Delivering the promise
Mick Davis - CEO
BAML Global Metals & Mining Conference - May 2011
Disclaimer:

This presentation and its contents may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part for any purpose without the consent of Xstrata plc (“Xstrata”). The Directors of Xstrata accept responsibility for the information contained in this presentation. Having taken all reasonable care to ensure that such is the case, the information contained in this presentation is, to the best of the knowledge and belief of the Directors of Xstrata, in accordance with the facts and contains no omission likely to affect its import. This presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities, or a proposal to make a takeover bid in any jurisdiction. Neither this document nor the fact of its distribution nor the making of the presentation constitutes a recommendation regarding any securities. This presentation is being provided to you for information purposes only.

Certain statements, beliefs and opinions contained in this presentation, particularly those regarding the possible or assumed future financial or other performance of Xstrata, industry growth or other trend projections are or may be forward looking statements. Forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “plans”, “goal”, “target”, “aim”, “may”, “will”, “would”, “could” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and may be beyond Xstrata’s ability to control or predict. Forward-looking statements are not guarantees of future performance. No representation is made that any of these statements or forecasts will come to pass or that any forecast result will be achieved. Neither Xstrata, nor any of its 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 presentation will actually occur. You are cautioned not to place undue reliance on these forward-looking statements.

Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules and the Disclosure and Transparency Rules of the Financial Services Authority), Xstrata is not under any obligation and Xstrata expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This presentation contains references to “cost curves”. A cost curve is a graphic representation in which the total production volume of a given commodity across the relevant industry is arranged on the basis of average unit costs of production from lowest to highest to permit comparisons of the relative cost positions of particular production sites, individual producers or groups of producers across the world or within a given country or region. Generally, a producer's position on a cost curve is described in terms of the particular percentile or quartile in which the production of a given plant or producer or group of producers appears. To construct cost curves, industry analysts compile information from a variety of sources, including reports made available by producers, site visits, personal contacts and trade publications. Although producers may participate to some extent in the process through which cost curves are constructed, they are typically unwilling to validate cost analyses directly because of commercial sensitivities. Inevitably, assumptions must be made by the analyst with respect to data that such analyst is unable to obtain and judgment must be brought to bear in the case of virtually all data, however obtained. Moreover, all cost curves embody a number of significant assumptions with respect to exchange rates and other variables. In summary, the manner in which cost curves are constructed means that they have a number of significant inherent limitations. Notwithstanding their shortcomings, independently produced cost curves are widely used in the industries in which Xstrata operate.

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

The distribution of this presentation or any information contained in it may be restricted by law in certain jurisdictions, and any person into whose possession any document containing this presentation or any part of it comes should inform themselves about, and observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of the laws of any such jurisdiction.

By attending the presentation and/or accepting or accessing this document you agree to be bound by the foregoing limitations and conditions and will be taken to have represented, warranted and undertaken that you have read and agree to comply with the contents of this notice.
“Sell in May and Go Away”?

FTSE100 Index

Source: Bloomberg
Post restocking and stimulus slowdown

United States, y/y growth in IP

China, y/y growth in IP

Japan, y/y growth in IP

Eurozone y/y growth in IP

Source: Xstrata's Proprietary Leading Indicator Analysis
Agenda

- Mining within global equities
- An industry transformed
- Xstrata: delivering the promise
Mining and Xstrata in a global equities context

What has changed in the sector

How Xstrata has adapted to benefit from these changes

Agenda

Mining within global equities
Mining is now a core part of any equity investment portfolio

Source: Datastream- FTSE All Share, Bloomberg Global Titans-the largest 100 companies globally by market capitalisation

**Mining as a % of UK equity markets**

<table>
<thead>
<tr>
<th>Year</th>
<th>Financials</th>
<th>Oil &amp; Gas</th>
<th>Mining</th>
<th>Pharma &amp; Bio</th>
<th>Telecom</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>30%</td>
<td>11%</td>
<td>12%</td>
<td>27%</td>
<td>3%</td>
<td>17%</td>
</tr>
<tr>
<td>2011</td>
<td>34%</td>
<td>6%</td>
<td>7%</td>
<td>23%</td>
<td>13%</td>
<td>17%</td>
</tr>
</tbody>
</table>

**Market cap of world’s largest 100 companies**

- **Miners**

Source: Datastream- FTSE All Share, Bloomberg Global Titans-the largest 100 companies globally by market capitalisation
Mining has delivered superior returns over the past decade

