

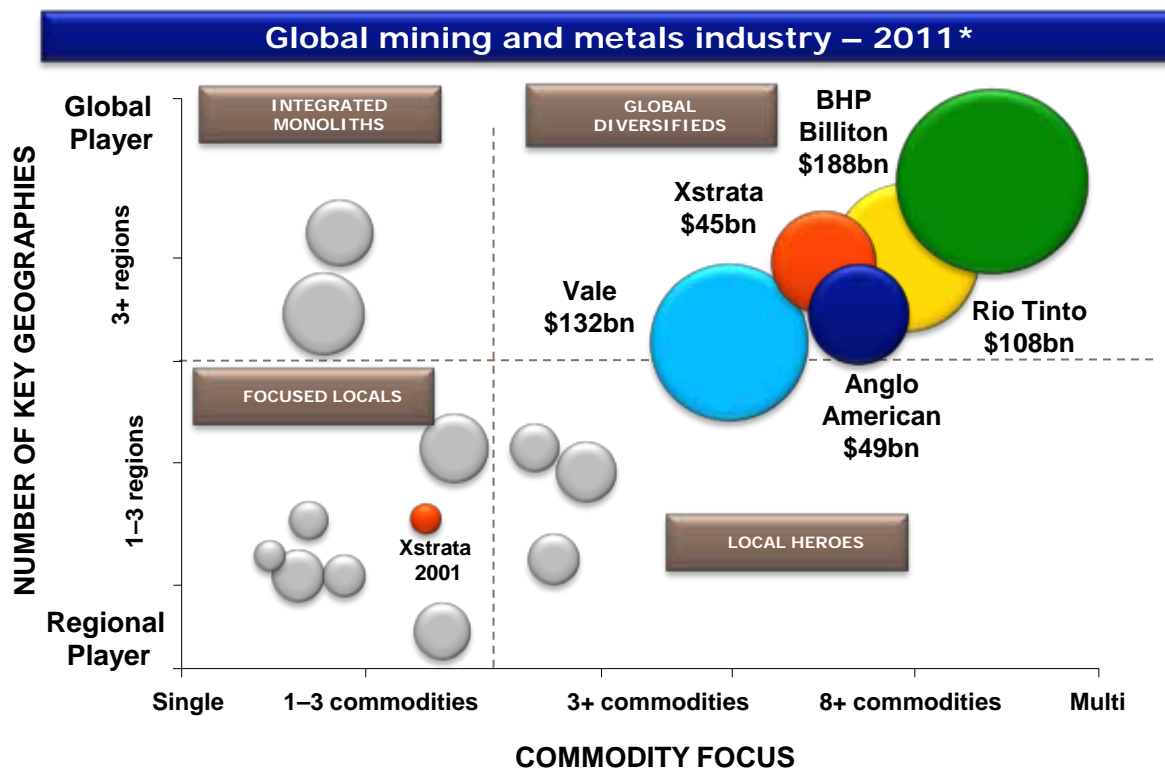


Xstrata Copper: Delivering the organic growth strategy

Charlie Sartain, Chief Executive
27 October 2011

Xstrata today: A global diversified mining powerhouse

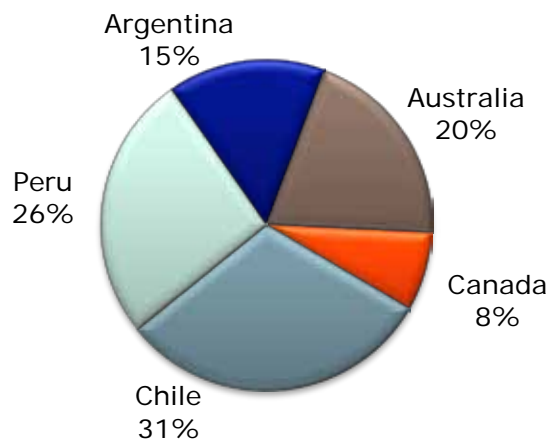
- § Global diversified miner with market capitalisation of \$45bn*
- § Headquartered in Switzerland, employing over 70,000 people in 20 countries
- § Top 5 global producer of export thermal coal, export coking coal, copper, ferrochrome, nickel and zinc, as well as a growing platinum & iron ore business



