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If you sell, have sold or otherwise transferred all of your Glencore Shares, you should send this document and the accompanying documents as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or the transferee. However, the distribution of this document and any accompanying documents into certain jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and any accompanying documents come should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document should be read in conjunction with the Prospectus relating to Glencore dated 31 May 2012 in connection with the Merger and which has been published on Glencore's website (www.glencore.com). This document does not constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of or issue, or any solicitation of any offer to sell, otherwise dispose of, issue, purchase, otherwise acquire or subscribe for, any security.

Application will be made to the FSA for the New Glencore Shares to be admitted to the premium listing segment of the Official List, and will be made to the London Stock Exchange for the New Glencore Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. Application will also be made to the Hong Kong Stock Exchange for the listing of, and for permission to deal in, the New Glencore Shares on the Main Board of the Hong Kong Stock Exchange. It is expected that Admission of the New Glencore Shares to the Official List and the London Stock Exchange will become effective, and that dealings in the New Glencore Shares will commence on the Effective Date which, subject to the satisfaction of certain conditions, including the sanction of the Scheme by the Court, is expected to occur in the third quarter of 2012. Hong Kong Admission is expected to occur on the next day following Admission that the Hong Kong Stock Exchange is open for trading in Hong Kong.

GLENCORE

INTERNATIONAL plc

Glencore International plc

(Incorporated in Jersey under the Companies (Jersey) Law 1991 with registered number 107710)

Recommended all-share merger of equals of Glencore International plc and Xstrata plc by means of a scheme of arrangement of Xstrata plc under Part 26 of the Companies Act 2006

Circular to Glencore Shareholders and Notice of Glencore International plc General Meeting

Your attention is drawn to the letter from the Chairman of Glencore International plc ("Glencore" or the "Company") which is set out on pages 6 to 20 of this document and which recommends you to vote in favour of the Resolutions to be proposed at the Glencore General Meeting referred to below. Please read the whole of this document and, in particular, the risk factors set out in Part II (*Risk Factors*).

Notice of the Glencore General Meeting to be held at Theatre-Casino Zug, Artherstrasse 2-4, Zug, Switzerland at 11.00 a.m. Zug time on 11 July 2012 is set out at the end of this document. A Form of Proxy for the Glencore General Meeting (the "Form of Proxy") is enclosed. To be valid, Forms of Proxy should be completed, signed and returned in accordance with the instructions printed on them so as to be received by Glencore's Registrars as soon as possible and in any event no later than 11.00 a.m. Zug time on 9 July 2012 or, if sent to Glencore's Registrars in Hong Kong, to be received as soon as possible and in any event no later than 5.00 p.m. Hong Kong time on 9 July 2012 (or, in the case of an adjournment, no later than 48 hours before the time fixed for the holding of the adjourned meeting). If you hold shares in CREST, you may be able to use the CREST electronic proxy appointment service. Alternatively, you may give proxy instructions by logging on to www.investorcentre.co.uk/eproxy and following the instructions. Proxies sent electronically must be sent as soon as possible and, in any event, so as to be received by not later than 11.00 a.m. Zug time on 9 July 2012 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). Completion and return of a Form of Proxy (or electronic appointment of a proxy) will not preclude Glencore Shareholders from attending and voting in person at the Glencore General Meeting, should they so wish.

Morgan Stanley & Co. Limited is acting as joint sponsor to Glencore and for no one else in connection with the contents of this document and the Merger, and will not be responsible to any other person for providing the protections afforded to clients of Morgan Stanley & Co. Limited nor for providing advice in connection with the proposed Merger, the contents of this document or any transaction, arrangement or other matter referred to in this document.

Citigroup Global Markets Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Glencore and for no one else as joint sponsor in connection with the contents of this document and the Merger, and will not be responsible to any other person for providing the protections afforded to clients of Citigroup Global Markets Limited nor for providing advice in connection with the proposed Merger, the contents of this document or any transaction, arrangement or other matters referred to in this document.

Save for the responsibilities and liabilities, if any, of Morgan Stanley & Co. Limited and of Citigroup Global Markets Limited under FSMA or the regulatory regime established thereunder, Morgan Stanley & Co. Limited and Citigroup Global Markets Limited assume no responsibility whatsoever and make no representations or warranties, express or implied, in relation to the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by Glencore, or on Glencore's behalf, or by Morgan Stanley & Co. Limited or Citigroup Global Markets Limited or on Morgan Stanley & Co. Limited's or Citigroup Global Markets Limited's behalf and nothing contained in this document is, or shall be, relied on as a promise or representation in this respect, whether as to the past or the future, in connection with Glencore or the Merger. Each of Morgan Stanley & Co. Limited and Citigroup Global Markets Limited accordingly disclaim to the fullest extent permitted by law all and any responsibility and liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this document or any such statement.

Dated: 31 May 2012

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document (including the information incorporated by reference into this document from the Prospectus) 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 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, 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, Xstrata or the Combined Group 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, Xstrata or the Combined Group to differ materially from the expectations of Glencore, Xstrata or the Combined Group, as applicable, include, among other things, general business and economic conditions globally, commodity price volatility, industry trends, competition, changes in government and other regulations, 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, the inability of the Combined Group to integrate successfully Glencore’s and Xstrata’s operations and programmes, or the Combined Group incurring and/or experiencing unanticipated costs and/or delays or difficulties relating to the Merger, in each case when the Merger becomes Effective. Such forward-looking statements should therefore be construed in light of such factors.

Neither Glencore nor any of its associates or directors, officers or advisers provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document (including the information incorporated by reference into this document from the Prospectus) will actually occur. These forward-looking statements speak only as at the date of this document.