**Sector Total Shareholder Return**

- **Mining**: 461%
- **Utilities**: 180%
- **Consumer Gds**: 153%
- **Oil & Gas**: 120%
- **Industrials**: 88%
- **Telecom**: 46%
- **Pharm & Bio**: 20%
- **Financials**: -13%

**TSR vs selected global titans**

- **BAT**: 496%
- **Xstrata**: 451%
- **BHP Billiton**: 439%
- **Gazprom**: 361%
- **Rio Tinto**: 356%
- **BASF**: 277%
- **Anglo American**: 225%
- **Exxon Mobil**: 132%
- **Vodafone Group**: 82%
- **Nestle**: 79%
- **Coca Cola**: 73%
- **IBM**: 72%
- **JPMorgan**: 70%
- **HSBC**: 46%
- **AT&T**: 24%
- **BP**: 7%
- **Microsoft**: 3%
- **Wal Mart**: (3)%
- **Pfizer**: (30)%
- **General Electric**: (33)%

(1) Since Xstrata IPO
Source: Datastream
Xstrata’s rate of growth has outstripped that of iconic global companies, such as Amazon.com.

Source: Bloomberg as of 28 April 2011
Note: EV data sourced from Bloomberg and uses current market cap, minority interest, net debt reported at half and full year, EV of all companies rebased to 100 on July 01, 2002.
Over this period, miners have consistently generated significant earnings...

<table>
<thead>
<tr>
<th>Year</th>
<th>Xstrata</th>
<th>BHP Billiton</th>
<th>Rio Tinto</th>
<th>Anglo American</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>1.1</td>
<td>4.9</td>
<td>2.3</td>
<td>2.7</td>
</tr>
<tr>
<td>2005</td>
<td>1.7</td>
<td>4.7</td>
<td>5.0</td>
<td>3.7</td>
</tr>
<tr>
<td>2006</td>
<td>4.9</td>
<td>5.2</td>
<td>7.3</td>
<td>5.5</td>
</tr>
<tr>
<td>2007</td>
<td>5.4</td>
<td>10.2</td>
<td>7.4</td>
<td>5.8</td>
</tr>
<tr>
<td>2008</td>
<td>4.7</td>
<td>13.7</td>
<td>10.3</td>
<td>5.2</td>
</tr>
<tr>
<td>2009</td>
<td>2.8</td>
<td>12.5</td>
<td>14.0</td>
<td>5.2</td>
</tr>
<tr>
<td>2010</td>
<td>2.1</td>
<td>15.4</td>
<td>10.2</td>
<td>5.0</td>
</tr>
</tbody>
</table>

Source: Annual reports, note: BHP June year end.
... as well as consistent, strong cash-flows

**Strong cashflow generation...**
Free cash flow annual average 2006-10 (£ billion)

- Pharma & Bio: 2.6
- Telecom: 2.3
- Diversifieds: 2.3
- Oil & Gas: 0.9
- Consumer: 0.5
- Financials: 0.5
- Utilities: 0.3
- Industrials: 0.3

**... year after year**
Annual free cash flow of diversified miners (£ billion)

- 2006: 1,719
- 2007: 1,337
- 2008: 3,535
- 2009: 1,213
- 2010: 3,559

*Source: Capital IQ*
But, the market is seemingly yet to be convinced that this performance is sustainable.

### Mining appears undervalued on P/E...

<table>
<thead>
<tr>
<th>FTSE Sector</th>
<th>Forward Year P/E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>13.5x</td>
</tr>
<tr>
<td>Industrials</td>
<td>12.5x</td>
</tr>
<tr>
<td>Utilities</td>
<td>11.9x</td>
</tr>
<tr>
<td>Financials</td>
<td>11.1x</td>
</tr>
<tr>
<td>Telecom</td>
<td>10.5x</td>
</tr>
<tr>
<td>Oil &amp; Gas</td>
<td>9.6x</td>
</tr>
<tr>
<td>Pharma &amp; Bio</td>
<td>9.5x</td>
</tr>
<tr>
<td>Mining</td>
<td>8.5x</td>
</tr>
</tbody>
</table>

### ... and EV/EBITDA

<table>
<thead>
<tr>
<th>FTSE Sector</th>
<th>Forward Year EV/EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>10.3x</td>
</tr>
<tr>
<td>Industrials</td>
<td>8.1x</td>
</tr>
<tr>
<td>Financials</td>
<td>7.6x</td>
</tr>
<tr>
<td>Telecom</td>
<td>7.6x</td>
</tr>
<tr>
<td>Utilities</td>
<td>7.3x</td>
</tr>
<tr>
<td>Pharma &amp; Bio</td>
<td>6.9x</td>
</tr>
<tr>
<td>Oil &amp; Gas</td>
<td>5.5x</td>
</tr>
<tr>
<td>Mining</td>
<td>5.5x</td>
</tr>
</tbody>
</table>

Source: Deutsche Bank estimates, Bloomberg
An industry transformed
Multi-decade secular change...