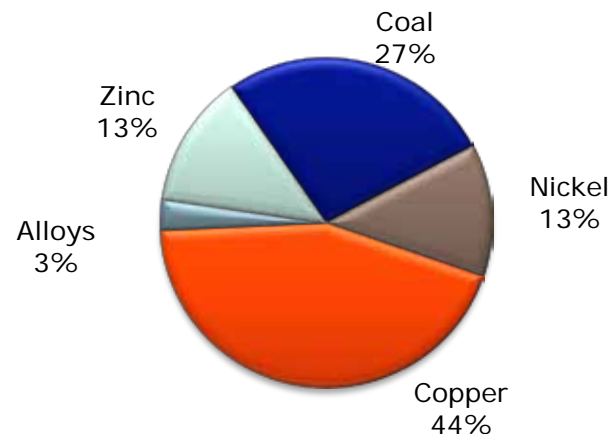
Xstrata Copper is a fundamental pillar of Xstrata's diversified model

- § Headquartered in Brisbane, employing over 20,000 people in eight countries
- § Top five global mined and refined copper producer with copper output of 913,500 tonnes in 2010
- § Diversified geographic exposure
- § Strong cost position in the second quartile
- § Projects under construction to further transform business and increase production by more than 50% to 1.5Mtpa by 2015

Xstrata Copper profit* by region



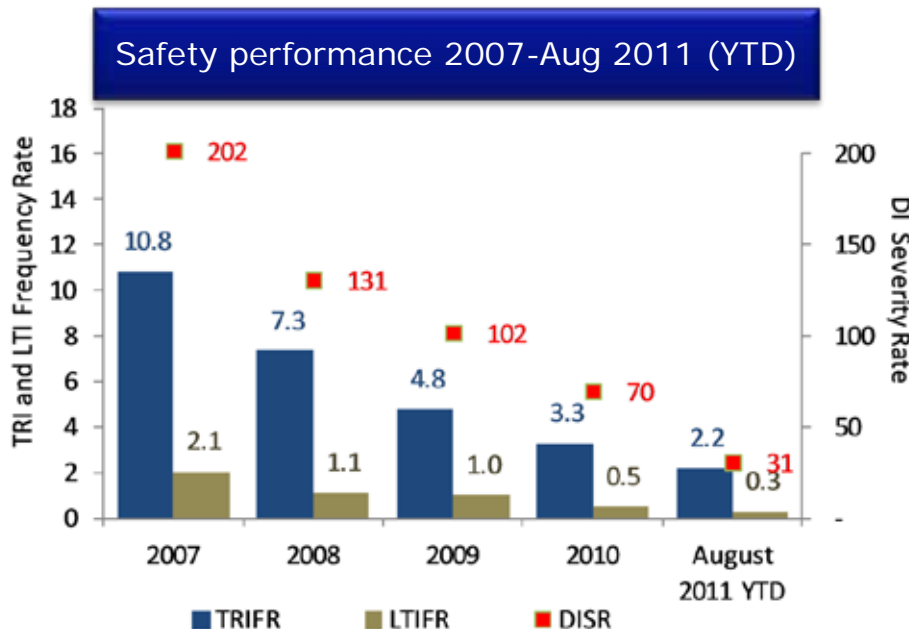
Contribution to Xstrata profit*



*Based on earnings before interest, depreciation, tax and amortisation for 1H11

Best practice sustainability performance underpins our business activities

- § Xstrata retains Mining Sector leadership in Dow Jones Sustainability Index 2011/12 for fifth consecutive year and is also named Super Sector leader for Basic Resources industries the second consecutive year
- § Xstrata Copper annually receives numerous recognitions for Sustainability best practice (16 2011 YTD, 22 in 2010, 21 in 2009)
- § Application of Sustainability principles enables social licence to operate
- § Environmental best practice is feeding into successful ESIA approval processes
- § Significant ongoing improvements to safety performance



