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NEWS RELEASE

Xstrata and Glencore publish merger documents

Zug, 31 May 2012

Shareholder documentation relating to the merger of Glencore International plc ("Glencore") and Xstrata plc ("Xstrata"), announced on 7 February 2012 (the "Merger"), has today been published by the two companies.

Xstrata's circular to shareholders (the "Scheme Circular") provides detailed information about the transaction, including the factors that the independent non-executive Xstrata board directors considered in coming to their decision to recommend that shareholders vote in favour of the Scheme. Xstrata's Scheme Circular has been posted to Xstrata Shareholders and is available from our website at www.xstrata.com.

Xstrata will hold shareholder meetings on 12 July 2012 to approve the Scheme and the retention provisions for senior Xstrata managers. The Scheme will give effect to the proposed merger of the two companies and the governance and management arrangements which are key to its success. These arrangements depend upon retaining the core senior management of Xstrata, given that more than 80% of the Combined Group's income will be derived from its operating assets¹, and are the reason why the retentions were provided for as part of the transaction. As a consequence the resolutions approving the Scheme and the retention provisions are inter-conditional and, accordingly, the Merger will not be implemented if the retention arrangements resolution is not approved. Glencore will hold a shareholder meeting on 11 July 2012 to approve the Merger and a resolution to change the company's name to Glencore Xstrata plc.

Sir John Bond, Xstrata plc Chairman, said:

"The strategic logic of combining Glencore and Xstrata is compelling. The merger brings together two highly successful and entrepreneurial management teams to form a major, integrated natural resources group. The Combined Group will be optimally positioned to succeed in a changing industry landscape, unlocking value along the entire value and distribution chain from operation to customer, while offering globally diverse customers a reliable, tailored and efficient supply of commodities.

"An all-share merger of equals delivers these benefits to both sets of shareholders, with the value deriving from the Combined Group's ability to deliver superior value compared to either company on a standalone basis. The transaction structure rests on three interdependent and inseparable parts: the exchange ratio, the governance and management structure and the retention arrangements. Shareholders will receive 2.8 New Glencore Shares per Scheme Share, giving them a larger share of the Combined Entity than they would otherwise have based on a range of metrics. The governance structure ensures Xstrata shareholders' interests are represented in the boardroom, while Xstrata's proven management team will be responsible for the mining and metallurgical assets which will contribute the majority of earnings. The retention arrangements are intended to secure the transition of the company's leadership, whose stability has been integral to Xstrata's success over a decade and who are essential to the merger structure and achieving the potential of the merged company."

¹ Based on the 2011 financial results of Xstrata and Glencore, industrial assets would have contributed 84% of combined EBIT

Key points:

- The Merger will create a distinctive company focused on delivering superior returns on equity by:
 - Taking advantage of opportunities in highly prospective emerging mining regions;
 - Optimising capital expenditure, accelerating growth and increasing returns by combining the complementary organic growth pipelines of Xstrata and Glencore;
 - Seeking value at each stage of the value chain, from operation to customer;
 - Delivering an estimated \$500 million per annum of EBITDA synergies by the end of 2013; and
 - Benefiting from increased scale, diversification and the combination of two entrepreneurial management teams, each with a proven track record of creating significant shareholder value.
- The terms of the Merger will provide eligible Xstrata Shareholders with 2.8 New Glencore Shares for each share held at the Scheme Record Time:
 - Xstrata shareholders, excluding Glencore, will own 45%² of the Combined Group compared to an ownership of approximately 42% implied by the average market values of both companies since Glencore's initial public offering in May 2011. Today Xstrata non-Glencore shareholders own 66.35% of Xstrata plc.
 - The Merger is expected to be earnings per share accretive to non-Glencore Xstrata Shareholders in the first full financial year following implementation of the Merger³.
- The European Union merger control approval process is progressing well and antitrust filings have been submitted or are in the process of being formally submitted with other relevant authorities. Xstrata and Glencore continue to expect to receive all relevant merger approvals to enable completion of the Merger in the third quarter of 2012.
- The Combined Group's Board will comprise eleven directors, including nine independent non-executive directors, the majority of whom (five) will be nominated by Xstrata, as follows:

	<i>Current position</i>	Combined Group position
Sir John Bond	<i>Xstrata non-executive Chairman</i>	Non-executive Chairman*, Chair, Nominations Committee, <i>ex-officio</i> Remuneration Committee attendee
Mick Davis	<i>Xstrata CEO</i>	CEO, HSEC Committee member
Ivan Glasenberg	<i>Glencore CEO</i>	Deputy CEO and President
Con Fauconnier	<i>Xstrata non-executive director</i>	Non-executive director*, Remuneration Committee and HSEC Committee member
Peter Hooley	<i>Xstrata non-executive director</i>	Non-executive director*, Audit Committee member
Sir Steve Robson	<i>Xstrata non-executive director</i>	Non-executive director*, Nominations Committee member
Ian Strachan	<i>Xstrata non-executive director</i>	Non-executive director*, Chair, HSEC Committee
Peter Coates	<i>Glencore non-executive director</i>	Non-executive director*, HSEC Committee member
Leonhard Fischer	<i>Glencore non-executive director</i>	Non-executive director*, Chair, Audit Committee

² On a fully diluted basis Xstrata shareholders will own 43.5% compared to 40.9% implied by average market values since Glencore's May 2011 IPO

³ This statement should not be interpreted to mean that earnings per share for Scheme Shareholders will necessarily be greater than those for the year ended 31 December 2011.

Anthony Hayward	<i>Glencore non-executive director</i>	Non-executive director, Senior Independent Director*, Chair, Remuneration Committee, Nominations Committee member
William Macaulay	<i>Glencore non-executive director</i>	Non-executive director*, Audit Committee and Remuneration Committee member

* Denotes independent director

Retention awards

- Retention payments have been offered to 73 senior Xstrata managers (including the three Xstrata Executive Directors and the other members of the Xstrata Executive Committee), whose positions are critical for our businesses and whose continued employment is key to integrating the two businesses and maintaining and enhancing the value of its operations and growth projects.
- The value of each tranche of a retention award is equal to the total of an individual's current annual salary, pension and other benefits and the bonus awarded in February 2012 in respect of performance during the financial year ended 31 December 2011, except in the case of Mr Zaldumbide, who does not receive retirement or other benefits.⁴ A summary of retention awards is outlined below. The payment of each retention award is conditional upon completion of the Merger and the individual not being dismissed for cause in accordance with his or her employment contract before the date of the payment of the award.

Retention awards⁵

	2013	2014	2015
Mr Davis ⁶	£9,598,475	£9,598,475	£9,598,475
Mr Reid	£5,451,848	£5,451,848	N/A
Mr Zaldumbide ⁴	£3,942,785	£3,942,785	N/A
Xstrata's Management ⁷	£16,088,493	£16,088,493	N/A
Xstrata Senior Employees ⁸	£46,447,660	£46,447,660	N/A

Payments in respect of contractual provisions

- The existing employment contracts of Xstrata's Management provide for a contractual severance payment to be made if employment is terminated in certain circumstances including if the individual terminates his employment for a "valid reason". This includes circumstances where an employee cannot in good faith be expected to continue in employment, for example if there is a diminution in role or duties. Similar arrangements are in place for 27 Xstrata Senior Employees. Mr Davis will not receive any contractual payment.

⁴ Mr Zaldumbide's retention award is equal to 150% of his current annual salary and 100% of the bonus awarded in February 2012 in respect of performance during the financial year ended 31 December 2011.

⁵ Maximum aggregate amount payable

⁶ Mr Davis's retention award will be paid as to two-thirds in cash and one-third in nil-cost options over Glencore Shares (fixed in number by reference to their market value at completion of the Merger). The fixed number of nil-cost options will be exercisable as to one-third on the first, second and third anniversaries, respectively, of the Merger completion date and for up to ten years from the Merger completion date.

⁷ The members of the Xstrata Executive Committee, other than the Xstrata Executive Directors, being Peter Freyberg, Benny Levene, Thras Moraitis, Peet Nienaber, Ian Pearce and Charlie Sartain.

⁸ 64 employees in total are eligible to receive retention awards, excluding the Xstrata Executive Directors and the other members of the Xstrata Executive Committee. Of those 64 employees, 27 are eligible to receive payments in respect of contractual provisions.

Payments in respect of contractual provisions 2012

Mr Davis	Nil
Mr Reid ⁹	£5,451,848
Mr Zaldumbide ⁹	£3,942,785
Xstrata's Management ¹⁰	£16,088,493
Xstrata Senior Employees	£19,006,927

Glencore Performance Share Plan

- Xstrata's existing long term incentive plan (LTIP) will terminate on completion of the Merger. Following completion, participants in the Xstrata LTIP will be eligible for awards under the Glencore Performance Share Plan. Glencore has agreed to grant share awards under the Glencore Performance Share Plan to Xstrata Executive Directors and other members of Xstrata's Management for the financial year ending 31 December 2012, the value of which, expressed as a multiple of each individual's salary, will be at least equal to the multiple of salary represented by the share award granted to the individual under the Xstrata LTIP in February 2012. Awards will be subject to objective performance conditions over a period of at least 3 years and may never vest. An indicative value of the Glencore LTIP award in 2013 on award is £6,000,000 for Mr Davis, £3,260,000 for Mr Reid and £2,600,000 for Mr Zaldumbide and £13,750,000 for the remaining members of Xstrata Management, based on 2012 salaries.
- A summary of the payments to be made to (a) each of the Xstrata Executive Directors, (b) Xstrata's Management, and (c) the Xstrata Senior Employees in connection with the Management Incentive Arrangements is set out on page 33 of the Scheme Circular.