**Contribution to Global GDP**

- **GDP in 2010 PPP $US**
  - 2010: 25% Developing Economies, 27% Advanced Economies, 48% Other Developing Economies
  - 2030: 26% Developing Economies, 44% Advanced Economies, 30% Other Developing Economies
  - 2050: Developing Economies, 30%, Advanced Economies, 21%

- **% urbanised**
  - 1950: 100% Rural
  - 2010: 52% Rural, 48% Urban
  - 2030: 70% Rural, 30% Urban
  - 2050: 79% Rural, 21% Urban

Developing economies are expected to account for almost 80% of global GDP by 2050.

China will have 221 one million plus population cities by 2025 – compared to Europe with 35 today.

Source: Citi Investment Research and Analysis, IMF, UN Department of Economic & Social Affairs, McKinsey Global Institute
...driving a structural shift in commodity demand

Growing populous nations have a multiplier effect on commodity demand

Commodity Intensity¹

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP per capita (real, 2005 $US)</th>
<th>US GDP: ~$42k/capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>India GDP</td>
<td>~$3.2k/capita</td>
<td></td>
</tr>
<tr>
<td>China GDP</td>
<td>~$7.3k/capita</td>
<td></td>
</tr>
<tr>
<td>US GDP</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Energy consumption per capita (kWh/capita)

- USA: 3,873bn kWh
- Europe: 1,200bn kWh
- China: 3,438bn kWh
- Japan: 1,800bn kWh
- Indonesia: 900bn kWh
- India: 600bn kWh
- China: ~7,000bn kWh by 2020

Increasing intensities driven by a demand shift for commodities in emerging markets

China’s per capita energy consumption is expected to double by 2020

Source: IMF, USGS, CIA Factbook
Note: ¹ Stylised intensity curves based on developed countries, Indexed to 100 at maximum
India is already decisive in some commodity sectors

India’s economy is expected to be larger than the US’ and China’s by 2050

Sources: Wood Mackenzie Coal Market Service, Citi Investment Research and Analysis
Commodity supply continues to be constrained

Geographic origin of new copper supply
Cumulative probable mine project supply 2011 to 2020

- Australia: 9%
- North America and Europe: 9%
- CIS: 4%
- Africa: 16%
- Asia: 23%
- South America: 39%

2020 Copper supply/demand forecasts
Despite sustained high prices, closing the 2020 supply/demand gap remains challenging

Copper industry grade decline

Zinc/lead industry grade decline

More than 80% of new copper supply is from emerging markets with more complex and challenging environments suffering from a lack of infrastructure to sovereign risk issues

Source: BrookHunt, MEG, Xstrata estimates
A decade ago, the industry was fragmented with no clear winning business model.

**Global mining and metals industry - 2001**

- **INTEGRATED MONOLITHS**
  - Rio Tinto: $30bn
  - BHP: $12bn
  - Anglo American: $29bn

- **GLOBAL DIVERSIFIEDS**
  - Xstrata: $1bn
  - Alcoa: $12bn
  - Alcan: $2bn

- **FOCUSED LOCALS**
  - Implats: $3bn
  - Lonmin: $2bn
  - CVRD (Vale): $12bn

- **LOCAL HEROES**
  - Antofagasta: $7bn
  - Phelps Dodge: $2bn
  - Freeport: $7bn

**NUMBER OF KEY GEOGRAPHIES**
- Global Player: 1–3 regions
- Regional Player: Single
- Multi

**COMMODITY FOCUS**
- 1–3 commodities
- 3+ commodities
- 8+ commodities

Source: Bubble sizes represent market capitalisation as 1 January 2001
Today mining is consolidated, with the Diversified Model proving best positioned to compete into the future.