Xstrata Copper's Business Strategy



2Mtpa of potential copper production under evaluation

Generation and evaluation of new projects to replenish the pipeline

USD4.2bn growth capex approved for 400ktpy copper

New quality growth through project development/construction

USD3bn capex approved for expansions/extensions; continuous improvement

Maximise NPV of existing operations including capitalising on regional leverage opportunities

2011 E1, Monakoff, Agua Rica
2006 Falconbridge
2006 Tintaya
2003 MIM

Growth through acquisitions and optimisation of asset portfolio

Organic growth strategy enabled through targeted mineral resource expansions

§ **460% increase in resource base to 86Mt contained Cu since 2005. Further increases pending.**

§ Further resource expansions to Frieda River, Antamina and Corocchohuayco in 2011, and inclusion of Agua Rica

§ Generation of new projects for evaluation: Corocchohuayco, Lomas Bayas sulphides, Agua Rica, West Wall, MIOP

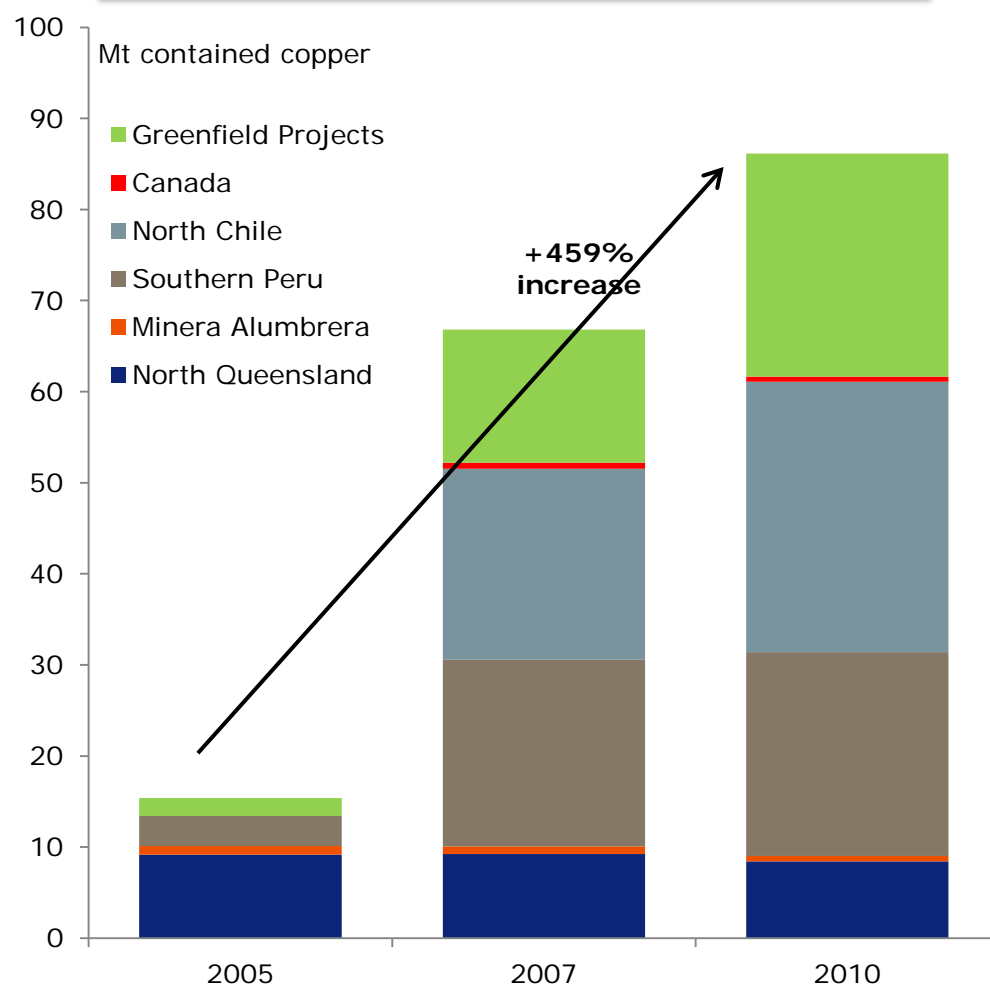
§ Provides the basis to extend and/or expand production at existing mines

