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NEWS RELEASE

RECOMMENDED ALL-SHARE MERGER OF EQUALS OF GLENCORE INTERNATIONAL PLC AND XSTRATA PLC FINAL TERMS

1 October 2012

SUMMARY

The Glencore Directors and the Independent Xstrata Non-Executive Directors announce that they have reached agreement on the final terms of a revised recommended all-share merger of equals, on the basis set out in this announcement.

- The strategic rationale for the Merger remains compelling and the transaction has the potential to create superior value for Xstrata Shareholders

- The increased merger ratio of 3.05 New Glencore Shares for every Xstrata Share represents an 17.6 per cent. premium over the ratio of 2.59 implied by undisturbed closing share prices on 1 February 2012, and is 25.5 per cent. higher than the ratio of 2.43, being the average of the ratios implied by the middle market closing share prices of the two companies between 3 September 2012 and 6 September 2012, the latter being the last business day prior to the announcement by Xstrata of the revised proposal from Glencore

- The original board structure remains unchanged, except that Mick Davis will become CEO of the Combined Group for a period of six months from the Effective Date. Upon his departure, Ivan Glasenberg will become CEO of the Combined Group. A current Xstrata Group operational executive will replace Mick Davis upon his departure as an executive director of the board of the Combined Entity, to preserve the majority of Xstrata directors on the board

- The Independent Xstrata Non-Executive Directors continue to believe the proposed exchange ratio, governance structure and the retention of key Xstrata managers through the Revised Management Incentive Arrangements are essential elements of the Merger

- The Merger will be implemented via a Court-sanctioned scheme of arrangement to safeguard the requirement that a significant majority of Xstrata Shareholders approve the Merger and to ensure a binary outcome

- In response to Xstrata Shareholder feedback, the Independent Xstrata Non-Executive Directors have determined that the New Scheme will no longer be conditional on the approval of the Revised Management

Incentive Arrangements, meaning that the Merger could proceed even if the Revised Management Incentive Arrangements are not approved. Accordingly, the Independent Xstrata Non-Executive Directors, with the agreement of Glencore, propose that under the New Scheme, eligible Xstrata Shareholders will vote on two resolutions at the New Court Meeting as follows:

1. To approve the New Scheme subject to the resolution to approve the Revised Management Incentive Arrangements to be put to the Further Xstrata General Meeting being passed. **The Independent Xstrata Non-Executive Directors intend to recommend unanimously that eligible Xstrata Shareholders vote in favour of only this resolution at the New Court Meeting**; and

2. To approve the New Scheme subject to the resolution to approve the Revised Management Incentive Arrangements to be put to the Further Xstrata General Meeting not being passed

- Eligible Xstrata Shareholders should vote on both New Scheme resolutions, which in each case require approval by 75 per cent. by value and a majority by number of eligible Xstrata Shareholders voting (in person or by proxy)

- Eligible Xstrata Shareholders should also vote on the resolutions to be put to the Further Xstrata General Meeting, one of which will be the ordinary resolution to approve the Revised Management Incentive Arrangements

- The outcome of the vote on the ordinary resolution to approve the Revised Management Incentive Arrangements will determine which of the two New Scheme resolutions will be disregarded. The result of the vote on the remaining resolution to approve the New Scheme will then determine whether or not the Merger proceeds. Further details are set out in paragraph 13 of this announcement

- Mick Davis will no longer participate in the Revised Management Incentive Arrangements and will receive only his current contractual entitlement upon termination of his existing Xstrata service contract. The contracts of employment for all other members of Xstrata's Management and Xstrata Senior Employees will be amended to reflect the fact that Mick Davis will cease to be CEO of the Combined Group and that this will no longer constitute an amendment to the agreed governance structure

The Independent Xstrata Non-Executive Directors, who have been so advised by each of the Xstrata Financial Advisers, consider the terms of the Merger to be fair and reasonable, but only if the Revised Management Incentive Arrangement Resolution is passed at the Further Xstrata General Meeting. In providing its advice, each of the Xstrata Financial Advisers has taken into account the commercial assessments of the Independent Xstrata Non-Executive Directors.

Accordingly, the Independent Xstrata Non-Executive Directors intend unanimously to recommend eligible Xstrata Shareholders to vote to approve: (i) the New Scheme, but only if the Revised Management Incentive

Arrangements Resolution is passed at the Further Xstrata General Meeting; and (ii) the Revised Management Incentive Arrangements (in each case, as the Independent Xstrata Non-Executive Directors who hold or are beneficially entitled to Xstrata Shares have irrevocably undertaken to do in respect of their own Xstrata Shares (representing approximately 0.1 per cent. of the issued ordinary share capital of Xstrata)).

Sir John Bond, Xstrata plc non-executive Chairman said:

"The Independent Xstrata Non-Executive Directors have carefully considered the terms of the revised Glencore proposal to assess the value proposition and ensure safeguards and an appropriate governance structure are in place for Xstrata Shareholders, in view of Glencore's condition that Mick Davis will step down as CEO of the Combined Group six months after the Merger closing. In doing so, we have consulted with our major shareholders and taken their views into account. We have preserved the original board structure, including after Mick Davis's departure and the board has received satisfactory assurances on the governance, future strategy and management of the Combined Group. The scheme of arrangement structure remains a critical element of the transaction, ensuring a definitive outcome and requiring a significant majority of non-Glencore Xstrata Shareholders to approve the Merger.

"Without the ability to retain key Xstrata managers to run the Combined Group's mining operations through the Revised Management Incentive Arrangements, the Independent Xstrata Non-Executive Directors believe that the value proposition of the Combined Entity is at risk. This view was reaffirmed by major shareholders, in particular in the light of the change of CEO and remains the rationale for retention arrangements. Nonetheless, some other shareholders remain opposed either to the principle of retention payments or to the originally proposed inter-conditional nature of the Merger resolutions.

"Accordingly, we have decided to decouple the resolutions to approve the Merger from the resolution to approve the Revised Management Incentive Arrangements. This will, we believe, enable shareholders to vote in line with their convictions in respect of retention arrangements, without influencing their voting intention on the New Scheme. Importantly, shareholders who would only support the Merger if key Xstrata personnel can be retained are able to approve the New Scheme only if retention arrangements are approved by shareholders. The Independent Xstrata Non-Executive Directors intend unanimously to recommend that eligible Xstrata Shareholders vote in favour of the resolution to approve the Revised Management Incentive Arrangements and in favour of the Merger but only if the Revised Management Incentive Arrangements are approved."

Mick Davis, Xstrata plc Chief Executive Officer commented:

"The strategic rationale for combining Xstrata and Glencore remains highly compelling. A merger will fuse the respective strengths of the two companies into a unique, vertically integrated natural resources group. It will also resolve

Xstrata's ownership structure in a way that I believe will create superior shareholder value as part of a larger, more diverse company with an enhanced ability to grow and create value for its owners.

"My objective during my time as CEO of the Combined Group will be to preserve and enhance the value Xstrata's management team has created over the past ten years through a well-planned integration process and to lay down the foundations for the Combined Group's success over many decades to come."

Ivan Glasenberg, Glencore International plc Chief Executive Officer, said:

"We are pleased that Xstrata's Independent Non-Executive Directors have recommended our revised terms which offer Xstrata shareholders a significant premium.

"We have always been in favour of the proposed retention arrangements to incentivise key Xstrata employees. Their commitment is vital as we look to capture the full synergy and value creation benefits of the transaction and realise the potential of both companies' strong long-term organic growth plans.

"The amended proposed voting structure should allow Xstrata shareholders to fully express their own views on the proposed structure of the transaction."

Simon Murray, Glencore International plc non-executive Chairman, commented:

"The Glencore Board fully supports the strategic rationale for the merger with Xstrata, which will strengthen the existing strong relationship between these two leaders in the commodities industry.

"The complementary focus, combined industrial assets, logistics and marketing capabilities of these two companies will create a larger, more diversified player with excellent prospects for growth through the cycle. Together the Combined Group will have the scale to play a key role in meeting the growing global demand for commodities whilst helping resource holding countries create value from their natural endowments."

The Glencore Directors consider the Merger to be in the best interests of Glencore Shareholders taken as a whole. Accordingly, the Glencore Directors intend unanimously to recommend Glencore Shareholders to vote in favour of the resolution to be proposed at the Glencore General Meeting to approve the Merger and related resolutions as the Glencore Directors who hold or are beneficially entitled to Glencore Shares have irrevocably undertaken to do in respect of their own Glencore Shares (representing approximately 16.9 per cent. of the issued ordinary share capital of Glencore).

The revised terms of the Merger set out in this announcement are final. The full detail of these revised terms will be set out in the New Scheme Document

to be posted and made available to all eligible Xstrata Shareholders during October 2012.

Timing

It is expected that the New Scheme Document, containing further information about the Merger and notices of the New Court Meeting and Further Xstrata General Meeting, together with the Further Forms of Proxy, will be posted and made available to Xstrata Shareholders during October 2012. It is also expected that the New Scheme will then become effective before 31 December 2012, subject to the satisfaction of the Conditions and certain further terms set out in Appendix 1 to this announcement.

It is also expected that, in accordance with the Prospectus Rules, Glencore will publish further documentation containing updated information about the New Glencore Shares during October 2012.

It is further expected that Glencore will formally notify the European Commission of the Merger shortly. The processes in respect of South Africa and China are ongoing. It is anticipated that the requisite approvals will be obtained before 31 December 2012.

The Further Glencore Circular will include full details of the Merger, together with the notice of the Glencore General Meeting at which the relevant resolutions will be proposed for the approval of the Merger by Glencore Shareholders, including as a "Class 1" transaction under the Listing Rules. The Further Glencore Circular is expected to be posted to Glencore Shareholders at or around the same time as the New Scheme Document is posted to Xstrata Shareholders.

This summary should be read in conjunction with, and is subject to, the full text of the following announcement (including its Appendices). The Merger will be subject to the Conditions and certain further terms set out in Appendix 1 and to the full terms and conditions to be set out in the New Scheme Document and the Further Forms of Proxy. Appendix 2 contains the sources and bases of certain information contained in this summary and the following announcement. Appendix 3 contains details of the irrevocable undertakings received by Xstrata and Glencore. Appendix 4 contains the definitions of certain terms used in this summary and the following announcement.

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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 will be made solely by means of the New Scheme Document, which, together with the Further Forms of Proxy, will contain the full terms and conditions of the Merger including details of how to vote in respect of the Merger. Xstrata will prepare the New Scheme Document to be distributed to Xstrata Shareholders. Xstrata urges Xstrata Shareholders to read the New Scheme Document when it becomes available because it will contain important information in relation to the Merger. Glencore will prepare the Further Glencore Circular to be distributed to Glencore Shareholders. Glencore urges Glencore Shareholders to read the Further Glencore Circular when it becomes available because it will contain important information in relation to the Merger. Any vote in respect of the New Scheme or other response in relation to the Merger should be made only on the basis on the information contained in the New Scheme Document.

This announcement does not constitute a prospectus or prospectus equivalent document.

Please be aware that addresses, electronic addresses and certain other information provided by Xstrata Shareholders, persons with information rights and other relevant persons for the receipt of communications from Xstrata may be provided to Glencore during the offer period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.12(c).

