



Media Statement

XSTRATA RESPONDS TO MISLEADING AUSTRALIAN FINANCIAL REVIEW ARTICLE

Sydney - 16 June 2010

Today's Australian Financial Review ("AFR") article "Bluff game over coal bonanza", has failed to accurately represent the facts regarding Xstrata's ongoing commitment to honour all land purchase obligations and agreements entered into with Wandoan landowners and key stakeholders prior to June 3.

Xstrata continues to act with honesty and integrity in its dealings with the Wandoan community. This commitment to honour landowner agreements was outlined to the Wandoan community during last Thursday's (10 June) town meeting, attended by the AFR.

All actions to date remain consistent with the Company's announcement on June 3 to suspend AUD186 million of expenditure to develop the AUD6 billion Wandoan thermal coal project.

Xstrata has presented offers to purchase local properties to almost all of the landholders within the Mining Lease Application area and is continuing in good faith to meet its commitments. There is no change to the offers made.

The AFR's omission of these publicly disclosed facts explaining Xstrata's actions continue to cause confusion among affected communities and external stakeholders. Xstrata rejects any suggestion it is "bluffing" the community.

Ends

Xstrata contacts

Xstrata Coal

James Rickards
Telephone +61 2 9253 6789
Mobile +61 419 731371
Email jrickards@xstratacoal.com

Xstrata

Claire Divver
Telephone +44 20 7968 2871
Mobile +44 7785 964340
Email cdivver@xstrata.com

www.xstrata.com