- Lomas Bayas, Ernest Henry, Antamina, Collahuasi, Isa, Tintaya

§ Provides the platform to develop new world class mines

- Las Bambas
- El Pachón
- Tampakan

Growth of Xstrata Copper resource base



Projects now under construction will lift production to 1.5Mtpa by 2015 through organic growth

- § Approved five brownfield expansion projects and one greenfield project in past 2 years – all under construction
- § Global strategic alliance with Bechtel and key suppliers assists the construction of six projects simultaneously and the development of new projects
- § World class, large scale new mines will provide c.20% improvement to C1 cash costs by the end of 2014
- § 5 year average compound annual growth rates of 15% from mid 2012.

Brownfield and greenfield projects approved and under construction

Project	Xstrata's interest	Investment	Production	Start-up
Lomas Bayas II	100%	USD293M	75 ktpa	H2 2012
Ernest Henry u/g	100%	USD542M	50 ktpa	H2 2013
Antamina 130ktpd	33.75%	USD435M†	40 ktpa†	H2 2011
Antapaccay	100%	USD1,473M	160 ktpa	H2 2012
Collahuasi 160ktpd	44%	USD92M†	9 ktpa†	H1 2013
Las Bambas greenfield	100%	USD4,230M	400 ktpa	H2 2014

†Xstrata's share

Next generation growth projects offer +2Mt Cu optionality – examples ...



+400ktpa
copper

El Pachón, Argentina: in feasibility, decision expected 2012, potential start-up 2016



+250ktpa
copper

Agua Rica, Argentina: in feasibility, decision expected 2013, brownfield expansion, potential start-up 2016



+450ktpa
copper

Tampakan, Philippines: completed feasibility study, decision expected 2013, potential start-up 2016