Citigroup Global Markets Limited, which is authorised and regulated in the United Kingdom by the FSA, is acting exclusively for Glencore and no-one else in connection with the matters set out in this announcement and will not be responsible to any person other than Glencore for providing the protections afforded to clients of Citigroup Global Markets Limited or for providing advice in relation to the matters set out in this announcement.

Morgan Stanley & Co. Limited is acting as financial adviser to Glencore and no one else in connection with the Merger and will not be responsible to anyone other than Glencore for providing the protections afforded to the clients of Morgan Stanley & Co. Limited nor for providing advice in relation to the potential Merger, the contents of this announcement or any other matter or arrangement referred to herein.

Deutsche Bank AG is authorised under German Banking Law (competent authority: BaFin - Federal Financial Supervisory Authority) and authorised and subject to limited regulation by the FSA. Details about the extent of Deutsche Bank AG's authorisation and regulation by the FSA are available on request. Deutsche Bank AG, London Branch is acting as financial adviser and corporate broker to Xstrata and no one else in connection with the Merger

and will not be responsible to anyone other than Xstrata for providing the protections afforded to clients of Deutsche Bank AG, London Branch, nor for providing advice in relation to the Merger or for any of the matters referred to in this announcement.

J.P. Morgan Limited, which conducts its UK investment banking business as J.P. Morgan Cazenove and is authorised and regulated in the United Kingdom by the FSA, is acting as financial adviser and corporate broker to Xstrata and for no one else in connection with the Merger and will not be responsible to anyone other than Xstrata for providing the protections afforded to its clients nor for providing advice in relation to the Merger of for any of the matters set out in this announcement.

Goldman Sachs International, which is authorised and regulated in the United Kingdom by the FSA, is acting as financial adviser to Xstrata and for no one else in connection with the Merger and will not be responsible to anyone other than Xstrata for providing the protections afforded to clients of Goldman Sachs International nor for providing advice in relation to the Merger, the content of this announcement or any matter referred to herein.

Nomura International plc, which conducts its UK investment banking business as Nomura and is authorised and regulated in the United Kingdom by the FSA, is acting as financial adviser to Xstrata and for no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than Xstrata for providing the protections afforded to its clients nor for providing advice in relation to the matters set out in this announcement.

Barclays Bank PLC, acting through its investment bank ("Barclays"), which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as financial adviser to Xstrata and no-one else in connection with the Merger and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Merger and will not be responsible to anyone other than Xstrata for providing the protections afforded to its clients, nor for providing advice in connection with the Merger or any other matter referred to herein.

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 New 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 elects, with 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 New 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 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.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0) 20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on website

A copy of this announcement will be available on Xstrata's website at www.xstrata.com and on Glencore's website at www.glencore.com.

You may request a hard copy of this announcement, free of charge, by contacting the Company Secretary of Glencore, John Burton, at john.burton@glencore.com or the Company Secretary of Xstrata, Richard Elliston, at relliston@xstrata.com. You may also request that all future

documents, announcements and information to be sent to you in relation to the Merger should be in hard copy form.

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1 October 2012

RECOMMENDED ALL-SHARE MERGER OF EQUALS
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GLENCORE INTERNATIONAL PLC
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XSTRATA PLC
FINAL TERMS

The Glencore Directors and Independent Xstrata Non-Executive Directors announce that they have reached agreement on the final terms of a revised recommended all-share merger of equals of Glencore and Xstrata on the basis set out in this announcement. The terms of the Merger will provide holders of Scheme Shares with 3.05 New Glencore Shares for each Xstrata Share held. The Merger will be effected by way of a Court-sanctioned scheme of arrangement of Xstrata under Part 26 of the UK Companies Act, pursuant to which Glencore will acquire the entire issued and to be issued ordinary share capital of Xstrata not already owned by the Glencore Group. Under the revised final terms of the Merger, passing of the resolution to approve the Revised Management Incentive Arrangements will not be a condition to the Merger proceeding.

1. The Merger

Under the terms of the Merger, which will be subject to the Conditions and certain further terms set out in Appendix 1 to this announcement and to be set out in the New Scheme Document and the Further Forms of Proxy, Scheme Shareholders at the Scheme Record Time will be entitled to receive:

for each Scheme Share 3.05 New Glencore Shares

On the basis of Glencore's closing share price of 343.10 pence on 28 September 2012, the Merger values each Xstrata Share at 1,046.46 pence and the entire issued and to be issued share capital of Xstrata at approximately £31.9 billion ($51.5 billion).

The final Merger ratio of 3.05:

- is approximately 17.6 per cent. higher than the ratio of 2.59 implied by the middle market closing share prices of Xstrata and Glencore on 1 February 2012, being the last business day prior to the announcement by Xstrata that it was in discussions with Glencore;

- is approximately 25.5 per cent. higher than the ratio of 2.43 being the average of the ratios implied by the middle market closing share prices of the two companies between 3 September 2012 and 6 September 2012, the latter being the last business day prior to the announcement by Xstrata of the revised proposal from Glencore;

- is approximately 58.5 per cent. higher than the lowest ratio of 1.92 implied by the middle market closing share prices of the two companies between Glencore's IPO on 19 May 2011 and 1 February 2012, being the last day prior to the announcement by Xstrata that it was in discussions with Glencore; and

- exceeds the highest ratio of 2.90 implied by the middle market closing share prices of the two companies between Glencore's IPO on 19 May 2011 and 1 February 2012, being the last day prior to the announcement by Xstrata that it was in discussions with Glencore.

Xstrata Shareholders other than Glencore will own approximately 47.4 per cent. of the Combined Entity's share capital compared with 45.2 per cent. (other than Glencore) under the original Merger terms[1].

2. Recommendation

The Independent Xstrata Non-Executive Directors, who have been so advised by each of the Xstrata Financial Advisers, consider the terms of the Merger to be fair and reasonable, but only if the Revised Management Incentive Arrangements Resolution is passed at the Further Xstrata General Meeting. In providing its advice, each of the Xstrata Financial Advisers has taken into account the commercial assessments of the Independent Xstrata Non-Executive Directors.

Accordingly, the Independent Xstrata Non-Executive Directors intend unanimously to recommend eligible Xstrata Shareholders to vote to approve: (i) the New Scheme, but only if the Revised Management Incentive Arrangements Resolution is passed at the Further Xstrata General Meeting; and (ii) the Revised Management Incentive Arrangements (in each case, as the Independent Xstrata Non-Executive Directors who hold or are beneficially entitled to Xstrata Shares have irrevocably undertaken to do in respect of their own Xstrata Shares, representing approximately 0.1 per cent. of the issued ordinary share capital of Xstrata).

The Glencore Directors consider the Merger to be in the best interests of Glencore Shareholders taken as a whole. Accordingly, the Glencore Directors intend unanimously to recommend Glencore Shareholders to vote in favour of the resolution to be proposed at the Glencore General Meeting to approve the Merger and related resolutions as the Glencore Directors who hold or are beneficially entitled to Glencore Shares have irrevocably undertaken to do in respect of their own Glencore Shares (representing approximately 16.9 per cent. of the issued ordinary share capital of Glencore).

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[1] Compared to 66.35 per cent. Xstrata ownership by non-Glencore Group shareholders. These calculations do not include the Glencore Shares to be issued pursuant to the Kazzinc transaction announced on 25 September 2012.

3. Independent Xstrata Non-Executive Directors' assessment of the revised and final terms of the Merger and the New Scheme

Prior to the Independent Xstrata Non-Executive Directors' recommendation of a merger with Glencore earlier this year, the board considered a wide range of alternatives to realise value for Xstrata Shareholders. Discussions initiated by Glencore on several occasions over a period of five years about a potential combination were not pursued, despite the clear strategic rationale for the transaction, because Xstrata's board was not satisfied with the overall value proposition and protections for non-Glencore Xstrata Shareholders. Negotiations in late 2011 finally yielded a proposal that, when considered in its entirety, would, in the view of the Independent Xstrata Non-Executive Directors, create superior value for Xstrata Shareholders and should therefore be put to Xstrata Shareholders for consideration.

The original Merger terms received a high degree of scrutiny by the Independent Xstrata Non-Executive Directors to assess the fairness of the terms for Xstrata Shareholders other than the Glencore Group, the arrangements in place to safeguard the interests of such shareholders following completion of the Merger and the ability of the Combined Group to deliver superior returns. The Independent Xstrata Non-Executive Directors' decision to recommend the Original Scheme was dependent upon the agreed governance and management structure (including the Management Incentive Arrangements) as integral and inseparable elements of the transaction. A detailed description of the factors considered by the Independent Xstrata Non-Executive Directors is set out in the Original Scheme Document.

On 10 September 2012, Glencore announced improved terms of the Merger conditional upon Ivan Glasenberg assuming the role of CEO of the Combined Group upon Mick Davis's departure six months after the Effective Date. The Independent Xstrata Non-Executive Directors have consulted with major Xstrata Shareholders and have taken into account their views regarding the revised terms and the various implications of the proposed change in CEO.

In considering the Merger, the Independent Xstrata Non-Executive Directors received financial advice from the Xstrata Financial Advisers. Of the Xstrata Financial Advisers, Nomura International plc was asked to provide financial advice specifically to the Independent Xstrata Non-Executive Directors. Nomura's fee is predominately payable at the discretion of Xstrata irrespective of whether the Merger is implemented or not.

The intention of the Independent Xstrata Non-Executive Directors to recommend unanimously the revised terms, on the basis set out in paragraph 2 above, follows a process of consultation with major shareholders and of clarification with Glencore on certain aspects of the proposed governance and management arrangements going forward.

The Independent Xstrata Non-Executive Directors have taken into account the following factors:

Strategic rationale

The strategic rationale for the Merger remains compelling. Combining a major mining company with the leading global commodities marketing group will create a unique business model in the natural resources sector and enhance the Combined Group's capacity to create superior shareholder value. The Merger will also clarify the ownership structure of Xstrata, providing the board and management with a full range of corporate development options.

Shareholder feedback

Feedback from Xstrata's consultation with shareholders has highlighted divergent views on a number of key issues. A number of shareholders have raised heightened concerns over the ability to retain Xstrata operational management and a robust governance structure in light of the change in CEO which was a condition to Glencore's increased merger ratio. Other shareholders are opposed to the inter-conditional nature of the resolutions to approve the Merger and the Revised Management Incentive Arrangements and/or the principle of retention payments.

The Independent Xstrata Non-Executive Directors have sought to address the range of shareholder views in the revised final Merger terms by:

- maintaining the board structure set out in the Original Scheme Document. In addition, Ivan Glasenberg has given an irrevocable undertaking in his capacity as a major shareholder to support the governance structure for a minimum of two years following the Effective Date;

- addressing the risks from the change of CEO, with an Xstrata operational executive being appointed as an executive director of the Combined Entity upon Mick Davis's departure; and

- implementing a voting structure in respect of the New Scheme which takes into account the divergent shareholder views on the Revised Management Incentive Arrangements. Under the New Scheme, passing of the resolution to approve the Revised Management Incentive Arrangements will no longer be a condition to the Merger proceeding, and as a result the Merger may proceed even if the Revised Management Incentive Arrangements are not approved. The New Scheme allows eligible Xstrata Shareholders to vote in line with their convictions on both the New Scheme and the Revised Management Incentive Arrangements by decoupling the other resolutions to approve the Merger from the resolution to approve the Revised Management Incentive Arrangements. At the same time, the structure also enables eligible Xstrata Shareholders to approve the Merger only if the resolution to approve the Revised Management Incentive Arrangements at the Further Xstrata General Meeting is passed, in line with the Independent Xstrata Non-Executive Directors' recommendation.