Xstrata Share Schemes (LTIP, AVP and deferred bonus shares)

- Shares and options already awarded in respect of prior years that are currently unvested will vest upon sanction of the Scheme by the Court. Long term incentive plan shares and options will vest at 100%.
- Vested awards under the Added Value Plan and Bonus Scheme that have been deferred will be accelerated on sanction of the Scheme by the Court, with no additional value created by the transaction.
- Each of the Xstrata Executive Directors have indicated that Xstrata Shares that will vest on completion of the Merger will be converted into shares in the Combined Group at the Merger ratio, with any share sales solely taking place to satisfy immediate tax liabilities that may arise. The Xstrata Executive Directors also intend to exchange all options that will vest on sanction of the Scheme by the Court for new options over shares in the combined group with an equivalent strike price and expiry date, maintaining the same economic value as existing options and providing an ongoing shareholding in the Combined Group.

⁹ Mr Reid and Mr Zaldumbide will not be appointed to the board of the Combined Group. Accordingly, Xstrata has agreed to make a payment to "buy out" Mr Reid's and Mr Zaldumbide's contractual right to receive a severance payment which may have been triggered in the circumstances of the Merger.

¹⁰ Excluding the Xstrata Executive Directors

	Unvested LTIP shares	Previously vested but deferred shares ¹¹	Unvested options	
			Number of shares	Strike price
Mick Davis	653,488	2,000,530	696,809	£10.31
			562,791	£14.68
			660,025	£11.94
Trevor Reid	334,164	171,970	351,064	£10.31
			283,480	£14.68
			346,167	£11.94
Santiago Zaldumbide	297,129	188,695	344,286	£10.31
			233,371	£14.68
			299,989	£11.94

End

Neither the content of the company's website nor the content of any other website accessible from hyperlinks on the company's website is incorporated into, or forms part of, this announcement

Unless otherwise defined herein, defined terms used in this announcement have the meaning given to them in the Scheme Circular.

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¹¹ Delivered as nil cost options, including the AVP and Xstrata Executive Committee Annual Bonus Plan. The Merger creates no additional value in respect of previously vested but deferred awards but the deferral period will end on Sanction of the Scheme by the Court.

Notes to editors

About Xstrata plc

We are a major producer of a range of vital commodities used in everything from constructing buildings and delivering electricity, to developing jet engines and mobile phones. We are one of the top five global producers of copper, thermal and metallurgical coal, ferrochrome, zinc and nickel and we also produce silver, lead, platinum, gold, cobalt and vanadium.

Founded in 2002 and headquartered in Switzerland, we operate in over 20 countries and employ over 70,000 people at more than 100 operations and projects around the world. We work in a responsible and sustainable way, with an entrepreneurial spirit and dynamic approach. For more information, visit www.xstrata.com.

Further information

This announcement is for information purposes only. It is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Merger or otherwise nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. The Merger is being made solely by means of the Scheme Circular, which, together with the Forms of Proxy, contains the full terms and conditions of the Merger including details of how to vote in respect of the Merger. Xstrata urges Xstrata shareholders to read the Scheme Circular in full because it contains important information in relation to the Merger. Glencore has prepared the Glencore Circular to be distributed to Glencore Shareholders. Any vote in respect of the Scheme or other response in relation to the Merger should be made only on the basis on the information contained in the Scheme Circular.

This announcement does not constitute a prospectus or prospectus equivalent document

Notice to US holders of Xstrata Shares

The Merger will involve an exchange of the securities of a UK company for the securities of a Jersey company and will be subject to Jersey and UK disclosure requirements, which are different from those of the United States. The financial information included in this announcement has been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

The Merger will be made by means of a scheme of arrangement under the UK Companies Act and otherwise in accordance with the requirements of the Code. The scheme of arrangement will relate to the shares of a UK company that is a 'foreign private issuer' as defined under Rule 3b-4 under the US Exchange Act.

Accordingly, the proposed combination will be subject to disclosure and other procedural requirements applicable in the UK to schemes of arrangement, which differ from the disclosure requirements of the US proxy and tender offer rules under the US Exchange Act.