+260ktpa
copper

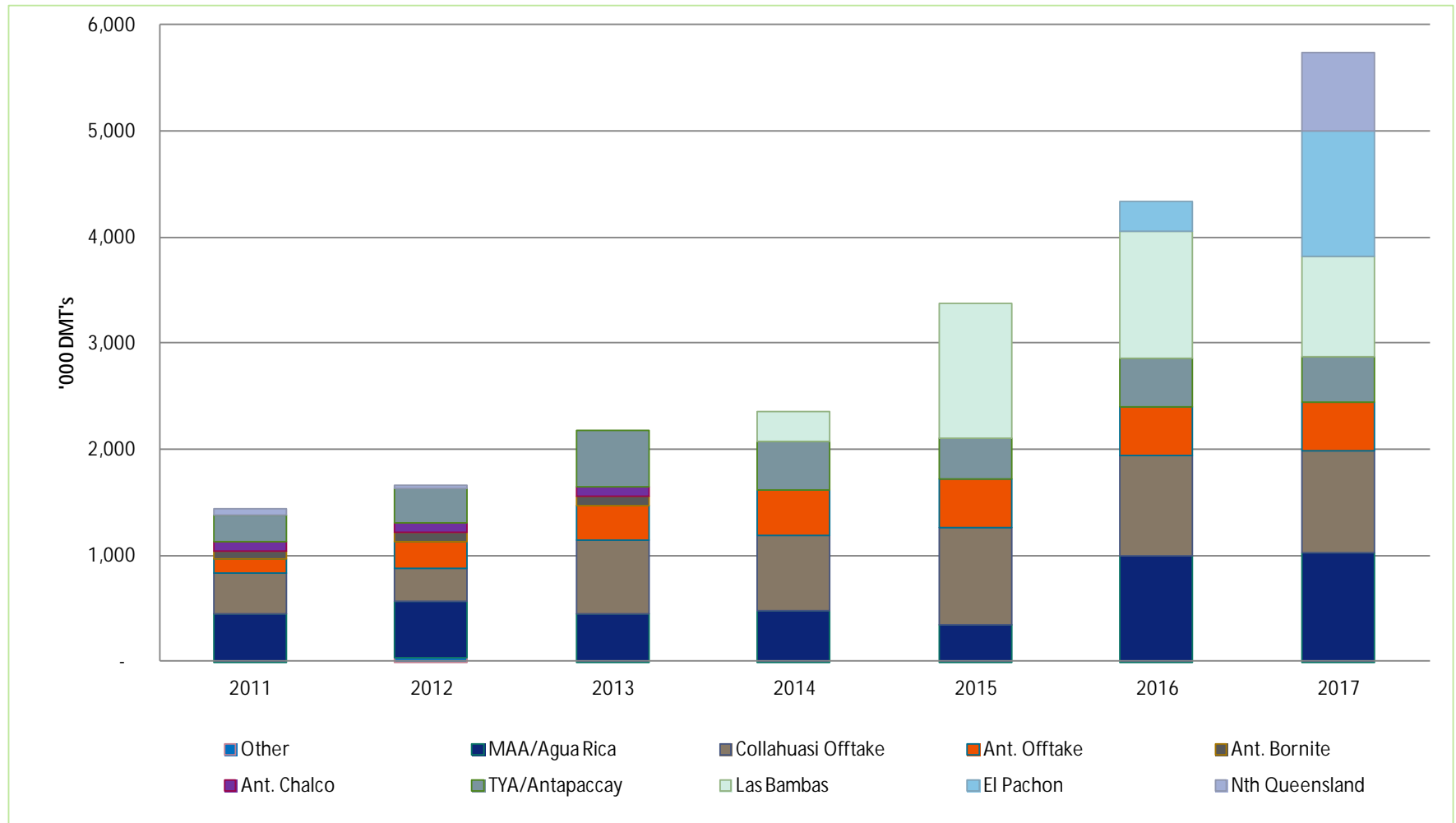
Frieda River, Papua New Guinea: feasibility study to be completed January 2012, decision expected post FS review, potential start-up 2017



+500ktpa
copper

Collahuasi, Chile: brownfield expansion to 1Mtpa Cu, in pre-feasibility study stage, potential start-up 2017