Financial terms

The Independent Xstrata Non-Executive Directors, having been so advised by each of the Xstrata Financial Advisers, believe that the revised and final financial terms of the Merger are fair and reasonable as far as Xstrata Shareholders are concerned, provided that the agreed robust governance structure referred to in this announcement is in place and only if the resolution to approve the Revised Management Incentive Arrangements is passed to provide greater assurance that Xstrata's operational management will transition into the Combined Entity and manage the mining operations that will contribute the vast majority of the Combined Group's earnings. In providing its advice, each of the Xstrata Financial Advisers has taken into account the commercial assessments of the Independent Xstrata Non-Executive Directors.

The ownership in the Combined Entity compensates Xstrata Shareholders for the contribution Xstrata makes in the Combined Group and the potential risks of the proposed Merger. The premium represents an immediate significant value uplift for Xstrata Shareholders, in particular in the light of:

(i) Glencore's existing 33.65 per cent. shareholding in Xstrata and the fact that there is little prospect of a higher offer from a third party;

(ii) the fact that in the all-share Merger Xstrata Shareholders will retain a significant shareholding in the Combined Group; and

(iii) the premium to Xstrata Shareholders comparing favourably with premia paid in comparable merger transactions and in particular mergers involving a major existing shareholder.

The Merger is expected to be earnings and net asset value accretive to Xstrata Shareholders in the first full financial year of the Combined Group before synergies[2].

Significant expected annual EBITDA synergies are estimated to be at least US$500 million in first full year of Combined Group, predominantly marketing related. The Combined Group will also pursue additional, yet to be identified, Merger-related cost savings of US$300 million, the achievement of which will determine the vesting of share-based Revised Management Incentive Arrangements for the members of Xstrata's Management, excluding Mick Davis, if the resolution to approve the Revised Management Incentive Arrangements is passed.

Governance structure

The robust governance structure (as set out in paragraph 4) will safeguard the interests of Xstrata Shareholders by providing an appropriate balance to the significant shareholdings of current Glencore executives.

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

Xstrata directors will hold six of eleven positions on the board of the Combined Entity, including Sir John Bond who will be nominated as non-executive Chairman with the casting vote. Committees of the Board will have the same membership as set out in the Original Scheme Document dated 31 May 2012.

Mick Davis will be a director of the Combined Entity and CEO of the Combined Group for a term of six months following the Effective Date to oversee the integration of the two businesses. Thereafter, Ivan Glasenberg is to become CEO of the Combined Group. A current Xstrata Group operational executive will be nominated by Ivan Glasenberg and agreed with the Chairman and Senior Independent Director to replace Mick Davis upon his departure, as an executive director of the Combined Entity.

The potential risks resulting from the change in leadership have been addressed by Ivan Glasenberg to the satisfaction of the Independent Xstrata Non-Executive Directors.

An irrevocable undertaking has been provided by Ivan Glasenberg representing 8.4 per cent. of the Combined Entity's issued share capital not to use voting rights or other influence in his capacity as a shareholder of Glencore to depart from the agreed governance structure for a minimum of two years following the Effective Date.

Any person appointed by the board of the Combined Entity to replace any non-executive director will be independent for the purposes of the UK Corporate Governance Code and will be selected by the nominations committee of the Combined Entity.

Retention of key Xstrata management

The Independent Xstrata Non-Executive Directors and the Glencore Directors continue to believe that the retention of key Xstrata management is critical for the future success of the Combined Group and to ensure the transaction is completed as a merger of equals as contemplated. The Revised Management Incentive Arrangements aim to secure the appropriate skills and experience to run the mining operations that will contribute over 80 per cent. of the Combined Group's earnings[3].

The retention of key Xstrata managers, the revised and final exchange ratio and the governance structure together form the value proposition of the Merger for Xstrata Shareholders. Consequently, the Independent Xstrata Non-Executive Directors intend to recommend that Xstrata Shareholders vote in favour of the resolution to approve the Revised Management Incentive Arrangements and to recommend that Xstrata Shareholders vote in favour of the New Scheme but only if the resolution to approve the Revised Management Incentive Arrangements is passed.

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[3] Based on Glencore and Xstrata reported 2011 financial results, the Combined Group's mining and metallurgical operations would have contributed approximately 84 per cent. of 2011 EBIT.

The Independent Xstrata Non-Executive Directors' intended recommendation is consistent with the original recommendation to eligible Xstrata Shareholders to approve the inter-conditional Merger and the Management Incentive Arrangements resolutions, while the New Scheme structure enables shareholders a choice in respect of the two resolutions.

The Independent Xstrata Non-Executive Directors' believe that the Revised Management Incentive Arrangements provide greater assurance that key Xstrata managers will be retained within the agreed organisational structure to ensure a smooth integration process, the ongoing stability of the Combined Group's 150 mining and metallurgical operations and the effective delivery of more than 20 approved major growth projects. Without the ability to retain key managers through the Revised Management Incentive Arrangements, the Independent Xstrata Non-Executive Directors believe that the value proposition of the Combined Entity is at risk.

New contracts of employment for Xstrata's Management (not including Mick Davis) with the Combined Group will take effect immediately following the New Scheme becoming effective, but only if the Revised Management Incentive Arrangements are approved by eligible Xstrata Shareholders. As set out in paragraph 5, Mick Davis's new contract of employment with the Combined Group will take effect immediately following the New Scheme becoming effective but Mick Davis may in his sole discretion terminate his new contract of employment before the end of the six month period from the Effective Date of the New Scheme if the resolution required to give effect to the Revised Management Incentive Arrangements is not approved by eligible Xstrata Shareholders.

4. Governance and management structure for the Combined Group

Board of directors and committees of the board of the Combined Entity

Save for those amendments summarised below the board and committees structure of the Combined Entity shall be as set out on page 15 of the Original Scheme Document under the heading "Board composition" and on page 17 of the Original Scheme Document under the heading "Executive Committee".

Current Xstrata CEO, Mick Davis will become CEO of the Combined Group for a period of six months following the Effective Date (further details of the terms of the arrangement between Mick Davis and the Combined Entity are set out in paragraph 5 below). Thereafter, he will cease to be on the board of directors of the Combined Entity or CEO of the Combined Group and will be replaced as CEO of the Combined Group by Ivan Glasenberg, current Glencore CEO, whereupon the role of President/Deputy CEO will cease to exist.

After the Effective Date, the person appointed by the board of directors of the Combined Entity as a replacement for any director (other than Mick Davis and Ivan Glasenberg) who ceases to be director of the Combined Entity for any reason, shall be a person who is independent for the purposes of the UK Corporate Governance Code. Any such person will be identified by the Nominations Committee of the Combined Entity.

In the case of Mick Davis, the person appointed by the board of directors of the Combined Entity as his replacement shall be an operational executive employed by the Xstrata Group prior to the Effective Date, nominated by Ivan Glasenberg and agreed with the Chairman and the Senior Independent Director.

Management and organisational structure

Save for amendments to reflect the fact that Mick Davis will cease to be CEO of the Combined Group or on the board of directors of the Combined Entity after the initial six months from the Effective Date and that Ivan Glasenberg will become CEO of the Combined Group with all the customary powers of a CEO, the proposed management and organisational structure of the Combined Group will be as described on pages 15 to 17 inclusive of the Original Scheme Document under the heading "Management structure" and on pages 17 and 18 of the Original Scheme Document under the heading "Organisational structure".

Ivan Glasenberg has irrevocably undertaken in respect of his shareholding of approximately 8.4 per cent. of the Combined Entity's enlarged issued share capital not to use his voting rights or other influence in his capacity as a shareholder of Glencore to depart from the agreed governance principles for the Combined Group referred to above for a period of not less than two years following the New Scheme becoming effective. In addition, the Principal Shareholders, who in aggregate will hold approximately 12.1 per cent. of the Combined Entity's issued share capital, have indicated their support for the governance principles referred to above.

5. Revised Management Incentive Arrangements

Arrangements for Mick Davis

If the Merger completes in accordance with the final revised terms, Mick Davis will serve as the CEO of the Combined Group and as a director of the Combined Entity for a period of six months from the Effective Date. Mick Davis will not participate in the Revised Management Incentive Arrangements (i.e. the "retention awards" described on pages 31 and 32 of the Original Scheme Document which were to be paid in the form of Glencore Shares as described on pages 15 and 16 of the Supplementary Scheme Document and nor will he participate in the Glencore PSP (as defined in and described on page 33 of the Original Scheme Document and page 17 of the Supplementary Scheme Document)). The existing agreement entered into between Mick Davis and Glencore in connection with the Merger on 6 February 2012 (and as amended on the basis described in the Supplementary Scheme Document) has been terminated.

Mick Davis has waived his rights to the "retention awards" to be granted under the New Xstrata 2012 Plan (as defined and described in the Supplementary Scheme Document) and the terms of the New Xstrata 2012 Plan (as defined and described in the Supplementary Scheme Document) have been amended to remove Mick Davis's awards.

Upon termination of his existing employment with the Xstrata Group, Mick Davis will receive a sum equal to annual salary, 2011 bonus and other benefits and pension allowance (which is quantified at £9,598,475), in accordance with the terms of his existing employment contract with the Xstrata Group originally entered into in 2002 (and amended in May 2010) and which are summarised on page 32 of the Original Scheme Document). No further termination payment will be payable at the end of the six-month contract with the Combined Group.

Mick Davis has entered into a new agreement with the Combined Group for a term of six months from the Effective Date (neither party may terminate before the end of this six month period, except as described below). Under this agreement, he is appointed as CEO of the Combined Group with all the customary powers of a CEO to oversee the integration of the two businesses. The terms of this six month employment agreement are identical to the current terms of his existing employment agreement with the Xstrata Group as to salary, benefits, bonus (pro rated for the six month period) and pension allowance, (all to be paid/reviewed consistent with past Xstrata practice) but with no additional entitlement to any contractual termination payment upon termination at the end of the six month period from the Effective Date.

The terms of this agreement further specify that, if there is a termination of Mick Davis's employment by the Combined Group in breach of the agreement during this period, he will be entitled to the pay and benefits he would have been entitled to receive for the balance of the period. However, Mick Davis may in his sole discretion terminate his new service agreement with the Combined Group before the end of the six month period from the Effective Date if the Revised Management Incentive Arrangements Resolution is not passed at the Further Xstrata General Meeting. In such circumstances, Mick Davis will not be entitled to the pay, bonus, benefits and pension allowance he would have been entitled to receive for the balance of the period and neither party shall have any claims or rights of action against the other whether contractual, statutory or arising under any law, arising out of or in connection with such termination of employment, except for any accrued rights at such date of termination. In addition, Mick Davis's new agreement referred to above is not capable of being extended beyond six months.