Glencore Shareholders should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision. Such risks, uncertainties and other factors are set out more fully in Part II (*Risk Factors*). To the extent required by the Listing Rules, the Prospectus Rules and the Disclosure and Transparency Rules of the FSA, the London Stock Exchange, the Securities and Futures Commission of Hong Kong, the Hong Kong Stock Exchange or applicable law, Glencore will update or revise the information in this document. Otherwise, Glencore expressly disclaims any obligations or undertakings to release publicly any updates or revisions to any forward-looking statements contained in this document (including the information incorporated by reference into this document from the Prospectus) to reflect any change in the expectations of Glencore, Xstrata or the Combined Group with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

No statement in this document (including the information incorporated by reference into this document from the Prospectus) is intended to constitute a profit forecast or profit estimate for any period, nor should any statement be interpreted to mean that earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for either Glencore or Xstrata as appropriate.

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RELEVANT DOCUMENTATION

The Prospectus dated 31 May 2012 in connection with the Merger has been published on Glencore's website (www.glencore.com) and contains information concerning the reasons for the Merger and further details concerning Glencore, Xstrata historical financial information, the Directors, the Proposed Directors and the New Glencore Shares. The Prospectus is available for inspection in accordance with paragraph 13 of Part V (*Additional Information*). Paragraph 2 of Part V (*Additional Information*) sets out the various sections of the Prospectus which are incorporated by reference into this document.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The dates and times given in the table below in connection with the Merger are indicative only and are based on Glencore's current expectations and may be subject to change (including as a result of changes to Court times, the regulatory timetable and/or the process for implementation of the Merger).

If any of the times and/or dates below change, the revised times and/or dates will be notified by Glencore to Glencore Shareholders through a Regulatory Information Service.

All references in this document to times and dates are to London times and dates unless otherwise stated.

Latest time for lodging Forms of Proxy for Glencore General Meeting	11.00 a.m. Zug time on 9 July 2012 ⁽¹⁾
Glencore General Meeting	11.00 a.m. Zug time on 11 July 2012 ⁽²⁾
Xstrata Court Meeting	11.00 a.m. Zug time on 12 July 2012
Xstrata General Meeting	11.30 a.m. Zug time on 12 July 2012 ⁽³⁾
Scheme Court Hearing to sanction the Scheme ⁽⁴⁾	A date expected to be in the third quarter of 2012 ("D")
Reduction Court Hearing to confirm the Reduction of Capital ⁽⁴⁾	D+2
Scheme Record Time ⁽⁴⁾	6.00 p.m. on D+2
Effective Date ⁽⁴⁾	D+3
Delisting of Xstrata Shares ⁽⁴⁾	D+4
Issue and listing of the New Glencore Shares (and crediting of the New Glencore Shares in uncertificated form to CREST accounts) ⁽⁴⁾	8.00 a.m. on D+4
Admission and commencement of dealings on the London Stock Exchange of the New Glencore Shares ⁽⁴⁾⁽⁵⁾	by 8.00 a.m. on D+4

Notes:

- (1) If Forms of Proxy are lodged with Glencore's Registrar in Hong Kong, the latest time for lodging the Forms of Proxy is 5.00 p.m. Hong Kong time on 9 July 2012.
- (2) The Glencore General Meeting will be held at Theatre-Casino Zug, Artherstrasse 2-4, Zug, Switzerland.
- (3) Or as soon thereafter as the Xstrata Court Meeting shall have concluded or been adjourned.
- (4) These times and dates are indicative only and will depend, amongst other things, on the date upon which (a) the Conditions are satisfied or (if capable of waiver) waived, (b) the Court sanctions the Scheme and confirms the associated Reduction of Capital, and (c) a copy of the Reduction Court Order has been delivered to the Registrar of Companies and, if the Court so orders for the Reduction of Capital to take effect, the Reduction Court Order and the Statement of Capital have been registered by the Registrar of Companies, following the prior delivery of the Scheme Court Order to the Registrar of Companies.
- (5) Hong Kong Admission is expected to occur on the next day following Admission that the Hong Kong Stock Exchange is open for trading in Hong Kong.

INDICATIVE MERGER STATISTICS

Number of Glencore Shares in issue on 29 May 2012 ⁽¹⁾	6,922,713,511
Number of the New Glencore Shares to be issued pursuant to the Merger ⁽²⁾	5,660,317,060
Number of Glencore Shares in issue upon the Merger becoming Effective ⁽²⁾⁽³⁾	12,583,030,571
The New Glencore Shares as a percentage of the Combined Group Ordinary Share Capital ⁽²⁾⁽³⁾	45.0%

Notes:

- (1) Being the latest practicable date prior to the publication of this document.
- (2) Based on the number of Xstrata Shares in issue as at 29 May 2012, being the latest practicable date prior to the publication of this document and assuming (a) that the Xstrata Employee Benefit Trust will be issued with new Xstrata Shares such that it holds sufficient Xstrata Shares at the Scheme Record Time to satisfy all share options outstanding under the Xstrata Share Schemes and (b) vesting of all share awards held under the Xstrata Share Schemes and such Xstrata Shares being acquired by Glencore.
- (3) Assuming none of the outstanding Glencore Convertible Bonds are converted.