Emerging position in the custom concentrate market



Differentiating ourselves from our peers

§ We have multiple custom feed sources

§ Our multiple custom feed sources offer us significant flexibility

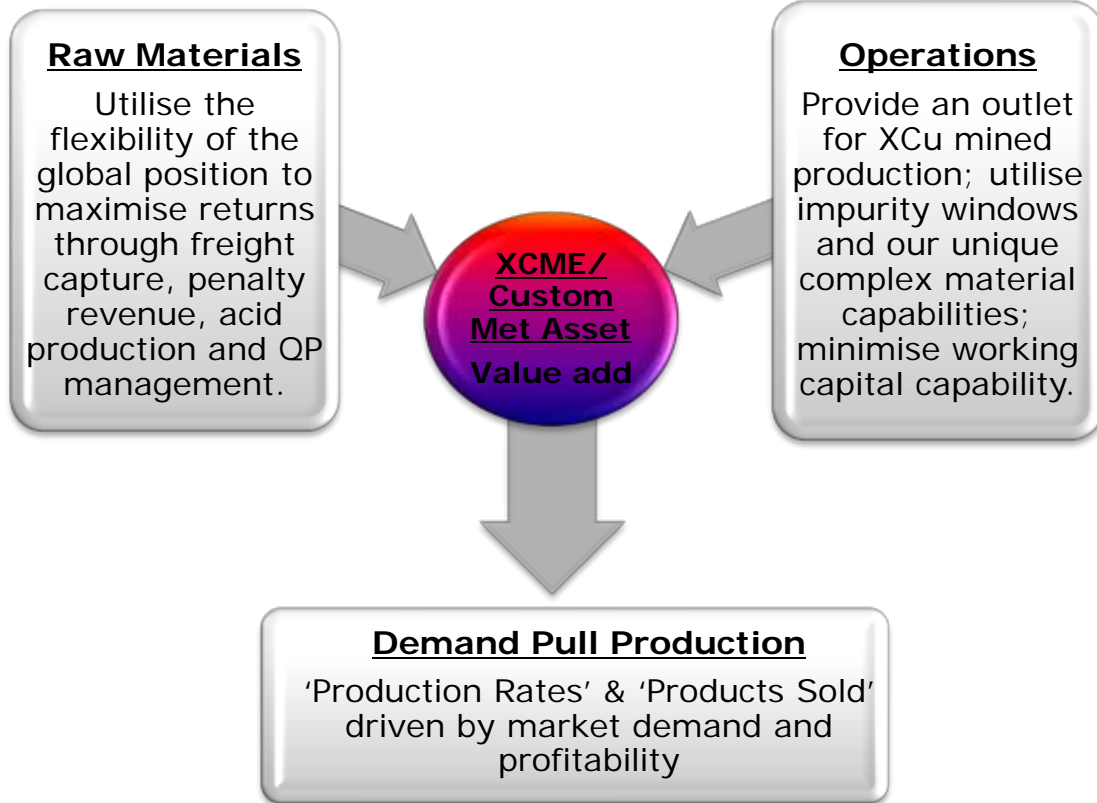
- Ability to sell a “menu”
- Ability to deliver preferred qualities to all markets (i.e. Low Au to China and high Au to Europe)

§ Scale

- Increasing concentrate volumes
- Freight leverage
- Exposure to entire product chain

§ Flexible Metsites

- Ability to handle complex material that our peers cannot
- Ability to flex feeds through smelters i.e. Agua Rica to Altonorte in years of high As
- Anode quality flexibility enables purchase of complex feeds to maximise the returns from our metallurgical assets



Integrated Metallurgical Assets

Clean Conc.

3rd Party & XCu Operations

Complex Conc.

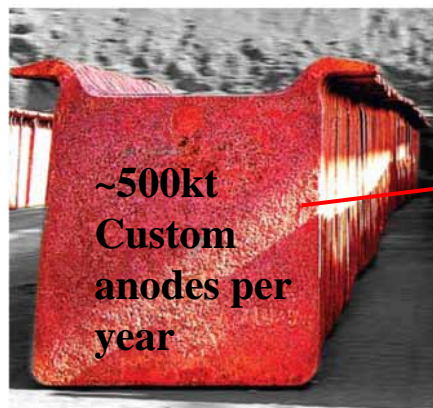
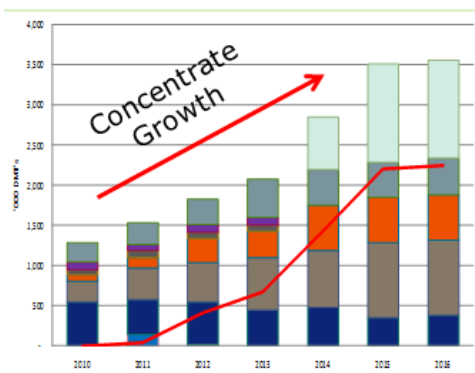
Peruvian Blends, Antamina Bornite, High As Tampakan / Collahuasi

XCu 'Custom' Smelting Assets

Horne & Altonorte

XCu 'Custom' Refining Assets.

