



**MOUNT ISA
MINES**

MEDIA RELEASE

XSTRATA SUPPORTS WATER BLUEPRINT FOR NORTH WEST QUEENSLAND

Mount Isa, 7 May 2008

Xstrata Mount Isa Mines today advised that it fully supported the announcement by the Minister for Natural Resources and Water, Hon Craig Wallace, MP for a 50 year water blueprint for north west Queensland.

Mr Steve De Kruijff, Chief Operating Officer, Xstrata Copper North Queensland Division said: "Xstrata looks forward to participating in the North West Queensland Regional Water Strategy Management Committee which will be chaired by local MP Betty Kiernan, to secure water supply and recreation areas for this prosperous region over the next 50 years.

"Xstrata Mount Isa Mines has played a key role in the development of water supply infrastructure to serve Mount Isa for over 70 years. This has included the construction of the town's first water supply at Rifle Creek Dam in the 1930s, the construction of the Lake Moondarra dam in 1958 and the joint funding of the Lake Julius dam in 1970s.

"A secure water supply has been essential to our growing operations and to the establishment of a vibrant city to support these operations," he said.

"These facilities have not only provided a secure water supply but also very popular recreational areas for the community.

"Xstrata Mount Isa Mines has been working with the Department of Natural Resources, the Mount Isa City Council and the Mount Isa Water Board since 2005 on the strategy required to bring north west Queensland into line with the rest of the State under the Water Act 2000.

"The proposed legislative amendments presently before the Queensland Parliament have been supported by Xstrata Mount Isa Mines as a significant step in the process to implement the strategy developed in 2005. The changes will help secure the water required to sustain Xstrata's long term operations, and the Mount Isa City Council's requirements, as well as providing an allowance for other customers into the future," he added.

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About Xstrata plc

Xstrata is a global diversified mining group, listed on the London and Swiss Stock Exchanges, with its headquarters in Zug, Switzerland. Xstrata's businesses maintain a meaningful position in seven major international commodity markets: copper, coking coal, thermal coal, ferrochrome, nickel, vanadium and zinc, with additional exposures to platinum group metals, gold, cobalt, lead and silver, recycling facilities and a suite of global technology products, many of which are industry leaders. The Group's operations and projects span 18 countries: Argentina, Australia, Brazil, Canada, Chile, Colombia, the Dominican Republic, Germany, New Caledonia, Norway, Papua New Guinea, Peru, the Philippines, South Africa, Spain, Tanzania, the USA and the UK. Xstrata employs approximately 56,000 people, including contractors.

About Xstrata Copper

Headquartered in Brisbane, Xstrata Copper is one of the commodity business units within the major global diversified mining group Xstrata plc. Its operations and projects span eight countries: Australia, Argentina, Chile, Peru, Canada, the USA, the Philippines and Papua New Guinea. Its operations are administered by five separate divisions, based close to the mining operations, namely the North Queensland, Minera Alumbrera, North Chile, Southern Peru and Canada divisions. It also has a recycling business (Xstrata Recycling) with plants in the United States and offices in Canada and Asia.

Xstrata Copper's world-leading portfolio of growth projects includes Las Bambas in Peru, Tampakan in the Philippines, El Morro in Chile, El Pachón in Argentina and Frieda River in Papua New Guinea.

Xstrata Copper is the fourth largest global copper producer with annual attributable production capacity of over one million tonnes. It employs over 15,000 people, including contractors.

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 and Black Star open cut zinc lead mines, zinc lead concentrator, lead smelter and Bowen Coke Works in north Queensland; 75% of the Lady Loretta zinc lead deposit in north-west Queensland; the McArthur River open pit zinc lead mine, processing and port operations in the Northern Territory; and 50% of the Lennard Shelf underground zinc lead mine and processing operations in Western Australia.

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.