**DIRECTORS, PROPOSED DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE,
HEADQUARTERS AND ADVISERS**

DIRECTORS

Simon Murray (Independent Non-Executive Chairman)*
Ivan Glasenberg (Chief Executive Officer)
Steven Kalmin (Chief Financial Officer)*
Anthony Hayward (Senior Independent Non-Executive Director)
Peter Coates (Independent Non-Executive Director)
Leonhard Fischer (Independent Non-Executive Director)
William Macaulay (Independent Non-Executive Director)
Li Ning (Independent Non-Executive Director)*

PROPOSED DIRECTORS**

Sir John Bond
Mick Davis
Con Fauconnier
Peter Hooley
Sir Steve Robson
Ian Strachan

COMPANY SECRETARY

John Burton

REGISTERED OFFICE

Queensway House
Hilgrove Street
St Helier
Jersey JE1 1ES

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Switzerland

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United Kingdom

Ernst & Young LLP
1 More London Place
London SE1 2AF
United Kingdom

JOINT SPONSORS

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
London E14 5LB
United Kingdom

Morgan Stanley & Co. Limited

25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

* Simon Murray, Steven Kalmin and Li Ning will retire as Directors with effect from the Effective Date.

** The Proposed Directors will become directors of the Combined Entity from the Effective Date.

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**Computershare Hong Kong Investor
Services Limited**
Shops 1712-1716, 17th Floor
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Wan Chai, Hong Kong

PART I

LETTER FROM THE CHAIRMAN OF GLENCORE INTERNATIONAL PLC

(Incorporated in Jersey under the Companies (Jersey) Law 1991 with registered number 107710)

<u>Directors</u>	<u>Registered Office</u>	<u>Headquarters</u>
<i>Simon Murray (Independent Non-Executive Chairman)</i>	<i>Queensway House</i>	<i>Baarermattstrasse 3</i>
<i>Ivan Glasenberg (Chief Executive Officer)</i>	<i>Hilgrove Street</i>	<i>P.O. Box 777</i>
<i>Steven Kalmin (Chief Financial Officer)</i>	<i>St Helier</i>	<i>CH-6341 Baar</i>
<i>Anthony Hayward (Senior Independent Non-Executive Director)</i>	<i>Jersey JE1 1ES</i>	<i>Switzerland</i>
<i>Peter Coates (Independent Non-Executive Director)</i>		
<i>Leonhard Fischer (Independent Non-Executive Director)</i>		
<i>William Macaulay (Independent Non-Executive Director)</i>		
<i>Li Ning (Independent Non-Executive Director)</i>		

31 May 2012

Dear Glencore Shareholder

RECOMMENDED ALL-SHARE MERGER OF EQUALS OF GLENCORE AND XSTRATA

1 Introduction

On 7 February 2012, the Glencore Directors and the Independent Xstrata Directors announced that they had agreed the terms of a recommended all-share merger of equals of Glencore and Xstrata.

The terms of the Merger will provide holders of Scheme Shares with 2.8 New Glencore Shares for each Scheme Share held. It is intended that 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. Subject to the satisfaction or, where applicable, waiver of the Conditions, it is expected that the Merger will become Effective in the third quarter of 2012.

Owing to its size, the Merger constitutes a Class 1 transaction for the purposes of the Listing Rules and therefore requires the approval of Glencore Shareholders. Accordingly, the Glencore General Meeting has been convened for 11.00 a.m. Zug time on 11 July 2012 at Theatre-Casino Zug, Artherstrasse 2-4, Zug, Switzerland. Glencore Shareholders will be asked, amongst other things, to approve the Merger itself and the allotment of shares in connection with the Merger. An explanation of the Resolutions to be proposed at the meeting is set out in paragraph 21 below.

The Directors consider the Merger and the Resolutions to be in the best interests of Glencore and Glencore Shareholders as a whole, and unanimously recommend that Glencore Shareholders vote in favour of the Resolutions, as the Directors who hold or are beneficially entitled to Glencore Shares and the Principal Glencore Shareholders have irrevocably undertaken to in respect of their own beneficial holdings of Glencore Shares. The Merger has also been unanimously recommended by the Independent Non-Executive Xstrata Directors.

I am writing to give you further details of the Merger, including the background to and reasons for it, to explain why the Glencore Board considers it to be in the best interests of Glencore and Glencore Shareholders as a whole and to seek your approval of the Resolutions. A Prospectus prepared in accordance with the Prospectus Rules, which contains further details of the Merger, has been published on Glencore's website (www.glencore.com).

2 Summary of the Terms of the Merger

Under the terms of the Merger, and subject to the Conditions, Scheme Shareholders at the Scheme Record Time will be entitled to receive:

For each Scheme Share	2.8 New Glencore Shares
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On the basis of Glencore's closing share price of 354.1 pence on 29 May 2012 (being the latest practicable date prior to the publication of this document), the Merger values each Xstrata Share at 991.5 pence and the entire issued and to be issued share capital of Xstrata at approximately £30.1 billion (US\$47.0 billion).

Immediately following the Effective Date, assuming that the maximum number of the New Glencore Shares to be issued pursuant to the Merger has been issued by that time, it is expected that Xstrata Shareholders other than Glencore will own approximately 45.0 per cent. of the Combined Entity.

The Scheme and the Conditions relating to the Merger are summarised at paragraph 12 below.

3 Dividend Entitlement

If the Glencore 2012 interim dividend record date, currently expected to be 31 August 2012, falls before the Effective Date, Xstrata will also pay its interim dividend for the year ending 31 December 2012 (if any) by reference to a record date prior to the Effective Date. In these circumstances, each interim dividend will be of an amount in the normal and regular course and the record date for the Xstrata 2012 interim dividend, currently expected to be 14 September 2012, may be brought forward to the extent necessary to ensure that both sets of shareholders have the opportunity to receive a 2012 interim dividend, if one is paid.

If, however, the Glencore 2012 interim dividend record date falls after the Effective Date, Glencore expects to pay an interim dividend for the year ending 31 December 2012 by reference to that record date and this dividend will also be received by holders of the New Glencore Shares. In these circumstances, Xstrata will not pay an interim dividend for the year ending 31 December 2012.

