

GLENCORE

INTERNATIONAL plc

KAZZINC COMMISSIONS COPPER SMELTER AT NEW METALLURGY PROJECT, FURTHER STRENGTHENING A WORLD-CLASS POLYMETALLIC OPERATION

Kazzinc today announced the successful commissioning of the copper smelter at its New Metallurgy project, which significantly increases production of finished metals and further improves Kazzinc's environmental performance through the development and integration of copper, zinc, lead and acid plants.

The new metallurgical complex enables Kazzinc to maximize the recovery of individual metals like copper, zinc, lead, gold and silver.

Additionally, the new copper smelter and refinery will allow Kazzinc to produce value added refined copper, rather than exporting copper concentrate and blister copper. These new products will improve the economic value of Kazzinc's product line and reduce transport costs.

Kazzinc produces 18 elemental metals, and 23 finished products.

The New Metallurgy project balances Kazzinc's mining and concentrate production capacity with its metallurgical production capacity. This balance will provide the company with a further competitive advantage as it will enable active management of resources and operating costs throughout the mining value chain.

The new copper plant has the capacity to refine up to 370,000 tonnes per annum of copper concentrate and produce 70,000 tonnes per annum of copper cathodes, with long-term potential to increase capacity to 87,500 tonnes of copper cathodes per annum.

The new lead smelter is expected to be completed during H1 2012 and will allow the metallurgical complex to accommodate a more varied feed in line with best environmental practices. It will also increase lead production capacity from 130,000 tonnes per annum to 168,000 tonnes per annum.

The facilities are located in Ust-Kamenogorsk in Eastern Kazakhstan.

On completion of the lead smelter Kazzinc will have invested \$875 million in the New Metallurgy project, the largest single project in Kazzinc's history. Construction work has taken four years and involved 130 contracting companies from Kazakhstan and around the world.

The copper and lead smelters both use Xstrata's ISASMELT technology, which offers reliability and strong environmental performance. Sulphur dioxide emissions will be captured and turned into sulphuric acid at the acid plant.

Total sulphur dioxide emissions have been reduced by over 60 per cent since privatization even as metallurgical production has increased by over 60 per cent. The New Metallurgy project will provide a further reduction of 30 per cent from today's levels.

Ivan Glasenberg, Chief Executive Officer of Glencore, said:

"The New Metallurgy project further strengthens the world-class polymetallic operation at Kazzinc, which maximizes value for Kazakhstan and its partners from Kazakh metal resources. In total the Kazzinc shareholders have invested over \$1.5 billion in recent years in the New Metallurgy project and Vasilkovskoe gold mine, demonstrating our confidence in and commitment

to Kazakhstan's mining and metallurgical processing opportunities. At Glencore we are pleased with this success at Kazzinc, which is an example of the organic growth we will deliver at our key production assets around the world between now and 2015."

Over 1,100 permanent new jobs have been created through the New Metallurgy project. Kazzinc spent some \$3.7 million training these new personnel for their new roles, which included over 130 new staff receiving training abroad.

Glencore owns 50.7 per cent of Kazzinc. A proposed transaction to increase Glencore's shareholding to 93.1 per cent by the end of 2011 was announced during Glencore's recent Initial Public Offering.

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About Kazzinc

Kazzinc was formed in 1997 through the privatization of eastern Kazakhstan's three main non-ferrous metals companies – Ust-Kamenogorsk Lead and Zinc Combinate, Leninogorsk Polymetallic Combinate and Zyryanovsk Lead Combinate. Glencore became the main shareholder in the new company.

Today Kazzinc is a leading integrated zinc, lead, copper, gold and silver producer in the CIS with significant copper, zinc, precious metals and lead resources. Kazzinc employs around 25,000 people in total in an operation that spans eight mines, three concentrators, a gold recovery plant, two zinc smelters, the new copper smelter, the lead smelter currently under reconstruction and a precious metals refinery.

Kazzinc also operates a variety of auxiliary units which support its mining and metallurgical operations. These include: a long-term concession over the Bukhtarma Hydro-Electric Power station which provides 80% of Kazzinc's electricity needs; Kazzinc-Mash, an industrial entity which produces a wide variety of parts and machinery related to mining and metallurgy, providing Kazzinc with necessary mining and processing equipment spare parts and customised mechanical solutions; a transportation division with over 100 kilometres of rail track, 1,000 rail tank cars and open-top wagons, 29 locomotives and 700 vehicles; and KazzincTech, the company's Research & Development and engineering division focused on the development and design of customised process technology solutions.

The company's assets are located primarily in Eastern Kazakhstan, with others in Northern Kazakhstan and in Russia's Trans-Baikal region.

About Glencore International plc

Glencore is one of the world's leading integrated producers and marketers of commodities, headquartered in Baar, Switzerland, and listed on the London and Hong Kong Stock Exchanges. Glencore has worldwide activities in the production, sourcing, processing, refining, transporting, storage, financing and supply of Metals and Minerals, Energy Products and Agricultural Products.