injury in Mount Isa, making it a safer place to live, work, study and play. Xstrata in partnership with the Mount Isa Safe Community Advisory Team, a collaboration of many local community organisations, will contribute \$420,000 from 2007-2009 in order for this project to be realised.

Arts and Culture category

Queensland Arts Council

Xstrata and Queensland Arts Council (QAC) have joined forces to bring unique music theatre events to Mount Isa and Cloncurry in 2005, 2006 and 2007. Xstrata will provide \$225,000 over three years to enable QAC projects to reach north Queensland communities.

Two major productions toured north Queensland during 2005 and 2006, *Voices* a play with music which celebrated the courage of female prisoners of war during WWII, and *Full Metal Racket*, a dance and percussion production that included community and school workshops for local artists. The ongoing success of this partnership has resulted in Xstrata committing additional funding of \$255,000 to extend the partnership through to 2009.

**Barkly Highway State School (dance, drama professional trainers)
2006 and 2007-2008**

The Barkly Highway State School in Mount Isa has an innovative dance, drama and art curriculum and the XCPP NQ funding of \$30,000 during 2006 enabled the school to provide two artists-in-residence programs for the students. A dance artists-in-residence program introduced all students to creative dance as well as providing professional development to teachers at Barkly and other local schools. A visual artists-in-residence program saw the creation of two large murals that involved all students at the school. The XCPP NQ will provide additional funding of \$40,000 in 2007-2008 for Barkly Highway State School to continue the successful artists-in-residence programs.

Mount Isa Concert Band / Mount Isa String Orchestra

The Mount Isa and District Instrumental Music Program was designed to give students in remote and regional areas the opportunity to learn a musical instrument. Xstrata in it's partnership with the Mount Isa Concert Band and the Mount Isa String Orchestra will provide \$60,000 over two years commencing 2007 to fund the purchase of some large instruments and equipment to enable to program to continue and give students an opportunity to play instruments they wouldn't normally have the chance to play.

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Note to editors:

Xstrata's two commodity businesses operating in north Queensland – copper and zinc – run 6 major operations and employ in excess of 4,600 people. The operations include copper and zinc mines in Mount Isa, the Ernest Henry copper-gold mine near Cloncurry, the Townsville copper refinery and port operations, and Bowen Coke Works.

Xstrata is a major 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 a smaller but profitable aluminium business, recycling facilities, additional exposures to gold, lead and silver and a suite of global technologies, many of which are industry leaders. The Group's operations and projects span 19 countries: Argentina, Australia, Brazil, Canada, Chile, Colombia, the Dominican Republic, Germany, Jamaica, New

Caledonia, Norway, Papua New Guinea, Peru, Philippines, South Africa, Spain, Tanzania, the USA and the UK.

For further information on the Xstrata Community Partnership Program Queensland, Xstrata Community Partnership Program North Queensland and Xstrata Coal's Corporate Social Involvement program: <http://www.xstrata.com/sustainability/social/corporate>