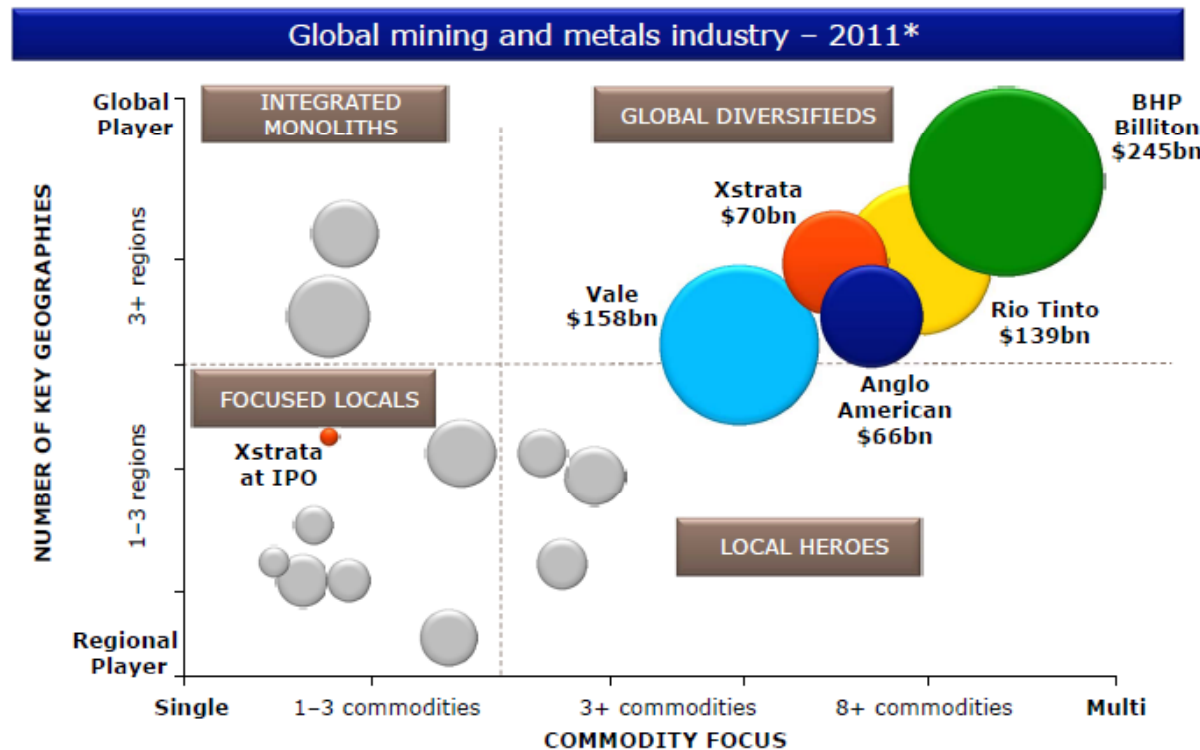




METS Opportunities with Xstrata Copper

Karen Read
METS Round Table Brisbane
16th November

Xstrata today: A global diversified mining powerhouse



Source: Bloomberg, market capitalisation as at 6 May 2011

- Global diversified miner with market capitalisation of \$70bn*
- Headquartered in Switzerland, employing over 70,000 people in 20 countries
- Top 5 global producer of export thermal coal, export coking coal, copper, ferrochrome, nickel and zinc, as well as a growing platinum & iron ore business
- Xstrata plc Sector Leader of Dow Jones Sustainability Index for fourth consecutive year 2010/11

Xstrata operations and structure



World's fourth largest copper producer



World's largest exporter of thermal coal and important producer of hard and semi-soft coking coal



World's fourth largest nickel producer and one of the largest cobalt producers



World's largest producer of ferrochrome and leading producer of primary vanadium



One of the world's largest producers of refined zinc and zinc concentrates; an important lead producer