Arrangements for all other participants in the Revised Management Incentive Arrangements other than Mick Davis

All members of Xstrata's Management (other than Mick Davis) have entered into individual contracts of employment with Glencore which shall take effect immediately following the Effective Date but only if a resolution is passed by eligible Xstrata Shareholders at the Further Xstrata General Meeting to approve the Revised Management Incentive Arrangements to replace the conditional contracts entered into on 6 February 2012. These new contracts of employment also reflect the fact that Mick Davis will cease to be a director of the Combined Entity and CEO of the Combined Group and that this will no longer constitute an amendment to the agreed governance structure. Such individuals' employment with the Combined Group will only come into effect if the New Scheme becomes effective and a resolution is

passed by eligible Xstrata Shareholders at the Further Xstrata General Meeting to approve the Revised Management Incentive Arrangements.

As regards all other participants in the Revised Management Incentive Arrangements, the agreements under which such individuals will be entitled to the Revised Management Incentive Arrangements will all be amended to reflect the fact that Mick Davis will cease to be a director of the Combined Entity and CEO of the Combined Group after the initial six months following the Effective Date, which will no longer constitute an amendment to the agreed governance structure. Such relevant individuals will only be entitled to the Revised Management Incentive Arrangements if a resolution is passed by eligible Xstrata Shareholders at the Further Xstrata General Meeting to approve the Revised Management Incentive Arrangements.

Save as set out above, the various elements of the Management Incentive Arrangements set out on pages 31 – 34 inclusive of the Original Scheme Document and pages 14 – 18 inclusive of the Supplementary Scheme Document shall constitute the Revised Management Incentive Arrangements.

6. Irrevocable Undertakings

In aggregate, Glencore has received irrevocable undertakings from those of the Independent Xstrata Directors who hold or are beneficially entitled to Xstrata Shares to vote in favour of the New Scheme in accordance with the recommendation of the Independent Xstrata Non-Executive Directors in respect of 3,519,387 Xstrata Shares, representing in aggregate approximately 0.1 per cent. of Xstrata's existing issued share capital.

In aggregate, Xstrata and Glencore have received irrevocable undertakings from those of the Glencore Directors who hold or are beneficially entitled to Glencore Shares and also from the Principal Shareholders to vote in favour of the resolutions to be proposed at the Glencore General Meeting to approve the Merger and related resolutions in respect of 2,691,111,828 Glencore Shares, representing in aggregate approximately 38.9 per cent. of Glencore's existing issued share capital.

Further details of the irrevocable undertakings are set out in Appendix 3.

7. Information relating to Glencore

A summary of Glencore's business and operations and various other information relating to Glencore is set out on pages 27 and 28 of the Original Scheme Document. Glencore announced its half-yearly results for the half year ended 30 June 2012 on 21 August 2012. A copy of that announcement is available at www.glencore.com.

8. Information relating to Xstrata

A summary of Xstrata's business and operations and various other information relating to Xstrata is set out on pages 28 and 29 of the Original Scheme Document. Xstrata announced its half yearly results for the half year ended 30 June 2012 on 7 August 2012. A copy of that announcement is available from the Xstrata website at www.xstrata.com.

9. Synergies and earnings

The combination of Xstrata and Glencore is expected to deliver estimated annual EBITDA synergies of at least US$500 million in the first full year of the Combined Group, which are predominantly marketing related. The Combined Group will also pursue additional, yet to be identified, Merger-related cost savings of US$300 million, the achievement of which will determine the vesting of share-based Revised Management Incentive Arrangements for the members of Xstrata's Management, excluding Mick Davis, if the resolution to approve the Revised Management Incentive Arrangements is passed.

The combination is expected to be earnings per share accretive to Xstrata Shareholders pre synergies in the first full year following completion of the Merger.[4]

10. Management and employees

As is set out in the Original Scheme Document, key elements of the post-Merger organisation and joint integration approach have been agreed. The proposed management structure for the Combined Group will ensure that the benefits of Xstrata's devolved organisational model are maintained and that the Combined Group benefits fully from the complementary skills of the two companies. The new business model resulting from the merger of these companies relies on the ability to retain key personnel.

Glencore and Xstrata attach great importance to the skills and experience of the existing management and employees of Xstrata and believe that they will benefit from greater opportunities within the Combined Group. Glencore has given assurances to the Independent Xstrata Directors that, following completion of the Merger, the pre-existing monetary rights of all Xstrata employees, including employment, share scheme, bonus scheme and pension rights will be fully safeguarded.

In addition, all participants in Xstrata's existing Long Term Incentive Plan will be able to maintain an ongoing shareholding in the Combined Group and convert existing options into new options over shares in the Combined Entity on terms that are equivalent to the existing exercise price and duration.

11. Xstrata Share Schemes

Details of the proposals to be put to participants in the Xstrata Share Schemes will be set out in the New Scheme Document and in separate letters to be sent to participants in the Xstrata Share Schemes and the New Xstrata 2012 Plan. These proposals will be identical to the proposals described on pages 34 to 36 inclusive of the Original Scheme Document subject to any reference to the merger ratio being consistent with the increased merger ratio referred to above.

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

12. Offer-related arrangements

Glencore and Xstrata entered into a mutual confidentiality agreement on 12 December 2011 (the "Confidentiality Agreement") pursuant to which each of Glencore and Xstrata has undertaken to keep confidential information relating to the other party and not to disclose it to third parties (other than to permitted disclosees) unless required by law or regulation. These confidentiality obligations will remain in force until completion of the Merger, or for a period of two years from any date of termination of discussions or negotiations relating to the Merger.

Glencore and Xstrata also entered into a reverse break fee agreement on 7 February 2012 (the "Break Fee Agreement") pursuant to which Glencore agreed to pay to Xstrata by way of compensation a fee in the amount of £298 million (inclusive of irrecoverable value added tax), payable in the event that Glencore's board withdraws, amends, modifies or qualifies its recommendation of the Merger or resolves or agrees to do the same (a "Glencore Change in Recommendation") so as to cause the Merger not to proceed, save where the Glencore Change in Recommendation occurs, directly or indirectly, as a result of an event or events outside the control of Glencore. In light of the revised final terms of the Merger set out in this announcement, on 1 October 2012 Glencore and Xstrata entered into an amendment agreement to the Break Fee Agreement (the "Break Fee Amendment Agreement") to (i) reflect the revised final terms of the Merger, and (ii) as required by the provisions of the Listing Rules, record the parties' agreement that the fee to be paid in the circumstances outlined above shall be reduced to an amount of £288 million. (inclusive of any irrecoverable value added tax). The terms of the Break Fee Agreement otherwise remain unchanged and in full force and effect.

13. Structure of the Merger

It is intended that the Merger will be implemented by way of a Court-sanctioned scheme of arrangement between Xstrata and the Scheme Shareholders, under Part 26 of the UK Companies Act. Glencore reserves the right to elect, with the consent of the Panel (where necessary) and with Xstrata's prior written consent, to implement the Merger by way of a Merger Offer.

Accordingly, the Independent Xstrata Non-Executive Directors, with the agreement of Glencore, propose that under the revised final terms of the Merger, the passing of the resolution to approve the Revised Management Incentive Arrangements will no longer be a condition to the Merger proceeding, meaning that the Merger may proceed if a requisite majority of eligible Xstrata Shareholders approve the New Scheme, even if the Revised Management Incentive Arrangements are not approved.

The Independent Xstrata Non-Executive Directors, with the agreement of Glencore, propose that the voting structure for the New Scheme will involve the following two resolutions being proposed to eligible Xstrata Shareholders at the New Court Meeting:

1. a resolution to approve the New Scheme subject to the resolution to approve the Revised Management Incentive Arrangements to be put to the Further Xstrata General Meeting being passed. **The Independent Xstrata Non-Executive Directors intend to recommend unanimously that eligible Xstrata Shareholders vote in favour of only this resolution**; and

2. a resolution to approve the New Scheme subject to the resolution to approve the Revised Management Incentive Arrangements to be put to the Further Xstrata General Meeting not being passed.

Eligible Xstrata Shareholders should vote on both resolutions to be proposed at the New Court Meeting. In order for each resolution to be passed, it will require the approval of 75 per cent. by value and a majority by number of eligible Xstrata Shareholders voting (in person or by proxy) on that resolution. Votes cast "FOR" or "AGAINST" a resolution to be proposed at the New Court Meeting will not be aggregated with (and shall therefore not count towards the requisite majorities for) votes in respect of the other resolution to be proposed at the New Court Meeting.

Eligible Xstrata Shareholders should also vote on the resolutions to be put to the Further Xstrata General Meeting, one of which will be an ordinary resolution to approve the Revised Management Incentive Arrangements. The outcome of the vote on the ordinary resolution to approve the Revised Management Incentive Arrangements at the Further Xstrata General Meeting will determine which of the two New Scheme resolutions will be disregarded as follows:

- If the Revised Management Incentive Arrangements are approved then the second resolution set out above will be disregarded.

- If the Revised Management Incentive Arrangements are not approved, then the first resolution will be disregarded.

- The result of the vote on the remaining resolution to approve the New Scheme will then determine whether or not the resolution becomes effective and, therefore whether or not, the Merger proceeds (subject to the satisfaction (or, if applicable, the waiver) of the other Conditions).

This voting structure provides eligible Xstrata Shareholders with the ability to vote against the resolution to approve the Revised Management Incentive Arrangements in the knowledge that a vote against the Revised Management Incentive Arrangements is not necessarily a vote against the Merger. It also preserves the ability of eligible Xstrata Shareholders to vote in favour of the New Scheme but only if the Revised Management Incentive Arrangements are approved. However, the Independent Xstrata Non-Executive Directors intend to recommend unanimously that eligible Xstrata

Shareholders vote to approve the New Scheme only if the Revised Management Incentive Arrangements are approved. Eligible Xstrata Shareholders should note that if the relevant high voting thresholds are not met in respect of either New Scheme resolution, the Merger will lapse.

The full terms and conditions of the New Scheme, as set out in Appendix 1, will be set out in the New Scheme Document. In addition, the New Scheme Document and the Further Forms of Proxy will contain clear instructions on how eligible Xstrata Shareholders should vote depending on their view of the New Scheme and the Revised Management Incentive Arrangements. It is expected that the New Scheme Document will be posted and made available to (among others) Xstrata Shareholders during October 2012.

In addition, the voting structure of the New Scheme may be amended if required by the Court or otherwise only with each of Xstrata's and Glencore's written consent and, in each case, with the consent of the Panel (where necessary).

14. Listing, dealings and settlement

Applications will be made to the UK Listing Authority for the New Glencore Shares to be admitted to the Official List and to the London Stock Exchange for the New Glencore Shares to be admitted to trading on the London Stock Exchange's market for listed securities ("Admission").

It is expected that Admission will become effective and that dealings for normal settlement in the New Glencore Shares will commence on the London Stock Exchange at 8.00 a.m. on the Effective Date.

Application will also be made for the New Glencore Shares to be admitted to listing and trading on the Main Board of the Hong Kong Stock Exchange.

15. Delisting and re-registration

It is intended that an application will be made to the UK Listing Authority for the cancellation of (i) the listing of the Xstrata Shares on the Official List and to the London Stock Exchange for the cancellation of trading of the Xstrata Shares on the London Stock Exchange's main market for listed securities, and (ii) the primary listing and trading of the Xstrata Shares on the SIX Swiss Exchange, with effect as of or shortly following the Effective Date.