4 Background to and Reasons for the Merger

The Glencore Board believes that the Merger has compelling logic for both Glencore and Xstrata and that it is the logical next step for two highly complementary businesses. The Glencore Board believes that putting together the operational excellence of Xstrata and its leading portfolio of industrial mining and metals assets with the marketing skills and the developing asset base of Glencore will enable the Combined Group to take advantage of changing trends in the way that natural resources are consumed and supplied globally, especially as a result of demand in emerging economies. The principal benefits of the Merger are summarised below.

Logical next step that transforms both businesses

The Merger will bring together two highly complementary businesses with a long-standing relationship. Both companies have proven track records of growth and value creation for shareholders:

- Glencore has grown from an equity value of approximately US\$1.2 billion at its management buy-out in 1994 to a market value (including the Glencore Group's holding in Xstrata) of approximately US\$50 billion as at 6 February 2012; and
- Xstrata has delivered total shareholder returns of over 370 per cent.⁽¹⁾ since the IPO in March 2002 and has grown from an equity value of approximately US\$500 million at creation in 2001 to a market value of approximately US\$59 billion as at 6 February 2012.

The Combined Group will benefit from enhanced scale and diversity. It will be the fourth largest global diversified natural resources company and will be a major producer and marketer of 18 commodities. Specifically, the Combined Group will be:

- a global leader in export thermal coal, ferrochrome and integrated zinc production;
- the third largest producer of copper, aiming to grow into the largest independent producer within four years; and
- the fourth largest producer of nickel.

The Combined Group will have operations and projects in 33 countries with over 150 mining and metallurgical facilities, offshore oil production facilities, farms and agricultural facilities and offices in 40 countries with approximately 130,000 employees. Its presence at each stage of the commodities chain will provide it with superior market insight and access to opportunities. These factors, along with its established footprint in emerging regions for natural resources investment, including the African copper-belt, Kazakhstan and South America, as both an operator and a provider of marketing and logistics services to new producers, will provide the Combined Group with substantial new optionality and greater strategic flexibility.

(1) As at 6 February 2012 and as adjusted for the effects of rights issues.

A unique business model, fully integrated along the value chain to capture value in an evolving competitive landscape

The combination of a leading integrated producer and marketer of commodities with a leading portfolio of industrial mining and metals assets will create a fully integrated natural resources group able to capture value at each stage of the commodities chain from extraction, processing, freight, logistics, technology and storage to marketing.

The Combined Group will benefit from optimising growth from within Xstrata and Glencore's complementary project pipelines. In aggregate, the two companies are developing over 25 approved copper, thermal coal, nickel, zinc and alloys growth projects, with an extensive range of further unapproved growth options. Together, the approved projects are currently expected to deliver a compound annual growth rate in production of 11 per cent. per annum in copper equivalent units from 2011 to 2015, weighted towards copper, nickel and thermal coal. The Combined Group will have the ability to prioritise the highest return projects, further enhancing returns. The Directors expect the growth prospects for the Combined Group to be underpinned by volume growth in the combined industrial assets base, which in turn will enhance opportunities for growth in marketing. The marketing operations will in turn benefit from the simplification of Glencore's ownership structure of Xstrata.

In addition, the Combined Group will continue to buy from thousands of third party commodity producers worldwide, and these relationships will also enable the Combined Group to identify opportunities to grow its asset base. The Combined Group's enhanced scale, diversification and financial flexibility will enable it to capture more of these opportunities.

Positioned to respond to changing industry dynamics

Commodity trade flows are shifting as demand growth is centred on emerging Asian economies and the supply of commodities is increasingly sourced from more remote, challenging and often logistically-constrained locations, with a range of new industry entrants.

The Combined Group will benefit from:

- access to new sources of growth, prospective geographies and new commodities at multiple points along the value chain;
- optimisation of product, marketing and trading interfaces;
- superior industry insight through unique network and market intelligence;
- entrepreneurial culture, devolved authority and strong momentum;
- operational excellence and proven cost improvement track record;
- scale and diversity and organic growth options;
- appropriate financial strategy, with established relationships providing strong access to equity and debt markets;
- access to a large fleet of vessels and strategically located logistical infrastructure;
- expanded product flow to provide customers with a greater range of product qualities, specifications and commodities from a more flexible, geographic base of operations, including access to third party supply;
- improved ability to compete for access to resources, with enhanced financial flexibility and an established sustainability and governance framework; and
- best-in-class sustainability and operating credentials combined with a commitment to transparency to maintain on-going access to resources.

Governance and organisation designed to maximise effectiveness

The terms of the Merger set out a robust governance and management structure for the Combined Group. The Combined Group Board will be led by non-executive Chairman, Sir John Bond, who will have the casting vote on all matters before the Combined Group Board. Mick Davis, current Xstrata Chief Executive Officer, will be the Chief Executive Officer of the Combined Group and Ivan Glasenberg, current Glencore Chief Executive Officer, will be the Deputy Chief Executive Officer and President of the

Combined Group. In addition, the senior management of the Combined Group will include Trevor Reid, current Xstrata Chief Financial Officer, and Steven Kalmin, current Glencore Chief Financial Officer, who will be Chief Financial Officer and Deputy Chief Financial Officer of the Combined Group, respectively.

The Combined Group Board will comprise 11 directors, including nine non-executive directors. A majority of the Combined Group Board will be independent non-executive directors.

Each of the nomination, remuneration and audit and risk committees of the Combined Group Board will comprise three non-executive directors.

All management and governance arrangements are intended to remain in place for a period of at least two years following completion of the Merger.

Further details on the Combined Group Board and the governance arrangements are set out in paragraph 8 below.