Global mining and metals industry – 2011*

Global Player

INTEGRATED MONOLITHS

GLOBAL DIVERSIFIEDS

BHP Billiton $245bn

Vale $158bn

Xstrata $70bn

Rio Tinto $139bn

Anglo American $66bn

FOCUSED LOCALS

Regional Player

Xstrata at IPO

LOCAL HEROES

NUMBER OF KEY GEOGRAPHIES

3+ regions

1–3 regions

Single

1–3 commodities

3+ commodities

8+ commodities

Multi

Source: Bloomberg, market capitalisation as at 6 May 2011
The Virtuous Circle

Scale and Diversification
- Geographic, commodity, customer and currency diversification
- Scale to take necessary risks
- High-quality operations

Embedded Optionality
- Proprietary control of timing, sequencing and size of options
- Asymmetrical M&A options
- Operational options
- Geographic options

Superior Capabilities
- Financial acumen
- Operating excellence
- Marketing capability
- Governments and NGOs
- ‘Licence to operate’

Access to External Growth Options
- Ability to shoulder risk
- Licence to operate
- Multiple regional synergy opportunities

Higher quality earnings
- Strong and stable cash flow through commodity cycle
- Higher returns
- Lower cost of capital
- Improved funding capacity
The mining majors already manage the majority of large, low cost assets...

**Copper**
- Mined Cu production (2010)

**Iron Ore**
- Production (2010)

**Thermal Coal**
- Thermal Coal exports (2010)

*Note: Tier 1 is defined as being in first half of global cost ranked by C1 cost, and upper quartile of the world’s mines ranked by output

*Tier 1 is as production >1.5Mtpa and margin of >USD30 in 2010

Source: Wood Mackenzie (2010), Metalytics (2010), Xstrata estimates
... and own the bulk of the new organic growth options

Five largest mine projects by output in 2015

- **Copper**
  - Escondida 3rd Mill: 1,264kt
  - Konkola Deep
  - Esperanza
  - Toromocho
  - Las Bambas
  - Ownership by Majors: 53%

- **Iron Ore**
  - Casa de Pedra Exp: 500Mt
  - Carajás
  - Pilbara RGP 5 & 6
  - Pilbara 320
  - Chichester, Solomon
  - Ownership by Majors: 64%

- **Nickel**
  - Koniambo: 237kt
  - Barro-Alto
  - Goro
  - Onca Puma
  - Ambatovy
  - Ownership by Majors: 73%

- **PGMs**
  - Impala #16: 1,055koz
  - Garatau
  - Pandora
  - Styldrift
  - Eland
  - Ownership by Majors: 65%

Note: 5 largest projects (greenfield and brownfield) by output in 2015. Copper: “highly probable” or “probable” in Brook Hunt, including projects ramping up in last 6 months. Nickel: CRU Group Nickel Quarterly; Iron Ore: Metalytics; PGMs: Xstrata Estimates. Internal project pipeline assessment made for all Xstrata projects.

Source: Brook Hunt (2011 Q1); Wood Mackenzie; Metalytics; CRU Group; Xstrata estimates
Consolidation is likely to continue – BUT

**M&A in the mining sector**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value of deals (US billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>180</td>
</tr>
<tr>
<td>2007</td>
<td>190</td>
</tr>
<tr>
<td>2008</td>
<td>170</td>
</tr>
<tr>
<td>2009</td>
<td>130</td>
</tr>
<tr>
<td>2010</td>
<td>120</td>
</tr>
<tr>
<td>2011</td>
<td>160</td>
</tr>
</tbody>
</table>

**Pro forma for 2011 full year**

**China’s thirst for resource security**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value of deals (US billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>10</td>
</tr>
<tr>
<td>2007</td>
<td>15</td>
</tr>
<tr>
<td>2008</td>
<td>40</td>
</tr>
<tr>
<td>2009</td>
<td>30</td>
</tr>
<tr>
<td>2010</td>
<td>20</td>
</tr>
<tr>
<td>2011</td>
<td>8</td>
</tr>
</tbody>
</table>

**Value of deals by Chinese acquirers in the mining sector**

**Valuation of remaining resources reflects industry consolidation**

- Equinox Minerals offers a prime illustration of demand for resource assets
  - Minmetals offer at C$7, a 23% premium
  - Counter-offer by Barrick at C$8.15
    - 43% premium to pre-Minmetals offer
    - 60% premium to average last 12m price

Source: SDC
Increased globalisation, consolidation and continued success bring about key challenges for the industry.