It is also intended that, following the New Scheme becoming effective, Xstrata will be re-registered as a private company under the relevant provisions of the UK Companies Act.

16. Glencore Shareholder approval

As a result of the size of the transaction, the Merger constitutes a Class 1 transaction (as defined in the Listing Rules) for Glencore. Accordingly, Glencore will be required to seek the approval of Glencore Shareholders for the Merger at the Glencore General Meeting. Glencore is required to prepare and send to Glencore Shareholders the Further Glencore Circular which will summarise the background to and reasons for the revised final

terms of the Merger (which will include a notice convening the Glencore General Meeting). The Merger is conditional on, amongst other things, the resolutions to approve the Merger as a "Class 1" transaction and to grant authority to the Glencore Directors to allot the New Glencore Shares (but not, for the avoidance of doubt, the resolution to approve the proposed change of Glencore's name following the Merger becoming effective) being passed by Glencore Shareholders at the Glencore General Meeting.

The Further Glencore Circular containing the notice convening the Glencore General Meeting will be sent to Glencore Shareholders at or around the same time as the posting of the New Scheme Document to Xstrata Shareholders, which is expected to be during October 2012.

It is also expected that, in accordance with the Prospectus Rules, Glencore will publish further documentation containing updated information about the New Glencore Shares during October 2012.

17. Overseas shareholders

The availability of the Merger to persons not resident in, and distribution of this announcement to Xstrata Shareholders who are not resident in, the United Kingdom may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Xstrata Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

This announcement does not constitute an offer for sale for any securities or an offer or an invitation to purchase any securities. Xstrata Shareholders are advised to read carefully the New Scheme Document and related Further Forms of Proxy once these have been dispatched.

18. Documents on display

Copies of the following documents will, by no later than 12 noon (London time) on 2 October 2012, be published on Xstrata's website at www.xstrata.com and Glencore's website at www.glencore.com until the Effective Date:

- the irrevocable undertakings referred to in paragraph 6 above and summarised in Appendix 3 to this announcement;
- the Break Fee Amendment Agreement; and
- the Confidentiality Agreement.

19. General

The Merger will be subject to the Conditions and certain further terms set out in Appendix 1 and the certain further terms and conditions set out in the New Scheme Document and the related Further Forms of Proxy when issued.

The New Scheme will be governed by English law and will be subject to the jurisdiction of the courts of England and Wales. The New Scheme will be

subject to the applicable requirements of the Code, the Panel, the London Stock Exchange and the FSA.

The bases and sources of certain financial information contained in this announcement are set out in Appendix 2. Certain terms used in this announcement are defined in Appendix 4.

Enquiries

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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 will be made solely by means of the New Scheme Document, which, together with the Further Forms of Proxy, will contain the full terms and conditions of the Merger including details of how to vote in respect of the Merger. Xstrata will prepare the New Scheme Document to be distributed to Xstrata Shareholders. Xstrata urges Xstrata Shareholders to read the New Scheme Document when it becomes available because it will contain important information in relation to the Merger. Glencore will prepare the Further Glencore Circular to be distributed to Glencore Shareholders. Glencore urges Glencore Shareholders to read the Further Glencore Circular when it becomes available because it will contain important information in relation to the Merger. Any vote in respect of the New Scheme or other response in relation to the Merger should be made only on the basis on the information contained in the New Scheme Document.

This announcement does not constitute a prospectus or prospectus equivalent document.

Please be aware that addresses, electronic addresses and certain other information provided by Xstrata Shareholders, persons with information rights and other relevant persons for the receipt of communications from Xstrata may be provided to Glencore during the offer period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.12(c).

Citigroup Global Markets Limited, which is authorised and regulated in the United Kingdom by the FSA, is acting exclusively for Glencore and no-one else in connection with the matters set out in this announcement and will not be responsible to any person other than Glencore for providing the protections afforded to clients of Citigroup Global Markets Limited or for providing advice in relation to the matters set out in this announcement.

Morgan Stanley & Co. Limited is acting as financial adviser to Glencore and no one else in connection with the Merger and will not be responsible to anyone other than Glencore for providing the protections afforded to the clients of Morgan Stanley & Co. Limited nor for providing advice in relation to the potential Merger, the contents of this announcement or any other matter or arrangement referred to herein.

Deutsche Bank AG is authorised under German Banking Law (competent authority: BaFin - Federal Financial Supervisory Authority) and authorised and subject to limited regulation by the FSA. Details about the extent of Deutsche Bank AG's authorisation and regulation by the FSA are available on request. Deutsche Bank AG, London Branch is acting as financial adviser and corporate broker to Xstrata and no one else in connection with the Merger and will not be responsible to anyone other than Xstrata for providing the protections afforded to clients of Deutsche Bank AG, London Branch, nor for providing advice in relation to the Merger or for any of the matters referred to in this announcement.

J.P. Morgan Limited, which conducts its UK investment banking business as J.P. Morgan Cazenove and is authorised and regulated in the United Kingdom by the FSA, is acting as financial adviser and corporate broker to Xstrata and for no one else in connection with the Merger and will not be responsible to anyone other than Xstrata for providing the protections afforded to its clients nor for providing advice in relation to the Merger of for any of the matters set out in this announcement.

Goldman Sachs International, which is authorised and regulated in the United Kingdom by the FSA, is acting as financial adviser to Xstrata and for no one else in connection with the Merger and will not be responsible to anyone other than Xstrata for providing the protections afforded to clients of Goldman Sachs International nor for providing advice in relation to the Merger, the content of this announcement or any matter referred to herein.

Nomura International plc, which conducts its UK investment banking business as Nomura and is authorised and regulated in the United Kingdom by the FSA, is acting as financial adviser to Xstrata and for no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than Xstrata for providing the protections afforded to its clients nor for providing advice in relation to the matters set out in this announcement.

Barclays Bank PLC, acting through its investment bank ("Barclays"), which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as financial adviser to Xstrata and no-one else in connection with the Merger and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Merger and will

not be responsible to anyone other than Xstrata for providing the protections afforded to its clients, nor for providing advice in connection with the Merger or any other matter referred to herein.

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 New 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 elects, with 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 New 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 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.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree

company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0) 20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on website

A copy of this announcement will be available on Xstrata's website at www.xstrata.com and on Glencore's website at www.glencore.com.

You may request a hard copy of this announcement, free of charge, by contacting the Company Secretary of Glencore, John Burton, at john.burton@glencore.com or the Company Secretary of Xstrata, Richard Elliston, at relliston@xstrata.com. You may also request that all future documents, announcements and information to be sent to you in relation to the Merger should be in hard copy form.

APPENDIX 1
CONDITIONS AND CERTAIN FURTHER TERMS
OF THE NEW SCHEME AND THE MERGER

A. CONDITIONS TO THE NEW SCHEME AND MERGER

1 The Merger will be conditional upon the New Scheme becoming unconditional and effective, subject to the Code, by not later than 31 December 2012 or such later date (if any) as Glencore and Xstrata may, with the consent of the Panel, agree and (if required) the Court may allow.

2 The New Scheme will be subject to the following conditions:

2.1 a resolution to approve the New Scheme being duly passed by a majority in number of the Scheme Shareholders who are on the register of members of Xstrata at the Scheme Voting Record Time, and who are present and vote, whether in person or by proxy, at the New Court Meeting and at any separate class meeting which may be required (or any adjournment thereof) and who represent not less than 75 per cent. in value of the Scheme Shares held by those Scheme Shareholders, and such resolution becoming effective in accordance with its terms;

2.2 the resolutions required to approve and implement the New Scheme and Capital Reduction being duly passed by Xstrata Shareholders representing 75 per cent. or more of the votes cast at the Further Xstrata General Meeting; and

2.3 the sanction of the New Scheme by the Court (in each case with or without modification but subject to any modification being on terms acceptable to Xstrata and Glencore) and confirmation of the Capital Reduction by the Court and (a) the delivery of copies of the New Scheme Court Order and the Reduction Court Order and the requisite Statement of Capital attached thereto to the Registrar of Companies and (b) the registration of the Reduction Court Order.

3 In addition, subject as stated in Part B below and to the requirements of the Panel, the Merger will be conditional upon the following Conditions and, accordingly, the necessary actions to make the New Scheme effective will not be taken unless such Conditions (as amended if appropriate) have been satisfied or, where relevant, waived in writing:

Approval of Glencore Shareholders

(a) any resolution or resolutions of Glencore Shareholders required to: (i) approve, effect and implement the Merger, (ii) confer authorities for the issue and allotment of the New Glencore Shares to be issued in connection with the Merger, and (iii) effect such other actions as are required in connection with the implementation of the Merger (as such resolutions may be set out in the Further Glencore Circular), but excluding, for the avoidance of doubt, relating to any change in Glencore's name being duly passed at the Glencore General Meeting

(or at any adjournment of that meeting) in each case by the requisite majority of Glencore Shareholders;

Admission of the New Glencore Shares

(b) the UK Listing Authority having acknowledged to Glencore or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the New Glencore Shares to the Official List with a premium listing has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject ("listing conditions")) will become effective as soon as a dealing notice has been issued by the FSA and any listing conditions having been satisfied and the London Stock Exchange having acknowledged to Glencore or its agent (and such acknowledgement not having been withdrawn) that the New Glencore Shares will be admitted to trading;

EU merger control

(c) the European Commission indicating, in terms reasonably satisfactory to Glencore, that it does not intend to initiate proceedings under Article 6(1)(c) of the Council Regulation (EC) No. 139/2004 (the "Regulation"), or to make a referral to a competent authority in the EEA under Article 9(1) of such Regulation, in either case with respect to the Merger or any matter arising from the New Scheme or Merger;

US merger control

(d) all filings having been made in connection with the Merger or any aspect of the Merger and all or any applicable waiting periods (including any extensions thereof) having expired under the United States Hart-Scott Rodino Antitrust Improvements Act of 1976, as amended, and the regulations thereunder;

South African merger control

(e) the South African Competition Tribunal having approved unconditionally or, if approved with conditions, on such conditions reasonably satisfactory to Glencore, as expressed in writing, the Merger in terms of Chapter 3 of the South African Competition Act;

China merger control

(f) the Ministry of Commerce of the People's Republic of China pursuant to the Anti-Monopoly Law of the People's Republic of China (the "Anti-Monopoly Law") having cleared the Merger on terms reasonably satisfactory to Glencore or all applicable waiting periods under the Anti-Monopoly Law in respect of the review of the Merger having expired;

Australian foreign investment approval

(g) one of the following having occurred:

(i) the Treasurer of the Commonwealth of Australia (or his delegate) gives written advice without conditions that there are no objections under Australia's foreign investment policy to the Merger; or

(ii) after notice of the proposed Merger has been given by Glencore to the Treasurer of the Commonwealth of Australia under the Foreign Acquisitions and Takeovers Act 1975 (Cwlth), the Treasurer ceases to be empowered to make any order under Part II of that Act because of lapse of time;