CCR & Townsville



	Total Anode Capacity	Impurity Tolerance	Ag / Au
CCR	370,000	High	High
Townsville	300,000	Medium	High
China	Large	High	Medium
Korea	50,000	Medium	Medium
Sth America	50,000	Low	Low
Europe	50,000	Low	High



Organic growth in North Queensland

North Queensland Division

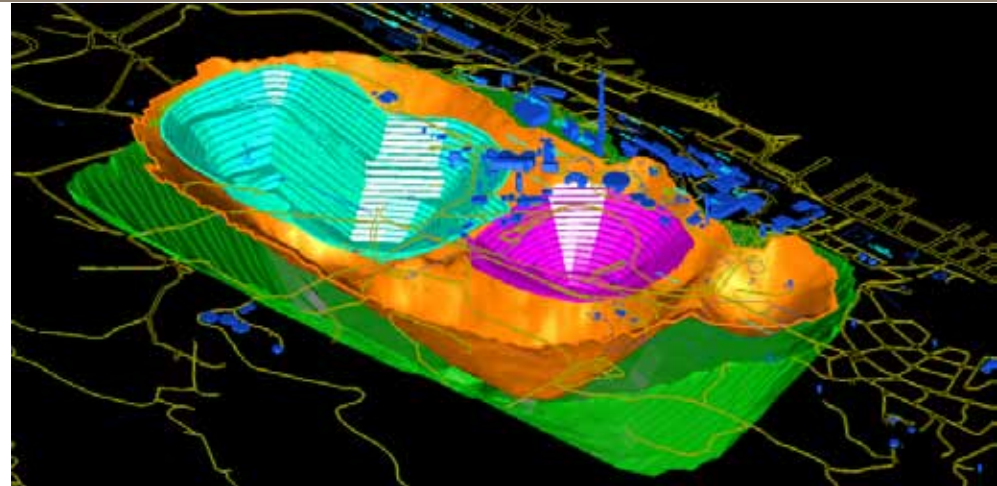


- § Xstrata Copper employs 3,931 people across north Queensland
- § Head office Mount Isa
- § Mount Isa underground mines – 170,000t/y Cu in concentrates
- § Mount Isa smelter 300,000t/y copper anodes
- § Ernest Henry open cut mine 90,000t/y Cu in con, 110,000oz/y Au in concentrates
- § Townsville refinery 300,000t/y of copper cathodes
- § In 2010, Xstrata's north Queensland's copper and zinc businesses contributed almost \$2 billion in direct value to the Queensland economy

Mount Isa Open Pit project

Pre-feasibility study

- § AUD47 million pre-feasibility study into development of multi-commodity open pit mine on existing footprint
- § Large scale zinc-lead-copper pit with potential to extend life of combined operations beyond 2060
- § Part of Xstrata's long term strategy to sustain the future of north Queensland operations



Potential pit stages – Isometric View looking NW

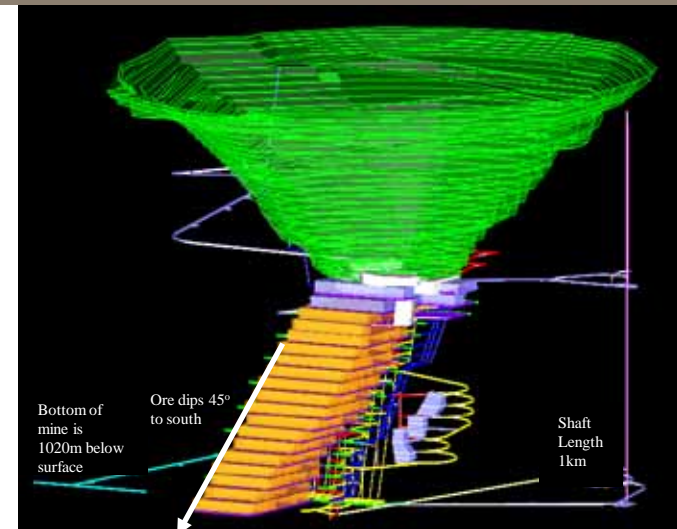


View over Xstrata Mount Isa Mines

Ernest Henry Mining Underground Project

Approved and under construction

- § AUD589 million development to extend the life of Ernest Henry to at least 2024 with the transition from open pit to a major shaft underground mine with an associated magnetite extraction plant
- § Project works commenced in January 2010 – first decline ore 2011
- § Enables production of 6Mtpa of ore at full capacity with shaft commissioning 2013.
- § Part of long term operational plan for north Queensland - focus on mineral concentrate exports