5 Benefits and Financial Effects of the Merger

On a pro forma basis and assuming the Merger had become Effective on 31 December 2011, the Combined Group would have had net assets of approximately US\$62,192 million (based on the net assets of the Glencore Group and Xstrata Group as at 31 December 2011) as more fully described in Part IV (*Unaudited Pro Forma Financial Information of the Combined Group*).

As at the close of business on 29 May 2012, being the latest practicable date prior to publication of this document, the Combined Group would have had a combined market capitalisation of approximately US\$69.6 billion.⁽¹⁾

Glencore believes that the Combined Group will be able to deliver estimated annual EBITDA synergies at an annual run-rate of at least US\$500 million in the first full financial year of the Combined Group following the Effective Date⁽²⁾, the significant majority of which is derived from enhanced marketing activities, with approximately 60 per cent. estimated to emanate from Metals and Minerals, one third from Energy Products and the balance from the reduction of corporate and other costs. Glencore believes that the synergy benefits will arise from the following areas:

- increased marketing volumes: the Combined Group expects to benefit from increased marketing opportunities across the copper, coal, zinc, nickel and ferroalloys product areas, resulting from full marketing access to Xstrata production volumes;
- blending opportunities: enhanced product-related arbitrage opportunities are expected through access to the Combined Group's broadened product mix and the increased ability to blend products for customers;
- geographic arbitrage: optimised logistics resulting from the enlarged geographical footprint is expected to result in enhanced arbitrage opportunities for the Combined Group's marketing business;
- operational efficiencies: cost savings are expected in the Combined Group's industrial and marketing activities associated with freight, logistics and procurement, in each case through increased economies of scale; and
- corporate cost reduction: elimination of duplicated and redundant head office costs and other corporate overheads is expected to result in reduced corporate costs for the Combined Group.

The expected marketing and corporate cost synergies have been calculated on the basis of an analysis of historical marketing margins and Xstrata's and Glencore's respective 2013 budgets and plans. The expected synergies assume that upfront realisation costs are recognised in the second half of 2012. The expected synergy figures set out above are unaudited numbers based on management estimates, are contingent on the Merger completing and most importantly, could not be achieved independently.

(1) Based on the number of Glencore Shares in issue on 29 May 2012 (the latest practicable date prior to publication of this document), the maximum number of the New Glencore Shares to be issued pursuant to the Merger and the Closing Price of 354.1 pence per Glencore Share on 29 May 2012.

(2) Nothing in this document should be interpreted to mean that the future earnings per share of Glencore will necessarily match or exceed the historical earnings per share of Glencore or Xstrata.

The Merger is expected to be earnings enhancing for the Combined Group in its first full financial year following the Effective Date as a result of the earnings of the Xstrata Group being consolidated with those of the Glencore Group.⁽³⁾

6 Information on Xstrata

The Xstrata Group is a diversified mining group with operations and projects producing copper, domestic and export thermal coal, export coking coal, ferrochrome, platinum group metals, vanadium, zinc and nickel together with gold, cobalt, lead and silver. The Xstrata Group also includes iron ore projects, recycling facilities and a suite of global technology products.

The Xstrata Group's operations and projects span more than 20 countries: Argentina, Australia, Brazil, Canada, Chile, China, Colombia, the Dominican Republic, Germany, Mauritania, New Caledonia, Norway, Papua New Guinea, Peru, the Philippines, the Republic of Congo, Singapore, South Africa, Spain, Tanzania, the United Kingdom and the United States.

The Xstrata Group has an extensive organic growth pipeline with major expansion projects at every stage of the project development cycle. The organic pipeline comprises: (i) 22 approved major projects in implementation, all of which remain on schedule, comprising capital expenditure of US\$15 billion; (ii) nine further projects on track for near-term approval with total capital expenditure of US\$7 billion; and (iii) a number of additional significant projects in pre-feasibility or concept stage.

The Xstrata Group had revenue of US\$33.9 billion and EBITDA of US\$11.7 billion for the year ended 31 December 2011 and revenue of US\$30.5 billion and EBITDA of US\$10.4 billion for the year ended 31 December 2010. As at 31 December 2011, the Xstrata Group had total equity of US\$45.7 billion.

The Xstrata Group's profit before exceptional items for the financial year ended 31 December 2011 was US\$6.0 billion and, as at 31 December 2011, the Xstrata Group's total assets amounted to US\$74.8 billion.

The Xstrata Group's business is organised in the following five principal business units:

Xstrata Copper: Through Xstrata Copper, the Xstrata Group is a semi-integrated producer of copper metal and is the world's fourth largest global copper producer, with mining and processing operations in Australia, Chile, Peru, Argentina and Canada. Xstrata Copper has a portfolio of copper development projects, located in Australia, Canada, Peru, the Philippines, Chile, Argentina and Papua New Guinea.

Xstrata Coal: Through Xstrata Coal, the Xstrata Group is the world's largest exporter of bituminous thermal coal on a managed basis and a significant producer of premium quality hard coking coal and semi-soft coking coal. Xstrata Coal has interests in over 30 operating coal mines in Australia, South Africa and Colombia. Xstrata Coal has development projects in Australia, South Africa, Colombia and Nova Scotia and British Columbia in Canada. Xstrata Coal also manages the Xstrata Group's growing iron ore business, with development projects in Mauritania and the Republic of Congo.

Xstrata Nickel: Through Xstrata Nickel, the Xstrata Group is the fourth largest global nickel producer and one of the world's largest producers of cobalt. Xstrata Nickel's operations include mines and processing facilities in Canada, the Dominican Republic and Australia, and a refinery in Norway. Xstrata Nickel has development projects in Canada, Tanzania, Brazil and New Caledonia.