Notifications, waiting periods and Authorisations

(h) other than in respect of Conditions 3(a) to (g), all notifications, filings or applications which are necessary or reasonably considered appropriate in connection with the Merger having been made and all necessary waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with in each case in respect of the Merger and all Authorisations deemed necessary or reasonably appropriate by Glencore in any jurisdiction for or in respect of the Merger and, except pursuant to Chapter 3 of Part 28 of the UK Companies Act, the acquisition or the proposed acquisition of any shares or other securities in, or control or management of, Xstrata or any other member of the Wider Xstrata Group by any member of the Wider Glencore Group having been obtained in terms and in a form reasonably satisfactory to Glencore from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider Xstrata Group or the Wider Glencore Group has entered into contractual arrangements and all such Authorisations necessary, appropriate or desirable to carry on the business of any member of the Wider Xstrata Group in any jurisdiction having been obtained and all such Authorisations remaining in full force and effect at the time at which the Merger becomes otherwise wholly unconditional and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;

General antitrust and regulatory

(i) no antitrust regulator or Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to (in any case which is material in the context of the Merger):

(i) require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider Glencore Group or by any member of the Wider Xstrata Group of all or any material part of its businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof);

(ii) require any member of the Wider Glencore Group or the Wider Xstrata Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider Xstrata Group or any asset owned by any Third Party (other than in the implementation of the Merger);

(iii) impose any limitation on, or result in a delay in, the ability of any member of the Wider Glencore Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in Xstrata or on the ability of any member of the Wider Xstrata Group or any member of the Wider Glencore Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider Xstrata Group;

(iv) otherwise adversely affect any or all of the business, assets, profits or prospects of any member of the Wider Xstrata Group or any member of the Wider Glencore Group;

(v) result in any member of the Wider Xstrata Group or any member of the Wider Glencore Group ceasing to be able to carry on business under any name under which it presently carries on business;

(vi) make the Merger, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Xstrata by any member of the Wider Glencore Group void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise, directly or indirectly prevent or prohibit, restrict, restrain, or delay the same or otherwise interfere with the implementation of, or impose material additional conditions or obligations with respect to, or otherwise challenge, impede, interfere or require amendment of the Merger or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Xstrata by any member of the Wider Glencore Group;

(vii) require, prevent or materially delay a divestiture by any member of the Wider Glencore Group of any shares or other securities (or the equivalent) in any member of the Wider Xstrata Group or any member of the Wider Glencore Group; or

(viii) impose any material limitation on the ability of any member of the Wider Glencore Group or any member of the Wider Xstrata

Group to conduct, integrate or co-ordinate all or any part of its business with all or any part of the business of any other member of the Wider Glencore Group and/or the Wider Xstrata Group,

and all applicable waiting and other time periods (including any extensions thereof) during which any such antitrust regulator or Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Merger or the acquisition or proposed acquisition of any Xstrata Shares or otherwise intervene having expired, lapsed or been terminated;

Certain matters arising as a result of any arrangement, agreement, etc.

(j) except as Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider Xstrata Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or subject or any event or circumstance which, as a consequence of the Merger or because of a change in the control or management of any member of the Wider Xstrata Group, could or might reasonably be expected to result in (in any case to an extent which is or would be material in the context of the Wider Xstrata Group taken as a whole):

(i) any monies borrowed by, or any other indebtedness, actual or contingent, of, or any grant available to, any member of the Wider Xstrata Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;

(ii) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Xstrata Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen) becoming enforceable;

(iii) any such arrangement, agreement, lease, licence, franchise, permit or other instrument being terminated or the rights, liabilities, obligations or interests of any member of the Wider Xstrata Group being adversely modified or adversely affected or any obligation or liability arising or any adverse action being taken or arising thereunder;

(iv) any liability of any member of the Wider Xstrata Group to make any severance, termination, bonus or other payment to any of its directors, or other officers;

(v) the rights, liabilities, obligations, interests or business of any member of the Wider Xstrata Group under any such

arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider Xstrata Group in or with any other person or body or firm or company (or any arrangement or arrangement relating to any such interests or business) being or becoming capable of being terminated, or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;

(vi) any member of the Wider Xstrata Group ceasing to be able to carry on business under any name under which it presently carries on business;

(vii) the value of, or the financial or trading position or prospects of, any member of the Wider Xstrata Group being prejudiced or adversely affected; or

(viii) the creation or acceleration of any liability (actual or contingent) by any member of the Wider Xstrata Group other than trade creditors or other liabilities incurred in the ordinary course of business,

and no event having occurred which, under any provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider Xstrata Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, would or might reasonably be expected to result in any of the events or circumstances as are referred to in Conditions (j)(i) to (viii) (in any case to an extent which is or would be material in the context of the Wider Xstrata Group taken as a whole);

Certain events occurring since 31 December 2011

(k) except as Disclosed, no member of the Wider Xstrata Group having since 31 December 2011:

(i) issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue, of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of Xstrata Shares out of treasury (except, where relevant, as between Xstrata and wholly owned subsidiaries of Xstrata or between the wholly owned subsidiaries of Xstrata and except for the issue or transfer out of treasury of Xstrata Shares on the exercise of employee share options or vesting of employee share awards in the ordinary course under the Xstrata Share Schemes);

(ii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than (a) the Xstrata 2011 Final Dividend, (b) the Xstrata 2012

Interim Dividend, and (c) dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly owned subsidiary of Xstrata to Xstrata or any of its wholly owned subsidiaries**;**

(iii) other than pursuant to the Merger (and except for transactions between Xstrata and its wholly owned subsidiaries or between the wholly owned subsidiaries of Xstrata and transactions in the ordinary course of business) implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings in any such case to an extent which is material in the context of the Wider Xstrata Group taken as a whole;

(iv) (except for transactions between Xstrata and its wholly owned subsidiaries or between the wholly owned subsidiaries of Xstrata) disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any material asset or authorised, proposed or announced any intention to do so which in any case is material in the context of the Wider Xstrata Group taken as a whole;

(v) (except for transactions between Xstrata and its wholly owned subsidiaries or between the wholly owned subsidiaries of Xstrata) issued, authorised or proposed or announced an intention to authorise or propose, the issue of or made any change in or to the terms of any debentures or become subject to any contingent liability or incurred or increased any indebtedness which in any case is material in the context of the Wider Xstrata Group taken as a whole;

(vi) entered into or varied or authorised, proposed or announced its intention to enter into or vary any material contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, unusual or onerous nature or magnitude or which is or which involves or could involve an obligation of a nature or magnitude which is likely to be restrictive on the business of any member of the Wider Xstrata Group and which in any case is material in the context of the Wider Xstrata Group taken as a whole;

(vii) entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary to a material extent the terms of any contract, service agreement, commitment or arrangement with any director or senior executive of any member of the Wider Xstrata Group save as agreed by Glencore;

(viii) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit

relating to the employment or termination of employment of any employee of the Wider Xstrata Group save as agreed by Glencore;

(ix) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, except in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital, save as agreed by Glencore in writing;

(x) waived, compromised or settled any claim (other than in the ordinary course of business) which is material in the context of the Wider Xstrata Group taken as a whole;

(xi) terminated or varied the terms of any agreement or arrangement between any member of the Wider Xstrata Group and any other person in a manner which would or might reasonably be expected to have a material adverse effect on the financial position of the Wider Xstrata Group taken as a whole;

(xii) made any alteration to its memorandum or articles of association or other incorporation documents in each case which is material in the context of the Merger;

(xiii) made or agreed or consented to any change to the terms of the trust deeds and rules constituting the pension scheme(s) established for its directors, employees or their dependants or any material change to the benefits which accrue, or to the pensions which are payable, thereunder, or to the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined or to the basis upon which the liabilities (including pensions) of such pension schemes are funded or made, or agreed or consented to, in each case which is material in the context of the Wider Xstrata Group taken as a whole;

(xiv) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business, in each case which is material in the context of the Wider Xstrata Group taken as a whole;

(xv) (other than in respect of a member of the Wider Xstrata Group which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or any analogous or

equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed, in each case which is material in the context of the Wider Xstrata Group taken as a whole;

(xvi) (except for transactions between Xstrata and its wholly owned subsidiaries or between the wholly owned subsidiaries), made, authorised, proposed or announced an intention to propose any change in its loan capital, in each case which is material in the context of the Wider Xstrata Group taken as a whole;

(xvii) entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities, in each case which is material in the context of the Wider Xstrata Group taken as a whole; or

(xviii) entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition (k);

No adverse change, litigation, regulatory enquiry or similar

(l) except as Disclosed, since 31 December 2011 there having been:

(i) no adverse change or deterioration and no circumstance having arisen which would or might be reasonably expected to result in any adverse change in, the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider Xstrata Group which in any case is material in the context of the Wider Xstrata Group taken as a whole;

(ii) no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced or instituted by or against or remaining outstanding against or in respect of, any member of the Wider Xstrata Group or to which any member of the Wider Xstrata Group is or may become a party (whether as claimant, defendant or otherwise), in each case which might reasonably be expected to have a material adverse effect on the Wider Xstrata Group taken as a whole or in the context of the Merger;

(iii) no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Xstrata Group having been threatened, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider Xstrata Group, in each case which might reasonably be expected to have a material adverse effect on the Wider Xstrata Group taken as a whole or in the context of the Merger;

(iv) no contingent or other liability having arisen or become apparent to Glencore or increased other than in the ordinary

course of business which would or might reasonably be expected to adversely affect the business, assets, financial or trading position or profits or prospects of any member of the Wider Xstrata Group to an extent which is material in the context of the Wider Xstrata Group taken as a whole or in the context of the Merger; and

(v) no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Xstrata Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which might reasonably be expected to have a material adverse effect on the Wider Xstrata Group taken as a whole or in the context of the Merger;

No discovery of certain matters regarding information, liabilities and environmental issues

(m) except as Disclosed, Glencore not having discovered:

(i) that any financial, business or other information concerning the Wider Xstrata Group Publicly Announced prior to the date of this announcement or disclosed at any time to any member of the Wider Glencore Group or to any of their advisers by or on behalf of any member of the Wider Xstrata Group prior to the date of this announcement is misleading, contains a misrepresentation of any fact, or omits to state a fact necessary to make that information not misleading, to an extent which in any such case is material in the context of the Wider Xstrata Group taken as a whole;

(ii) that any member of the Wider Xstrata Group or any partnership, company or other entity in which any member of the Wider Xstrata Group has a significant economic interest and which is not a subsidiary undertaking of Xstrata is, otherwise than in the ordinary course of business, subject to any liability, contingent or otherwise and which is material in the context of the Wider Xstrata Group taken as a whole or in the context of the Merger;

(iii) that any past or present member of the Wider Xstrata Group has not complied in any material respect with all applicable legislation, regulations or other requirements of any jurisdiction or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human or animal health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would be likely to give rise to any liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider Xstrata Group which in any

case is material in the context of the Wider Xstrata Group taken as a whole;

(iv) that there has been a material disposal, discharge, spillage, accumulation, release, leak, emission or the migration, production, supply, treatment, storage, transport or use of any waste or hazardous substance or any substance likely to impair the environment (including any property) or harm human or animal health which (whether or not giving rise to non-compliance with any law or regulation), would be likely to give rise to any liability (whether actual or contingent) on the part of any member of the Wider Xstrata Group which in any case is material in the context of the Wider Xstrata Group taken as a whole;

(v) that there is or is reasonably likely to be any obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or any controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Xstrata Group (or on its behalf), or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, common law, regulation, notice, circular, Authorisation or order of any Third Party in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto which in any case is material in the context of the Wider Xstrata Group taken as a whole; or

(vi) that circumstances exist (whether as a result of making the Merger or otherwise) which would be reasonably likely to lead to any Third Party instituting (or whereby any member of the Wider Xstrata Group would be likely to be required to institute), an environment audit or take any steps which would in any such case be reasonably likely to result in any actual or contingent liability to improve or install new plant or equipment or to make good, repair, reinstate or clean up any property of any description or any asset now or previously owned, occupied or made use of by any past or present member of the Wider Xstrata Group (or on its behalf) or by any person for which a member of the Wider Xstrata Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest, which in any case is material in the context of the Wider Xstrata Group taken as a whole.