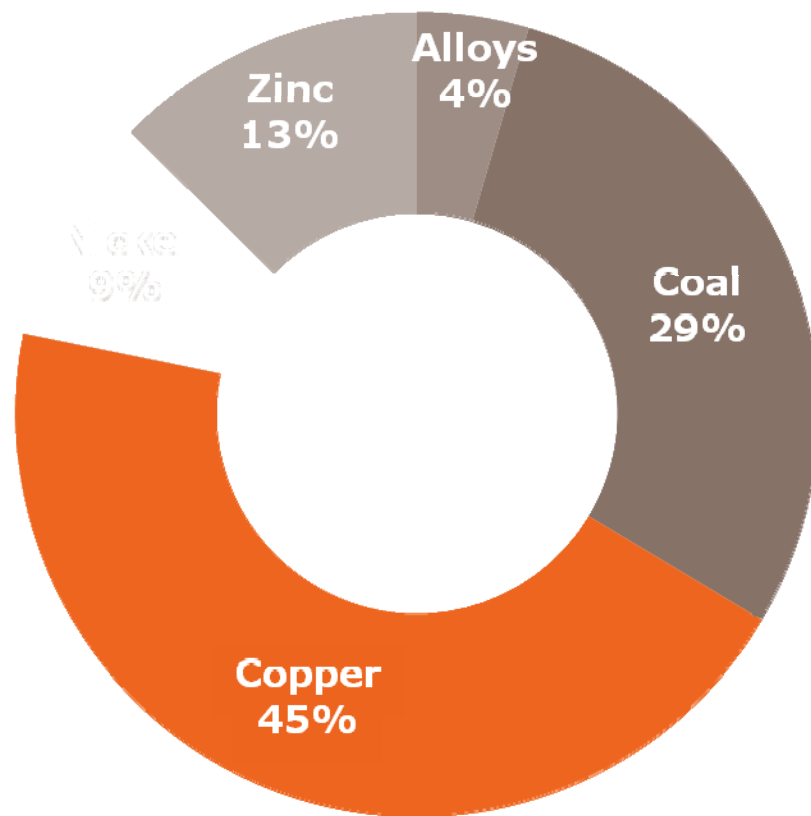


Diversification by geographic location and commodity, an entrepreneurial culture and a decentralised business model underpin operational performance.

Overview of Xstrata Copper



XCu share of Group EBITDA 2010 45%



- Headquartered in Brisbane, Australia
- The world's fourth largest copper producer
- Production in 2010 of 913,500 tonnes of copper
- More than 20,000 employees and contractors worldwide
- Operations in five countries (Australia, Argentina, Canada, Chile and Peru)
- Five major copper development projects (two under construction)
- Recycling business in Canada.

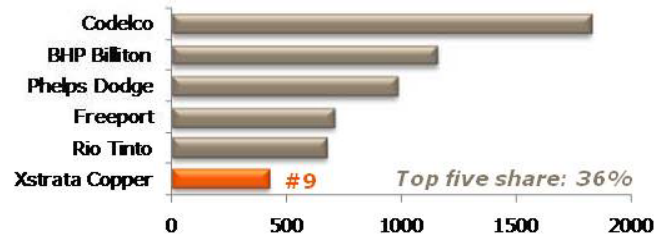
Map of Xstrata Copper Operations



Continued transformation and growth has created a leading global copper producer...



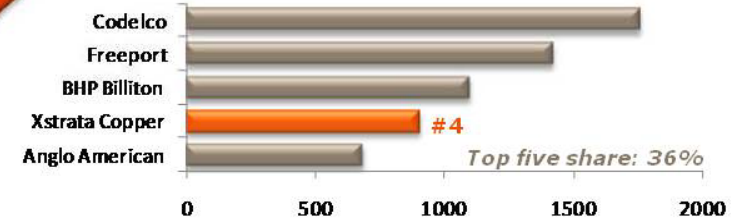
Industry Ranking - 2005



Mined Production

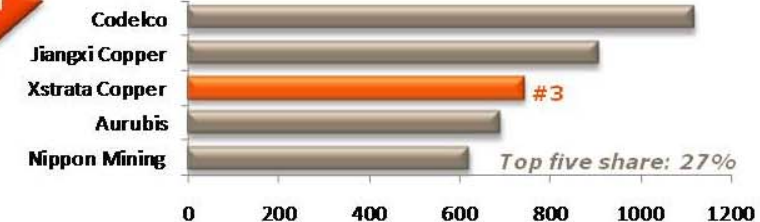
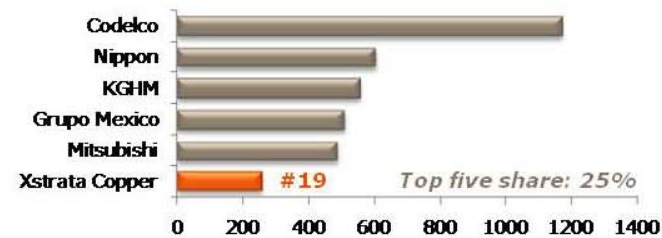
Alumbreira, Antamina, Collahuasi, Ernest Henry, Kidd, Lomas Bayas, Mount Isa, Tintaya