Xstrata Zinc: Through Xstrata Zinc, the Xstrata Group is one of the world's largest miners and producers of zinc. Xstrata Zinc's operations span Spain, Germany, Australia, the United Kingdom and Canada, with an interest in the Antamina copper-zinc mine in Peru. Xstrata Zinc has development Projects in Australia, Ireland and Quebec, Nunavut and Ontario in Canada.

Xstrata Alloys: Through Xstrata Alloys, the Xstrata Group is one of the world's largest and amongst the world's lowest cost integrated ferrochrome producers (via the Xstrata-Merafe chrome venture), one of the largest producers of primary vanadium and a growing producer of platinum group metals. Xstrata Alloys also owns carbon operations which supply key raw materials to its ferrochrome production operations. All of Xstrata Alloys' operations are based in South Africa.

In addition to its five principal businesses, the Xstrata Group also operates Xstrata Process Support and Xstrata Technology, mining and processing technology businesses with operations in Australia, Canada, Chile, China and South Africa.

(3) This statement is not intended to be a profit forecast nor should it be interpreted to mean that the future earnings per share of Glencore will necessarily match or exceed the historical earnings per share of Glencore or Xstrata.

Xstrata Shares are traded on the London Stock Exchange and the Swiss Stock Exchange. Xstrata is a member of the FTSE 100 index. As at market close at 29 May 2012, being the latest practicable date prior to the publication of this document, the market capitalisation of Xstrata, including Xstrata Shares held by Glencore, was approximately £29.0 billion (approximately US\$45.4 billion).

The financial information set out in this paragraph has been extracted from Xstrata's audited accounts for the year ended 31 December 2011 without material adjustment. Xstrata's historical financial information is set out in full in Part VIII (*Xstrata Historical Financial Information*) of the Prospectus, which is incorporated by reference into this document. Shareholders should read the whole of this document and should not rely solely on the summarised financial information set out in this paragraph.

7 Information on Glencore

Glencore is a leading integrated producer and marketer of commodities, with worldwide activities in the marketing of metals and minerals, energy products and agricultural products and the production, refinement, processing, storage and transport of these products. Glencore operates globally, marketing and distributing physical commodities sourced from third party producers and its own production to industrial consumers, such as those in the automotive, steel, power generation, oil and food processing industries. Glencore also provides financing, logistics and other services to producers and consumers of commodities. Glencore's long experience as a commodity merchant has allowed it to develop and build upon its expertise in the commodities which it markets and cultivate long-term relationships with a broad supplier and customer base across diverse industries and in multiple geographic regions. Glencore's marketing activities are supported by investments in industrial assets operating in Glencore's core commodities. Glencore's industrial, geographical, commodity, supplier and customer diversity, in combination with its long-term supplier and customer relationships, has enabled Glencore to operate profitably, even during periods in which a particular commodity, industry, customer or geographic region may be experiencing some weakness. In addition, Glencore's marketing operations tend to be less correlated to commodity prices than its industrial operations, which makes Glencore's earnings less volatile than those of producers of metals and mining products and energy products that do not also have marketing and logistics operations.

Glencore conducts its operations in three business segments: Metals and Minerals, Energy Products and Agricultural Products. Glencore's business segments are responsible for managing the marketing, sourcing, hedging, logistics and industrial investment activities relating to the commodities which they cover.

Glencore's marketing and industrial investment activities are supported by a global network of more than 50 offices located in more than 40 countries throughout Europe, North, Central and South America, the CIS, Asia, Australia, Africa and the Middle East. Glencore's main offices are located in Baar (Switzerland), Stamford (Connecticut), London, Rotterdam, Beijing, Moscow and Singapore. This network provides Glencore with significant worldwide sourcing and distribution capabilities.

Glencore Shares are traded on the London Stock Exchange and the Hong Kong Stock Exchange. Glencore is a member of the FTSE 100 index.

Glencore continues to evaluate a number of opportunities in relation to its business, whether mergers and acquisitions, joint ventures or otherwise.

Glencore's income before attribution for the financial year ended 31 December 2011 was US\$4.3 billion and, as at 31 December 2011, Glencore's total assets amounted to US\$86.2 billion.

The financial information set out in this paragraph has been extracted from Glencore's audited accounts for the year ended 31 December 2011 without material adjustment. Shareholders should read the whole of this document and should not rely solely on the summarised financial information set out in this paragraph.

8 Combined Group Board and Governance Arrangements

The Combined Group Board will comprise 11 directors, including nine non-executive directors, a majority of whom will be independent non-executive directors.

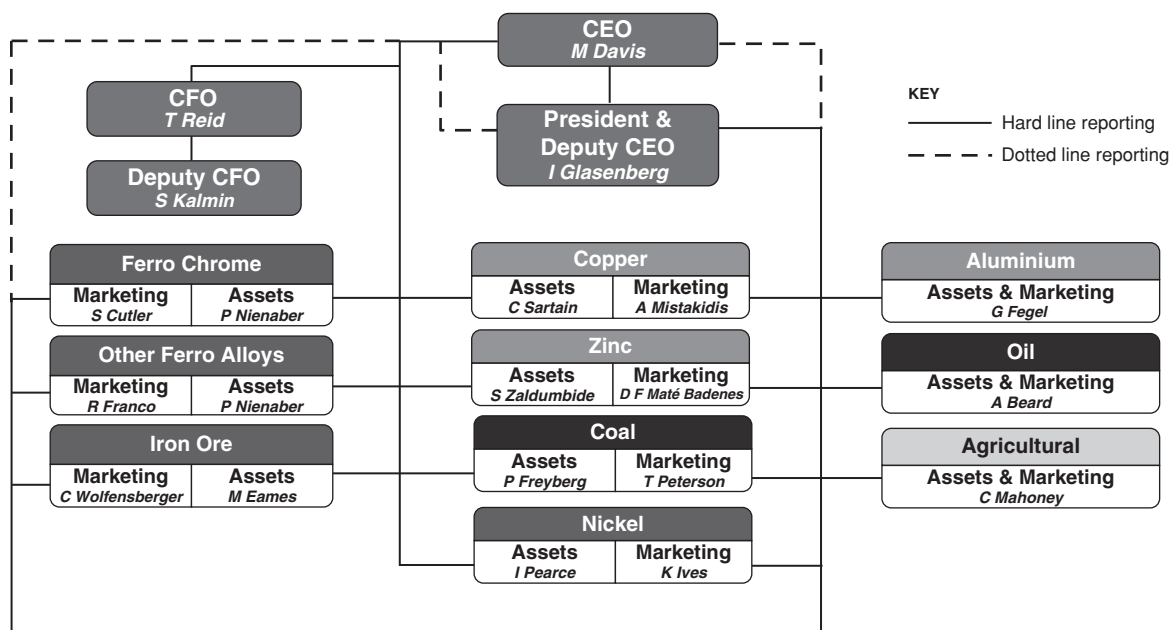
As of the Effective Date, the Combined Group Board will comprise the following members:

Name	Role	Current Company
<i>Sir John Bond</i>	<i>Independent Non-Executive Chairman</i>	<i>Xstrata</i>
<i>Mick Davis</i>	<i>Chief Executive Officer</i>	<i>Xstrata</i>
<i>Ivan Glasenberg</i>	<i>Deputy Chief Executive Officer and President</i>	<i>Glencore</i>
<i>Peter Coates</i>	<i>Independent Non-Executive Director</i>	<i>Glencore</i>
<i>Leonhard Fischer</i>	<i>Independent Non-Executive Director</i>	<i>Glencore</i>
<i>Anthony Hayward</i>	<i>Senior Independent Non-Executive Director</i>	<i>Glencore</i>
<i>William Macaulay</i>	<i>Independent Non-Executive Director</i>	<i>Glencore</i>
<i>Con Fauconnier</i>	<i>Independent Non-Executive Director</i>	<i>Xstrata</i>
<i>Peter Hooley</i>	<i>Independent Non-Executive Director</i>	<i>Xstrata</i>
<i>Sir Steve Robson</i>	<i>Independent Non-Executive Director</i>	<i>Xstrata</i>
<i>Ian Strachan</i>	<i>Independent Non-Executive Director</i>	<i>Xstrata</i>

Trevor Reid, current Xstrata Chief Financial Officer, will be Chief Financial Officer of the Combined Group and Steven Kalmin, current Glencore Chief Financial Officer, will be Deputy Chief Financial Officer of the Combined Group.

The audit committee will be chaired by Leonhard Fischer and its other two members will be William Macaulay and Peter Hooley. The remuneration committee will be chaired by Anthony Hayward and its other two members will be William Macaulay and Con Fauconnier, and Sir John Bond will attend in an *ex officio* capacity. The nominations committee will be chaired by Sir John Bond and its other two members will be Anthony Hayward and Sir Steve Robson. The health and safety, environment and communities committee will be chaired by Ian Strachan and its other members will be Peter Coates, Con Fauconnier and Mick Davis.

9 Management of the Combined Group



Notes :

1. All Assets (with the exception of Aluminium, Oil and Agricultural) will have a hard line report to the CEO.
2. All Assets (with the exception of Aluminium, Oil and Agricultural) will have a dotted line report to the Deputy CEO.
3. All Marketing operations will have a hard line report to the Deputy CEO.
4. All Marketing operations will have a dotted line report to the CEO.
5. Aluminium, Oil and Agricultural will have a hard line report to the Deputy CEO and a dotted line report to the CEO.

Upon completion of the Merger, Glencore's mining and processing operations will be fully integrated into Xstrata's global commodity businesses led by Xstrata's existing operational management teams. Oil, agricultural products, alumina/aluminium and certain vessels, ports, storage facilities and the like will continue to be operated under existing Glencore management. Xstrata commodity business unit Chief Executives will continue to report directly to Mick Davis, Chief Executive Officer.

The Combined Group's marketing business will be responsible for marketing the Combined Group's output. The marketing, logistics and trading functions will continue to be led by existing Glencore commodity department heads, reporting to Ivan Glasenberg, Deputy Chief Executive Officer and President, who in turn will report to Mick Davis, Chief Executive Officer.

Production from the Combined Group's operations will be transferred to the marketing business at market-related prices. Xstrata's commodity business units will continue to operate as profit centres, responsible for each stage of the production chain from exploration to post-closure obligations and with the objective of maximising the underlying net present value of operations and projects.

A free flow of information and a spirit of collaboration will be fostered between each commodity's operating and marketing heads, who will work closely together within a clearly defined protocol of responsibilities and authority limits.

10 Integration

Post-Merger integration planning is led by a specific steering committee comprising each of the Chief Executive Officers and Chief Financial Officers of Glencore and Xstrata and the Executive General Manager, Strategy and Corporate Affairs of Xstrata. Detailed integration planning began in early May and, subject to what is permissible under applicable antitrust laws, is well underway. Integration teams have been established across each commodity division and corporate function comprising senior Xstrata and Glencore managers, who are working together to define detailed integration plans that will be implemented immediately on completion of the Merger.

These plans comprise:

- detailed organisation charts and processes for each of the corporate functions of the Combined Group, including Accounting, Treasury, Reporting, IT and Legal;
- an operating model, including organisation charts and management appointments, decision rights and governance arrangements for each of the commodity groups; and
- organisation charts, authority limits, key policies, principles and governance arrangements for the Combined Group as a whole.