B. CERTAIN FURTHER TERMS OF THE NEW SCHEME AND THE MERGER

Subject to the requirements of the Panel, Glencore reserves the right to waive in whole or in part, all or any of the above Conditions 3(a) to (m) (inclusive), other than Condition 3(b).

The New Scheme will not become effective unless the Conditions have been fulfilled or (if capable of waiver) waived or, where appropriate, have been determined by Glencore to be or remain satisfied by no later than the date referred to in Condition 1 (or such later date as Glencore and Xstrata may, with the consent of the Panel, agree and (if required) the Court may allow).

If Glencore is required by the Panel to make an offer for Xstrata Shares under the provisions of Rule 9 of the Code, Glencore may make such alterations to any of the above Conditions and terms of the Merger as are necessary to comply with the provisions of that Rule.

The New Scheme will be governed by the law of England and Wales. The Merger will be on and subject to the conditions and certain further terms set in this Appendix 1 and to be set out in the New Scheme Document. The New Scheme will be subject to applicable requirements of the Code, the Panel, the London Stock Exchange, the FSA and the UK Listing Authority.

Glencore shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of Conditions 3(a) to (m) (inclusive) by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions of the Merger may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

Glencore reserves the right to elect, with the consent of the Panel (where necessary) and with Xstrata's prior written consent, to implement the Merger by way of a Merger Offer. In such event, the acquisition will be implemented on substantially the same terms subject to appropriate amendments, so far as applicable, as those which would apply to the New Scheme. In addition, the voting structure of the New Scheme may be amended if required by the Court or otherwise only with each of Xstrata's and Glencore's written consent and, in each case, with the consent of the Panel (where necessary).

The Merger will lapse if the European Commission either initiates proceedings under Article 6(1)(c) of the Regulation or makes a referral to a competent authority of the United Kingdom under Article 9(1) of the Regulation and there is a reference to the Competition Commission before the date of the New Court Meeting.

The availability of the Merger to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.

The Merger is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction.

Under Rule 13.5 of the Code, Glencore may not invoke a condition to the Merger so as to cause the Merger not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the condition are of material significance to Glencore in the context of the offer.

The conditions contained in paragraphs 1, 2 and 3(a) and (c) of Part A are not subject to this provision of the Code.

The Merger is governed by the law of England and Wales and is subject to applicable requirements of the Code, the Panel, the London Stock Exchange, the FSA, the UK Listing Authority, the jurisdiction of the English courts and to the Conditions and certain further terms set out in this Appendix 1 and to be set out in the New Scheme Document.

APPENDIX 2

BASES AND SOURCES

a) Unless otherwise stated, all prices quoted for Xstrata Shares and Glencore Shares are closing mid-market prices and are derived from the Daily Official List.

b) The US$/£ exchange rate of US$1.61/£1.00 used in this document is the Bloomberg rate as at 5.00 p.m. London time on 28 September 2012 (being the last practicable date prior to the publication of this document).

c) As at the close of business on 28 September 2012 the number of Glencore Shares in issue was 6,922,713,511. The International Securities Identification Number for Glencore Shares is JE00B4T3BW64.

d) As at the close of business on 28 September 2012 the number of Xstrata Shares in issue was 3,002,692,076. (Of this number, 1,010,403,999 Xstrata Shares were owned by the Glencore Group and 49,368,447 Xstrata Shares were held by certain entities connected with Xstrata that hold Xstrata Shares for the purpose of satisfying Xstrata Shares to be issued pursuant to the Xstrata Share Schemes.) The International Securities Identification Number for Xstrata Shares is GB0031411001 and the Swiss Security Number is 1386 215.

e) The value of 1,046.46 pence per Xstrata Share implied by the terms of the Merger is calculated based on the exchange ratio of 3.05 New Glencore Shares for each Xstrata Share held and the closing price per Glencore Share of 343.10 pence on 28 September 2012 (being the last practicable date prior to the date of this announcement).

f) As at the close of business on 28 September 2012 the fully diluted number of Xstrata Shares is 3,052,071,090. This comprises:

(i) the number of Xstrata Shares in issue set out in paragraph d) above, plus

(ii) 78,341,569 Xstrata Shares to be issued pursuant to the Xstrata Share Schemes; less

(iii) the number of Xstrata Shares held by certain entities connected to Xstrata referred to in d) that hold Xstrata Shares for the purpose of satisfying Xstrata Shares to be issued pursuant to the Xstrata Share Schemes; plus

(iv) the maximum number of Xstrata Shares needed to satisfy the retention share awards of 20,405,892 Xstrata Shares.

g) The value of £31.9 billion for Xstrata's issued and to be issued share capital implied by the terms of the Merger is calculated on the basis of the value placed on each Xstrata Share referred to in paragraph e)above multiplied by the fully diluted number of Xstrata Shares referred to in paragraph f).

h) The number of New Glencore Shares of 6,227,084,628 to be issued in connection with the merger is based on the exchange ratio of 3.05 New Glencore Shares in respect of 2,041,667,091 Scheme Shares, which consist of:

(i) the number of fully diluted Xstrata Shares referred to in paragraph f); less

(ii) the number of Xstrata Shares owned by the Glencore Group referred to in paragraph d).

i) The exchange ratio of 2.59 implied by the middle market closing prices of Xstrata and Glencore on 1 February 2012 (being the last practicable date prior to the announcement by Xstrata that it was in discussions with Glencore) is calculated based on the daily ratios of the closing price per Xstrata Share divided by the closing price per Glencore Share.

j) The exchange ratio of 2.43 being the average of the ratios implied by the middle market closing prices of Xstrata and Glencore between 3 September and 6 September 2012 (the latter being the last business day prior to the announcement by Xstrata of the revised proposal from Glencore) is calculated based on the daily ratios of the closing price per Xstrata Share divided by the closing price per Glencore Share.

k) The lowest ratio of 1.92 implied by the middle market closing prices of Xstrata and Glencore between Glencore's IPO on 19 May 2011 and 1 February 2012 (being the last practicable date prior to the announcement by Xstrata that it was in discussions with Glencore) is calculated based on the daily ratios of the closing price per Xstrata Share divided by the closing price per Glencore Share.

l) The highest ratio of 2.90 implied by the middle market closing share prices of Xstrata and Glencore between Glencore's IPO on 19 May 2011 and 1 February 2012 (being the last practicable date prior to the announcement by Xstrata that it was in discussions with Glencore) is calculated based on the daily ratios of the closing price per Xstrata Share divided by the closing price per Glencore Share.

m) The US$500 million synergy number is unaudited and are based on analysis by Glencore's and Xstrata's management and on Xstrata's unaudited results for the year ended 31 December 2011 and Glencore's internal records as at 6 February 2012.

n) Unless otherwise stated, the financial information concerning Xstrata has been extracted from the audited annual report and accounts for the year ended 31 December 2011 or the interim report for the half year ended 30 June 2012 for Xstrata for the relevant period.

o) Unless otherwise stated, the financial information concerning Glencore has been extracted from the audited annual report and accounts for the year ended 31 December 2011 or the interim report for the half year ended 30 June 2012 for Glencore for the relevant period.

APPENDIX 3
DETAILS OF IRREVOCABLE UNDERTAKINGS

Irrevocable undertakings in respect of Xstrata Shares

The following persons have given irrevocable undertakings to vote in favour of the New Scheme at the New Court Meeting and the resolutions to be proposed at the Further Xstrata General Meeting in accordance with the recommendation of the Independent Xstrata Non-Executive Directors in relation to the following Xstrata Shares:

Name	Number of Xstrata Shares	Percentage of issued ordinary share capital of Xstrata (per cent.)
Sir John Bond	1,000	0.000033
Mick Davis	2,517,549	0.083843
Trevor Reid	647,365	0.021559
Claude Lamoureux	27,000	0.000899
David Rough	25,249	0.000841
Ian Strachan	43,098	0.001435
Santiago Zaldumbide	258,126	0.008596

The undertakings shall only lapse if Glencore announces, with the consent of the Panel, that it does not intend to make or proceed with the Merger and no new, revised or replacement scheme of arrangement is announced in accordance with Rule 2.7 of the Code at the same time; or if the New Scheme lapses or is withdrawn and no new, revised or replacement scheme of arrangement has been announced, in accordance with Rule 2.7 of the Code, in its place or is announced, in accordance with Rule 2.7 of the Code, at the same time.

Irrevocable undertakings in respect of Glencore Shares

The following persons have given irrevocable undertakings to vote in favour of the resolution to be proposed at the Glencore General Meeting to approve the Merger and related resolutions to be proposed at the Glencore General Meeting in relation to the following Glencore Shares:

Name	Number of Glencore Shares	Percentage of issued ordinary share capital of Glencore (per cent.)
Ivan Glasenberg	1,101,848,752	15.916429

Steven Kalmin	70,523,154	1.018721
Peter Coates	82,700	0.001195
Li Ning	123,000	0.001777
Daniel Francisco Maté Badenes	417,468,330	6.030415
Aristotelis Mistakidis	414,730,597	5.990868
Tor Peterson	366,074,885	5.288026
Alex Beard	320,260,410	4.626227

The undertakings shall only lapse if Glencore announces, with the consent of the Panel, that it does not intend to make or proceed with the Merger and no new, revised or replacement scheme of arrangement is announced in accordance with Rule 2.7 of the Code at the same time; if Glencore announces that it has withdrawn its recommendation to shareholders to vote in favour of the resolutions to be proposed at the Glencore General Meeting; or if the New Scheme lapses or is withdrawn and no new, revised or replacement scheme of arrangement has been announced, in accordance with Rule 2.7 of the Code, in its place or is announced, in accordance with Rule 2.7 of the Code, at the same time.

APPENDIX 4
DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise.