Industry Ranking - 2010



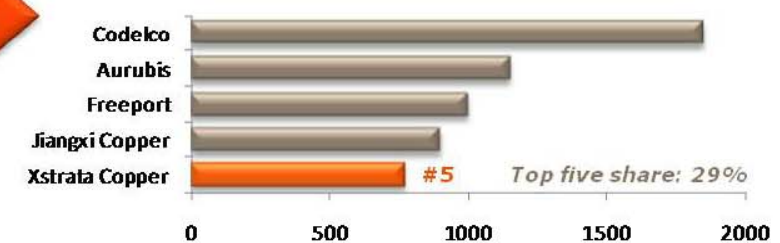
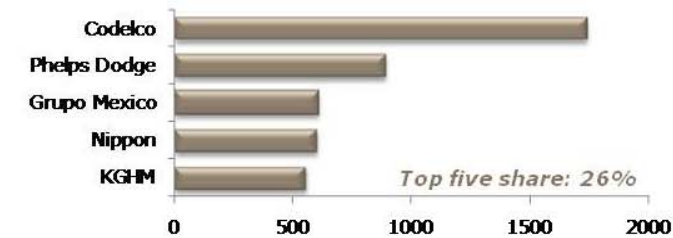
Smelter Production

Altonorte, Home, Mount Isa



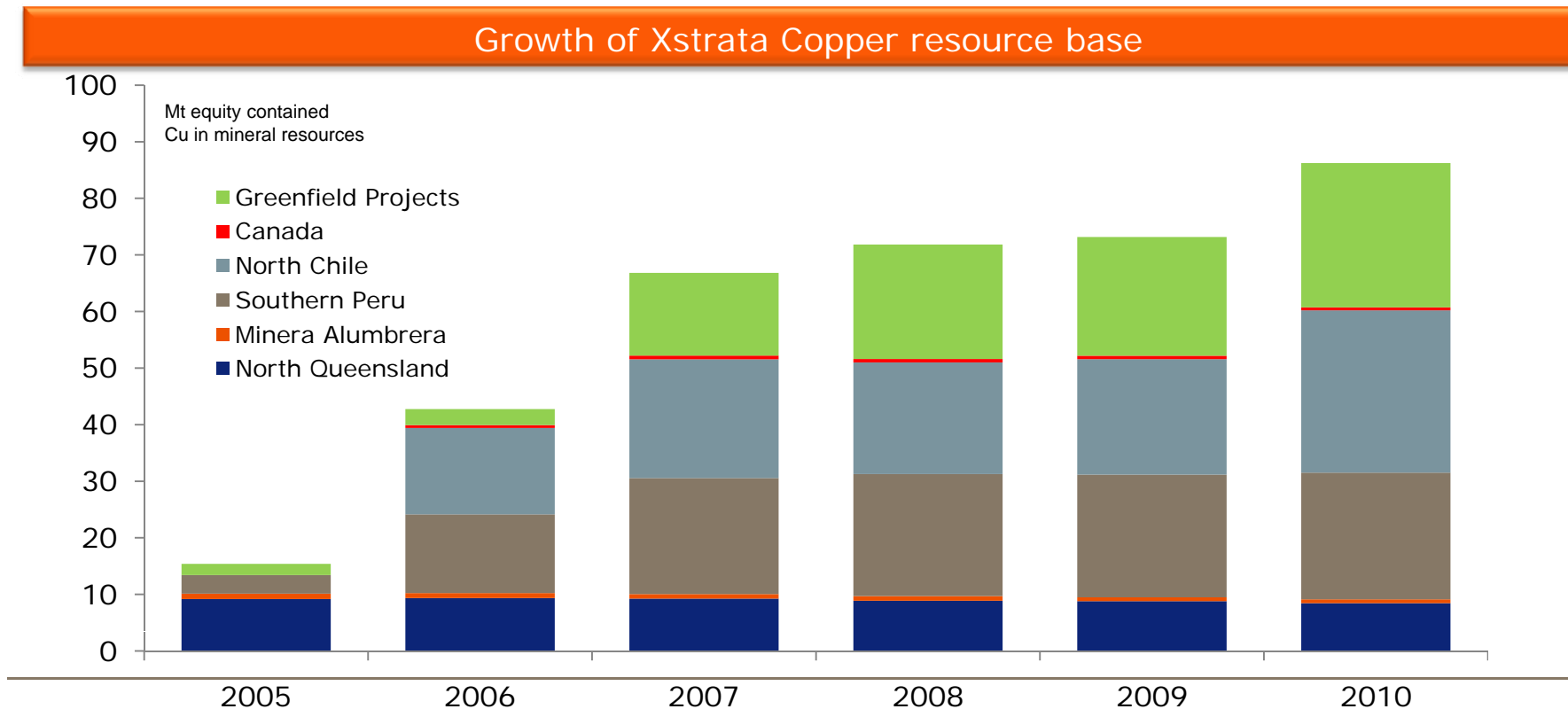
Refined Production

CCR, Collahuasi SxEw, Lomas Bayas SxEw, Tintaya SxEw, Townsville



Continous resource growth

- Continual extensions of existing mine lives and growth of project resources
- Over 400% increase in resource base since 2005 to almost 90Mt copper in 2010
- Generation of new projects: West Wall
- Updates to Frieda River and Antamina in 2011 not included