Any securities to be issued under the Merger have not been and will not be registered under the US Securities Act, or under the securities laws of any state, district or other jurisdiction of the United States, or of Australia, Canada or Japan. Accordingly such securities may not be offered, sold or delivered, directly or indirectly, in or into such jurisdictions except pursuant to exemptions from applicable requirements of such jurisdictions. It is expected that the New Glencore Shares will be issued in reliance upon the exemption from such registration provided by Section 3(a)(10) of the US Securities Act. Under applicable US securities laws, persons (whether or not US persons) who are or will be "affiliates" (within the meaning of the US Securities Act) of Xstrata or Glencore prior to, or of Glencore after, the Effective Date will be subject to certain transfer restrictions relating to the Glencore Shares received in connection with the Scheme. It may be difficult for US holders of Xstrata Shares to enforce their rights and any claim arising out of the US federal securities laws, since Glencore and Xstrata are located in a non-US jurisdiction, and some or all of

their officers and directors may be residents of a non-US jurisdiction. US holders of Xstrata Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

If Glencore exercises its right, subject to the consent of the Panel (where necessary) and with Xstrata's prior written consent, to implement the Merger by way of a Merger Offer, the Merger will be made in compliance with applicable US laws and regulations, including applicable provisions of the tender offer rules under the US Exchange Act, to the extent applicable.

Overseas jurisdictions

The availability of the Merger to Xstrata Shareholders who are not resident in the UK may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in the UK should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas shareholders will be contained in the Scheme Document.

The release, publication or distribution of this announcement in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Merger disclaim any responsibility or liability for the violation of such restrictions by any person. This announcement has been prepared for the purposes of complying with English law, the Listing Rules, the rules of the London Stock Exchange and the Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside of England.

Unless otherwise determined by Glencore or required by the Code, and permitted by applicable law and regulation, the Merger will not be made, directly or indirectly, in, into or from any jurisdiction where local laws or regulations may result in significant risk of civil, regulatory or criminal exposure if information concerning the Merger is sent or made available to Xstrata Shareholders in that jurisdiction (in accordance with Rule 23.2 of the Code (a "Restricted Jurisdiction")) where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Merger by any such use, means, instrumentality or form within a Restricted Jurisdiction. Accordingly, copies of this announcement and formal documentation relating to the Merger will not be and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving this announcement and all documents relating to the Merger (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

Forward-looking statements

This announcement contains statements which are, or may be deemed to be, "forward-looking statements" which are prospective in nature. All statements other than statements of historical fact are forward-looking statements. They are not based on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", "targets", "aims", "projects" or words or terms of similar substance or the negative thereof, are forward-looking statements, as well as variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies

and the expansion and growth of Glencore's or Xstrata's operations and potential synergies resulting from the Merger; and (iii) the effects of global economic conditions on Glencore's or Xstrata's business.

Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors may cause the actual results, performance or achievements of Glencore or Xstrata to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Important factors that could cause actual results, performance or achievements of Glencore or Xstrata to differ materially from the expectations of Glencore or Xstrata, as applicable, include, among other things, general business and economic conditions globally, commodity price volatility, industry trends, competition, changes in government and other regulation, including in relation to the environment, health and safety and taxation, labour relations and work stoppages, changes in political and economic stability, disruptions in business operations due to reorganisation activities (whether or not Glencore combines with Xstrata), interest rate and currency fluctuations, the failure to satisfy any conditions for the Merger on a timely basis or at all, the failure to satisfy the conditions of the Merger when implemented (including approvals or clearances from regulatory and other agencies and bodies) on a timely basis or at all, the failure of Glencore to combine with Xstrata on a timely basis or at all, the inability of the Combined Group to realise successfully any anticipated synergy benefits when the Merger is implemented, the inability of the Combined Group to integrate successfully Glencore's and Xstrata's operations and programmes when the Merger is implemented, the Combined Group incurring and/or experiencing unanticipated costs and/or delays or difficulties relating to the Merger when the Merger is implemented. Such forward-looking statements should therefore be construed in light of such factors.

Neither Xstrata nor Glencore, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

Other than in accordance with its legal or regulatory obligations (including under the Listing Rules and the Disclosure and Transparency Rules of the FSA), neither Xstrata nor Glencore is under any obligation and Xstrata and Glencore each expressly disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

No profit forecasts

No statement in this announcement is intended as a profit forecast and no statement in this announcement should be interpreted to mean that earnings per Glencore or Xstrata ordinary share for the current or future financial years would necessarily match or exceed the historical published earnings per Glencore or Xstrata ordinary share.