<table>
<thead>
<tr>
<th>Emerging Challenges</th>
<th>Examples and Potential Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Resource nationalism</strong></td>
<td>• Windfall taxes, royalties, carried interest, ‘empowerment’ of indigenous people, allocation of licences, mining licence reviews, etc. – increased complexity and cost</td>
</tr>
<tr>
<td><strong>Constrained inputs (especially for project development)</strong></td>
<td>• Key engineering and project management skills, fabrication capacity, contractors, etc. – project delays and increased costs</td>
</tr>
<tr>
<td><strong>Higher input costs</strong></td>
<td>• Energy, fuel, steel, explosives, labour and contractors, strong producer currencies – higher long-term costs</td>
</tr>
<tr>
<td><strong>Water shortage</strong></td>
<td>• Competition with communities for water in arid areas, cost of providing alternatives (e.g. desalination)</td>
</tr>
<tr>
<td><strong>Social licence to operate</strong></td>
<td>• Rising community expectations, NGO activity - delayed mining expansion, cost of compliance, focus on community involvement</td>
</tr>
<tr>
<td><strong>Growing legislation/regulation</strong></td>
<td>• Increased legislation across the board – UK Bribery Act, transparency initiatives, anti-trust, etc., growing organisation complexity and cost of compliance</td>
</tr>
<tr>
<td><strong>Environmental/Climate Change regulation impacts</strong></td>
<td>• Growing complexity, legislation by country, increased costs, impact on competitiveness</td>
</tr>
<tr>
<td><strong>Competition for access to new resources</strong></td>
<td>• New ‘strategic’ and commercial acquirers - higher price for control, scarce resources</td>
</tr>
</tbody>
</table>

Large diversifieds best positioned to mitigate these risks.
Sustainable Value Creation

- Secular change in demand
- An industry struggling to supply into burgeoning demand
  - Running at full capacity
  - Falling grades
  - Project delays
  - Dearth of major new finds
  - New deposits in complex locations
- Significantly consolidated sector
  - Ongoing consolidation
  - New competitors for remaining assets
- Key emerging risks are best mitigated by diversified players
  - Resource nationalism
- Diversified model best positioned to generate sustained value creation
Xstrata: delivering the promise
Positioned to deliver superior returns

Phase I: Create optionality
- 2002-2003: Emergence of developing economies
- 2003-2006: Commencement of “super-cycle”

Phase II: Enhance optionality
- 2007-2008: Decoupling debate
- 2H2008-1H2009: Credit crunch

Phase III: Deliver optionality
- 2009-2011: Hesitant recovery underway

Organic Growth
Operational Excellence
Mergers and Acquisitions

2002-2003:
Emergence of developing economies
2003-2006:
Commencement of “super-cycle”
2007-2008:
Decoupling debate
2H2008-1H2009:
Credit crunch
2009-2011:
Hesitant recovery underway
More than ever, existing miners must “Run hard to stand still”

Recent capex announcements

**Xstrata**
- $21bn approved or soon-to-be-approved projects

**Anglo American**
- $16bn approved for next 3 years

**BHP Billiton**
- $15bn in 2011

**Rio Tinto**
- $12bn major capital project approvals in 2010/11
Once more, Xstrata is enjoying first mover advantage; this time in industry-leading organic growth

- Project pipeline to deliver 50% overall volume growth by end of 2014
  - 50% growth in copper and coal, and more than 100% growth in nickel, chrome and platinum from approved projects
  - Combined with a 20% reduction in costs

---

**Xstrata ahead in future investment**

**Xstrata volume growth(1)**

Source: Company data and Annual Reports. Note: (1) on a copper equivalent basis with 2009 based at 100
Advancing further growth optionality

- Projects in feasibility and scoping stages offer further significant growth potential and value optionality
  - $1.3bn budgeted over the next five years to advance feasibility and scoping studies
- Supported by significant resource base with over 60% increase in resources over last 4 years*
- Early stage unapproved projects add a further 65% growth by 2020**