"$", "US$" or "cents"	the lawful currency of the US
"£", "Sterling", "pence" or "p"	the lawful currency of the UK
"Admission"	the New Glencore Shares being admitted to the Official List and to trading on the London Stock Exchange's market for listed securities
"Australia"	the Commonwealth of Australia, its territories and possessions
"Authorisations"	material authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licenses, permissions and approvals
"Break Fee Agreement"	the reverse break fee agreement entered into by Glencore and Xstrata on 7 February 2012
"Break Fee Amendment Agreement"	the amendment agreement, in relation to the reverse break fee agreement, entered into by Glencore and Xstrata on 1 October 2012
"business day"	a day (other than a Saturday, Sunday, UK public or bank holiday) on which banks are generally open for the transaction of business in London
"Canada"	Canada, its provinces and territories and all areas under its jurisdiction and political sub-divisions thereof
"Capital Reduction"	the proposed reduction of Xstrata's share capital under Chapter 10 of Part 17 of the UK Companies Act, to be effected as part of the New Scheme
"CEO"	Chief Executive Officer
"Code"	the City Code on Takeovers and Mergers
"Combined Group"	the combined group following the Merger, comprising the Glencore Group and the Xstrata Group
"Combined Entity"	the ultimate parent company of the Combined Group

"Conditions"	the conditions to the implementation of the Merger (including the New Scheme) as set out in Appendix 1 to this announcement and to be set out in the New Scheme Document
"Confidentiality Agreement"	the mutual confidentiality agreement entered into by Glencore and Xstrata on 12 December 2011
"Court"	the High Court of Justice of England and Wales
"CREST"	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755)) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form
"Daily Official List"	the daily official list of the London Stock Exchange
"Dealing Disclosure"	an announcement pursuant to Rule 8 of the Code containing details of dealings in interests in relevant securities of a party to an offer
"Disclosed"	(i) fairly disclosed in Xstrata's annual reports and accounts for the year ended 31 December 2011, (ii) Publicly Announced, or (iii) fairly disclosed to Glencore or its financial, legal or accounting advisers (specifically in their capacity as Glencore's advisers in relation to the Merger) by or on behalf of Xstrata prior to the date of this announcement
"Disclosure and Transparency Rules"	the disclosure and transparency rules of the FSA made in accordance with section 73A of the FSMA, as amended from time to time
"EBIT"	earnings before interest and tax
"EBITDA"	earnings before interest, tax, depreciation and amortisation
"EEA"	European Economic Area
"Effective Date"	the date upon which the New Scheme becomes effective in accordance with its terms

"Excluded Shares"	(i) any Xstrata Shares beneficially owned by Glencore or any other member of the Glencore Group; (ii) any Xstrata Shares held in treasury by Xstrata; and (iii) any other Xstrata Shares which Glencore and Xstrata agree (subject to the consent of the Court) will not be subject to the New Scheme
"FSA"	the Financial Services Authority
"Further Forms of Proxy"	the form of proxy in connection with each of the New Court Meeting and the Further Xstrata General Meeting, which shall accompany the New Scheme Document
"Further Glencore Circular"	the circular to be sent to Glencore Shareholders in connection with the final revised terms of the Merger
"Further Xstrata General Meeting"	the extraordinary general meeting of Xstrata to be convened in connection with the New Scheme / the Capital Reduction and the Revised Management Incentive Arrangements, notice of which will be set out in the New Scheme Document, including any adjournment thereof
"Glencore"	Glencore International plc
"Glencore Change in Recommendation"	a withdrawal, amendment, modification or qualification to the Glencore board's recommendation of the Merger or the resolution or agreement to do the same
"Glencore Circular"	the circular sent to Glencore Shareholders in connection with the Merger on 31 May 2012
"Glencore Directors"	the board of directors of Glencore at the date of this announcement
"Glencore General Meeting"	the general meeting of Glencore to be convened in connection with the Merger, notice of which will be set out in the Further Glencore Circular, including any adjournment thereof
"Glencore Group"	Glencore and its subsidiary undertakings
"Glencore Nominee Directors"	Ivan Glasenberg, Aristotelis Mistakidis and Tor Peterson, the Xstrata Directors nominated by Glencore
"Glencore Shareholders"	holders of Glencore Shares

"Glencore Shares"	fully paid up ordinary shares of $0.01 each in the capital of Glencore
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Independent Xstrata Non-Executive Directors"	the Independent Xstrata Directors other than the Xstrata Executive Directors
"Independent Xstrata Directors"	the directors of Xstrata other than the Glencore Nominee Directors
"International Financial Reporting Standards"	the international financial reporting standards issued by the International Accounting Standards Board
"IPO"	initial public offering
"Japan"	Japan, its cities, prefectures, territories and possessions
"Jersey"	the Bailiwick of Jersey
"Listing Rules"	the rules and regulations made by the UK Listing Authority, and contained in the UK Listing Authority's publication of the same name
"London Stock Exchange"	London Stock Exchange plc
"Long Term Incentive Plan"	the Xstrata plc 2002 long term incentive plan
"Management Incentive Arrangements"	those elements of the retention and incentive arrangements previously proposed to be put in place for those members of Xstrata management who are interested in Xstrata Shares details of which were set out in the Original Scheme Document and the Supplementary Scheme Document
"Merger"	the direct or indirect acquisition of the entire issued and to be issued share capital of Xstrata by Glencore (other than Xstrata Shares already held by Glencore) to be implemented by way of the New Scheme or (should Glencore so elect, subject to the consent of the Panel (where necessary) and with Xstrata's prior written consent) by way of a Merger Offer
"Merger Offer"	the implementation of the Merger by means of a takeover offer under section 974 of the UK Companies Act, rather than by means of the New Scheme

"New Court Meeting"	the meeting(s) of the Scheme Shareholders to be convened by order of the Court pursuant to section 896 of the UK Companies Act, notice of which will be set out in the New Scheme Document, for the purpose of approving the New Scheme, including any adjournment thereof
"New Glencore Shares"	the new Glencore Shares to be issued and credited to Xstrata Shareholders pursuant to the New Scheme
"New Scheme"	a scheme of arrangement proposed to be made under Part 26 of the UK Companies Act between Xstrata and the Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Xstrata and Glencore
"New Scheme Court Order"	the order of the Court sanctioning the New Scheme under Part 26 of the UK Companies Act
"New Scheme Document"	the document to be posted or made available to (among others) Xstrata Shareholders containing and setting out, among other things, the full terms and conditions of the New Scheme and containing the notices convening the New Court Meeting and Further Xstrata General Meeting
"Official List"	the official list of the UK Listing Authority
"Opening Position Disclosure"	an announcement pursuant to Rule 8 of the Code containing details of certain persons' interests in relevant securities of a party to an offer
"Original Scheme"	the scheme of arrangement originally proposed to be made under Part 26 of the UK Companies Act between Xstrata and the Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Xstrata and Glencore
"Original Scheme Document"	the document sent to Xstrata Shareholders on 31 May 2012 containing and setting out, among other things, the full terms and conditions of the Original Scheme
"Panel"	the Panel on Takeovers and Mergers
"Principal Shareholders"	Steven Kalmin, Daniel Francisco Maté Badenes,

	Aristotelis Mistakidis, Tor Peterson and Alex Beard
"Prospectus Rules"	the rules for the purposes of Part 6 of the Financial Services and Markets Act 2000 in relation to the offers of securities to the public and the admission of securities to trading on a regulated market
"Publicly Announced"	fairly disclosed in any public announcement by Xstrata to any Regulatory Information Service
"Reduction Court Hearing"	the hearing by the Court of the application to confirm the Capital Reduction
"Reduction Court Order"	the order of the Court, to be granted at the Reduction Court Hearing, confirming the Capital Reduction
"Registrar of Companies"	the Registrar of Companies in England and Wales
"Restricted Jurisdiction"	any such 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 30.3 of the Code)
"Revised Management Incentive Arrangements"	those elements of the revised retention and incentive arrangements set out in this announcement which are proposed to be put in place for those members of Xstrata management who are interested in Xstrata Shares and which will be voted on by the eligible Xstrata Shareholders at the Further Xstrata General Meeting
"Revised Management Incentive Arrangements Resolution"	the ordinary resolution to be put to eligible Xstrata Shareholders at the Further Xstrata General Meeting to approve the Revised Management Incentive Arrangements
"Scheme Record Time"	the time and date specified in the New Scheme Document, expected to be 6.00 p.m. on the business day immediately prior to the Effective Date
"Scheme Shareholders"	holders of Scheme Shares

"Scheme Shares"	Xstrata Shares: (a) in issue as at the date of the New Scheme Document; (b) (if any) issued after the date of the New Scheme Document and prior to the Scheme Voting Record Time; and (c) (if any) issued on or after the Scheme Voting Record Time and at or prior to the Scheme Record Time either on terms that the original or any subsequent holders thereof shall be bound by the New Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the New Scheme, but in each case other than the Excluded Shares
"Scheme Voting Record Time"	the time and date specified in the New Scheme Document by reference to which entitlement to vote on the New Scheme will be determined
"SIX"	SIX Swiss Exchange AG
"Statement of Capital"	the statement of capital (approved by the Court) showing, with respect to Xstrata's share capital, as altered by the Reduction Court Order, the information required by section 649 of the UK Companies Act
"Supplementary Scheme Document"	the supplement to the Original Scheme Document published by Xstrata on 8 August 2012 in connection with certain amendments to the Management Incentive Arrangements (among other matters)
"Third Party"	a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, professional association, institution, employee representative body or any other such body or person whatsoever in any jurisdiction
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"UK Companies Act"	the UK Companies Act 2006, as amended from time to time
"UK Corporate	the UK Corporate Governance Code, published in May 2010 by the Financial Reporting Council,

Governance Code"	as amended from time to time
"UK Listing Authority"	the FSA acting in its capacity as the competent authority for listing under the Financial Services and Markets Act 2000
"United States of America", "United States" or "US"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
"US Exchange Act"	the United States Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder
"US Securities Act"	the United States Securities Act of 1933 and the rules and regulations promulgated thereunder (as amended)
"Wider Glencore Group"	Glencore and its subsidiaries, subsidiary undertakings and associated undertakings and any other body corporate, partnership, joint venture or person in which Glencore and such undertakings (aggregating their interests) have a direct or indirect interest of 20 per cent. or more of the voting or equity capital or the equivalent
"Wider Xstrata Group"	Xstrata, its subsidiaries, subsidiary undertakings and associated undertakings and any other body corporate, partnership, joint venture or person in which Xstrata and such undertakings (aggregating their interests) have a direct or indirect interest of 20 per cent. or more of the voting or equity capital or the equivalent
"Xstrata"	Xstrata plc
"Xstrata 2011 Final Dividend"	the Xstrata final dividend in respect of the 2011 financial year of $0.27 per Xstrata Share
"Xstrata 2012 Interim Dividend"	the Xstrata interim dividend in respect of the 2012 financial year of $0.14 per Xstrata Share
"Xstrata Executive Director"	Messrs. Davis, Reid and Zaldumbide
"Xstrata Financial Advisers"	Deutsche Bank AG, London Branch, Goldman Sachs International, J.P. Morgan Limited and Nomura International plc
"Xstrata Group"	Xstrata and its subsidiary undertakings
"Xstrata Shareholders"	holders of Xstrata Shares

"Xstrata Shares"	fully paid up ordinary shares of $0.50 each in the capital of Xstrata
"Xstrata Share Schemes"	the Xstrata plc 2002 Long Term Incentive Plan, the Xstrata plc 2002 Executive Committee Annual Bonus Plan and the Xstrata plc 2005 Added Value Incentive Plan Xstrata, each as amended from time to time
"Xstrata's Management"	the members of senior management of the Xstrata Group, being the Xstrata Executive Directors and Peter Freyberg, Benny Levene, Thras Moraitis, Ian Pearce and Charlie Sartain

For the purposes of this announcement, "subsidiary", "subsidiary undertaking", "undertaking", "associated undertaking" have the meanings given by the UK Companies Act.

References to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of this announcement. All references to time in this announcement are to London time unless otherwise stated.