Ernest Henry Mining Magnetite Project

Commissioning completed in February 2011

- § Xstrata Copper is Queensland's first magnetite concentrate exporter
- § First shipment departed Port of Townsville bound for Asia on 15 June 2011
- § At full capacity, Ernest Henry to produce 1.2 million tonnes of magnetite concentrate per annum
 - Mostly exported to Asia for steel industry
 - Remainder used as washing agent in domestic coal operations



Mount Margaret acquisition (E1 & Monakoff) *Approvals expected first half 2012*

- § AUD175 million acquisition strategically located near Ernest Henry
- § Open pit copper mineral resources with completed feasibility studies
- § Ore to be transported to Ernest Henry and processed through existing concentrator
- § Expected to increase Ernest Henry's production profile from the second half of 2012.
- § Further strengthens Ernest Henry's long term sustainability, along with benefits delivered to the region

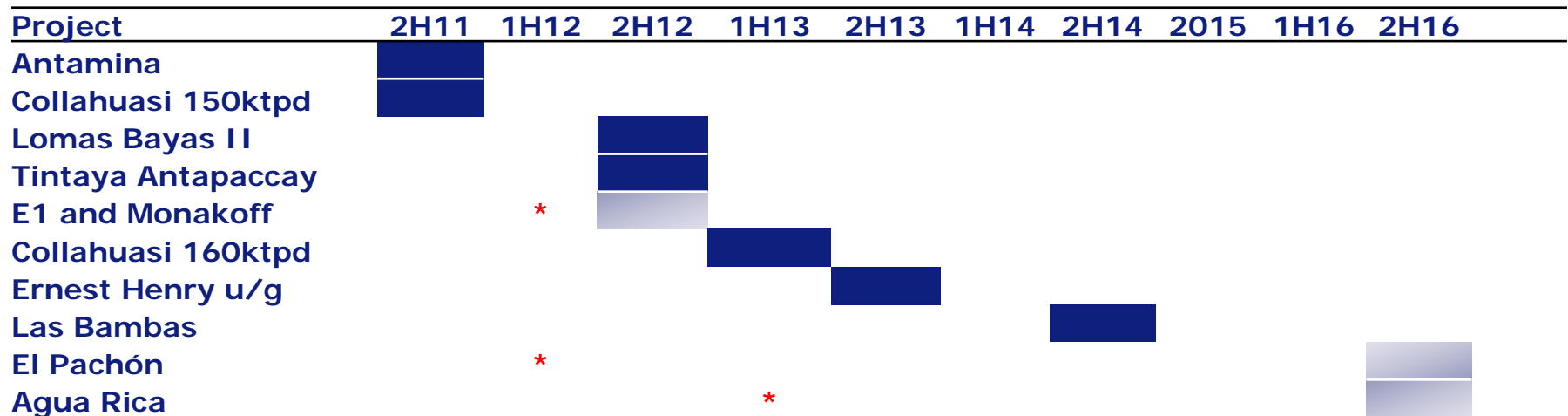




Summary

- § Leadership in Sustainability
- § Organic growth through six projects under construction will increase base production by 50% to 1.5Mtpa by end of 2014 along with further cost improvements
- § Near-term approval South American projects hold potential to lift production a further 33% to 2Mtpa in 2016
- § Focus on continuous improvements at existing operations provides further potential for enhanced business performance

Project commissioning dates



Approved projects

Near-term approval projects

Anticipated approvals *



Thank you