Further growth optionality in Xstrata portfolio***

<table>
<thead>
<tr>
<th>Resource Type</th>
<th>Projects Include</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>+1.1Mtpa copper</td>
<td>El Pachón, Collahuasi expansion, Tampakan and Frieda River</td>
<td>On copper equivalent basis using Xstrata LT pricing; increase based on contained metal (and coal at 60% yield to thermal) on Measured and Indicated Resources from 2006 to 2010</td>
</tr>
<tr>
<td>+90Mtpa thermal coal</td>
<td>Oaky expansion, Togara North, Zonnebloem, Wandoan and Cerrejón expansion</td>
<td>** 2009 basis</td>
</tr>
<tr>
<td>80ktpa nickel</td>
<td>Kabanga, Falcondo, Australia, Koniambo Phase II and Sudbury</td>
<td>*** Potential % increase over 2009 production</td>
</tr>
<tr>
<td>7.2bn tonnes iron ore resources</td>
<td>Early stage projects in Mauritania and Republic of Congo</td>
<td></td>
</tr>
</tbody>
</table>

Note: * On copper equivalent basis using Xstrata LT pricing; increase based on contained metal (and coal at 60% yield to thermal) on Measured and Indicated Resources from 2006 to 2010
** 2009 basis
*** Potential % increase over 2009 production
The next phase of organic growth
Selected Projects

<table>
<thead>
<tr>
<th>El Pachón - Copper</th>
<th>Tampakan - Copper</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
<td></td>
</tr>
<tr>
<td>Location: Province of San Juan, Argentina</td>
<td>Location: Southern Philippines</td>
</tr>
<tr>
<td>Ownership: 100%</td>
<td>Ownership: 62.5%</td>
</tr>
<tr>
<td>Mineral Resource: 1.790Bt@ 0.51% Cu (Dec 10)</td>
<td>Mineral Resource: 2.4Bt@ 0.6% Cu</td>
</tr>
<tr>
<td>Concentrator: 160ktpd, 2 grinding lines</td>
<td>Production: ~450kt Cu, 435koz Au over first five years and annual average over LOM of 375kt Cu, 360koz Au</td>
</tr>
<tr>
<td>Production: 400ktpa Cu for first five years, average over LOM 280ktpa Cu</td>
<td>Indicative Capital Cost: US$4.1 billion (including US$900M for power station)</td>
</tr>
<tr>
<td>Indicative Capital Cost: US$4.1 billion</td>
<td>Initial mine life: 30 years</td>
</tr>
<tr>
<td>Mine life: 30 years</td>
<td>Initial mine life: 17 years</td>
</tr>
<tr>
<td><strong>Project update</strong></td>
<td><strong>Project update</strong></td>
</tr>
<tr>
<td>Final feasibility study stage</td>
<td>Feasibility study completed April 2010</td>
</tr>
<tr>
<td>Additional exploration drilling during summer 2011</td>
<td>Targeted project approvals: late 2011</td>
</tr>
</tbody>
</table>
The next phase of organic growth
Selected Projects (continued)

Wandoan - Thermal Coal

**Description**
- Location: Queensland, Australia
- Ownership: 75%
- Production: circa 30Mtpa run of mine (22Mtpa product)
- Mine life: over 30 years
- Infrastructure: requires 200km new Surat Basin Rail line and 180km upgrades to existing QR network

**Project update**
- State and Federal approvals received
- Mining lease expected Q3 2011

Kabanga - Nickel

**Description**
- Location: Tanzania
- Ownership: 50:50 JV with Barrick
- Mineral Resource: 58MT@ 2.6% Ni for 1.5Mt of contained Ni
- Production: 40-45ktpa Ni steady state production high quality concentrate (>18% Ni grade)
- Costs: 2nd quartile LOM C1 cash cost
- Mine life: >25 yr mine life and likely resource growth

**Project update**
- Infrastructure: grid power system and rail system upgrade

**Global Sulphide Deposits (>0.5% Ni)**

- Nicobi
- Eagle
- Kabanga
- Norilsk
- Sudbury Camp

![Map of Global Sulphide Deposits (>0.5% Ni)](image)
Xstrata has maximum optionality to deliver sustainable growth in shareholder value

- Entrepreneurial culture
- Opportunistic but disciplined approach to M&A growth
- Management track record in transformational and organic growth

World-class assets and projects
- Transformation of assets delivered long-life, low cost businesses
- Industry-leading growth of 50% to 2014
- Significant further growth options under study

Value-seeking culture

Strong financial position
- Net debt of $7.6bn and 15% gearing
- $8.7bn of headroom in facilities
- Strong cashflow generation
- Progressive dividend policy

Attractive commodity outlook
- Continued demand growth from emerging markets
- Robust recovery in developed markets
- Structural supply constraints