Further growth optionality

- Collahuasi progressing studies into brownfield expansion to >1 million tonnes per annum (100%) copper production
- Potential for >1 million tonnes per annum (100%) initial copper production from three major greenfield projects in final feasibility studies
- Evaluation of potential new projects to add to Xstrata Copper’s development portfolio – West Wall (Chile), Agua Rica (Argentina), E1 & Monakoff (North Queensland)

| Project | Country | Development Stage | Mineral Resource | Indicative Annual Production (100%) ¹ |
|-----------------|-------------|----------------------|------------------|--|
| El Pachón | Argentina | Final Feasibility | 1.8Bt @ 0.51% Cu | ~400kt |
| Tampakan | Philippines | Final Feasibility | 2.4Bt @ 0.60% Cu | ~450kt |
| Frieda River | PNG | Final Feasibility | 1.9Bt @ 0.45% Cu | ~260kt |
| Collahuasi exp | Chile | Concept studies | 7.1Bt @ 0.82% Cu | ~500kt |
| Energia Austral | Chile | Feasibility | n/a | ~1,000 MW |
| West Wall | Chile | Advanced Exploration | 750Mt @ 0.54% Cu | |

¹ Average production over first five years



Transformation of Xstrata Copper through industry leading organic growth



- Xstrata Copper continues development as leading global copper producer
 - Strong portfolio of geographically diverse assets and projects
 - Significant near-term expansion projects to provide ~50% growth to almost 1.5Mtpa by end of 2014
 - Projects currently under evaluation provide potential for further ~50% increase (Tampakan, Frieda River and El Pachón)
 - Robust cost position through ongoing optimisation of assets and further 20% improvement through near-term growth
- Innovative strategic alliance with Bechtel and “standard concentrator design” concept reducing costs and timelines
- Delivering industry-leading volume growth into a supply constrained copper market



Current and Future Opportunities



Globally

- All Commodity Business Units have made a commitment to form alliances or award contracts for goods and services that are common across the globe or by region. These include but are not limited to:
 - Mining Equipment, components and fittings
 - Earthmover tyres
 - Fuels and Lubricants
 - Explosives
 - Chemicals
 - Grinding Media
-

Current and Future Opportunities continued



Regionally

- All Commodity Business Units have made a commitment to form alliances or award contracts for goods and services that are common across countries or regions. These include but are not limited to:
 - Facilities Management
 - Labour Hire
 - Engineering Services
 - Crane and Equipment Hire
 - Shutdown Maintenance
 - Ground Support
 - Electrical Equipment and Spares
 - General Hardware
-

Project Opportunities



- **Xstrata Copper has a strong growth project pipeline across South America and the Asia Pacific with both green field and brown field projects in various stages from pre-feasibility to construction offering opportunities to METS Companies including engineering, design, major equipment supply, construction and commissioning. These projects include:**

- **Asia Pacific**

- Tampakán – Philippines
- Frieda River - Papua New Guinea

- **Australia**

- Ernest Henry Underground – North Queensland
- Mount Margaret Open Pit – North Queensland
- Mount Isa Open Pit - North Queensland

-

Project Opportunities continued



- **South America**

- Antapaccay - Peru
 - Antamina expansion (33.75% JV) - Peru
 - Las Bambas - Peru
 - Lomas Bayas expansion - Chile
 - Collahuasi (44% JV) Chile
 - Energia Austral Chile
 - El Pachon Argentina
 - Auga Rica Argentina
-

Gaining Access to opportunities



- The most effective way to gain access to these opportunities is to contact our divisional procurement representative in the area of interest via email with heading “METS Opportunities” to present your capability statements and interest in providing goods or services. The contact details are listed below:

- **Australia**

- Bruce Watson -Supply and Contracts Manager
bwatson@xstratacopper.com.au

- **Asia Pacific Projects**

- Nick Treweeke – Contracts and Procurement Manager
ntreweeke@xstratacopper.com

- **South America**

- Tomas Martinez – General Manager Administration and Services
tmartinez@xstratacopper.com