Within approximately 100 days of the Effective Date, we aim to have completed the principal elements of the restructuring of the Combined Group. This will include all management appointments, reporting structures, operational and executive authority limits and key group policies and processes, including financial reporting, planning and budgeting, treasury and liquidity management policies, sustainability practices, risk and internal audit and compensation.

Xstrata's and Glencore's organisations are highly complementary in assets, geographic locations and capabilities, reducing the overlap and, thus, level of integration risk.

Integration risk is further mitigated by:

- a decade of working together at various levels of the organisation;
- the complementary nature of the two organisations' skills and businesses and an organisational structure for the Combined Group designed to reflect these;
- aligned corporate strategies;
- a common, entrepreneurial, value-focused culture;
- agreement on the key principles of the Combined Entity; and
- Glencore and Xstrata's successful track records of post-transaction integration.

11 Management, Employees and Locations

Following the Merger becoming Effective, Glencore and Xstrata intend to work together to maintain and build upon the Combined Group's position as one of the world's largest global diversified natural resources companies.

Glencore and Xstrata attach great importance to the skills and experience of the existing management and employees of Xstrata. Accordingly, Glencore has given assurances to the Independent Non-Executive

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.

The Management Incentive Arrangements for the Xstrata key employees, being Mick Davis, Trevor Reid, Peter Freyberg, Benny Levene, Thrass Moraitis, Peet Nienaber, Ian Pearce, Charles Sartain and Santiago Zaldumbide, along with 64 other Xstrata employees, have been agreed. Details of these arrangements are set out in paragraph 6 of Part V (*Additional Information*). These arrangements comprise: retention awards to motivate these key employees to remain in position following completion of the Merger and to contribute to the execution of the Combined Group's business strategy; payments in respect of provisions in their existing employment contracts with the Xstrata Group in order to secure their acceptance of new roles in the Combined Group; and arrangements in relation to their participation in the Glencore Performance Share Plan following completion of the Merger. Completion of the Merger is conditional upon the approval of the Management Incentive Arrangements by Xstrata Independent Shareholders as described in paragraph 12 below. In addition, the effect of the Merger on the Xstrata Share Schemes is described in paragraph 7 of Part V (*Additional Information*).

Glencore and Xstrata believe that whilst the increased size and strength of the Combined Group will offer greater opportunities for both Xstrata and Glencore employees, where there is a combination of similar functions this may result in some rationalisation of the combined workforce.

Following the Merger becoming Effective, the Combined Group will, over time, seek to consolidate offices in locations where duplication exists. In addition, whilst Glencore and Xstrata have project pipelines, the Board will assess the project pipeline and planned capital expenditure of the Combined Group following the Merger in light of all relevant factors including the market conditions and the Combined Group's overall financing commitments.

12 Implementation 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.

The purpose of the Scheme is to provide for Glencore to become the holder of the entire issued and to be issued ordinary share capital of Xstrata not already owned by the Glencore Group. This is to be achieved by the cancellation of the Scheme Shares held by Scheme Shareholders and the application of the reserve arising from such cancellation in paying up in full such number of new Xstrata Shares as is equal to the number of Scheme Shares cancelled, and issuing the same to Glencore in consideration of the issue of the New Glencore Shares to Scheme Shareholders on the register of shareholders at the Scheme Record Time on the basis set out in paragraph 2 above.

Summary of the Conditions to the Merger

The Merger is subject to the Conditions and certain further terms, which are summarised below, and will only become Effective if, among other things, the following events occur on or before 31 October 2012 or such later date as Glencore and Xstrata agree (with the consent of the Panel and (if required) the Court):

- (a) a resolution to approve the Scheme is passed by a majority in number of the Scheme Shareholders present and voting (and entitled to vote) at the Xstrata Court Meeting, either in person or by proxy, representing three-quarters or more in value of the Scheme Shares held by those Scheme Shareholders (which, for the avoidance of doubt, does not include Glencore);
- (b) the Special Resolution necessary to implement the Scheme and to sanction the related Reduction of Capital is passed by the requisite majority of Xstrata Shareholders at the Xstrata General Meeting;
- (c) a resolution to approve the Management Incentive Arrangements, inter-conditional with the passing of the Special Resolution, is passed by the Xstrata Independent Shareholders (full details of the Management Incentive Arrangements are set out in paragraph 6 of Part V (*Additional Information*));
- (d) the Merger Resolution to be proposed at the Glencore General Meeting to approve the transaction as a "Class 1" transaction under the Listing Rules and to grant authority to the Directors to allot the New Glencore Shares is passed by the requisite majority of Glencore Shareholders (but, for the avoidance of doubt, not the other resolutions to be proposed at the Glencore General Meeting, which shall not be conditions to the Merger);
- (e) antitrust and regulatory approvals in a number of jurisdictions, including the EU, the United States, South Africa, China and Australia, are obtained;

- (f) the Scheme is sanctioned (with or without modification, on terms agreed by Glencore and Xstrata) and the related Reduction of Capital is confirmed by the Court;
- (g) copies of the Scheme Court Order and the Reduction Court Order are delivered to the Registrar of Companies and the Reduction Court Order is registered by the Registrar of Companies together with the Statement of Capital attached to it;
- (h) the UKLA has acknowledged to Glencore or its agent (and such acknowledgement has not been withdrawn) that the application for Admission 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 have been satisfied and the London Stock Exchange has acknowledged to Glencore or its agent (and such acknowledgement has not been withdrawn) that the New Glencore Shares will be admitted to trading; and
- (i) the satisfaction or waiver of the other conditions which are considered customary for a transaction of this nature, including, without limitation, no material adverse change occurring in respect of the Xstrata Group and which will be set out in full in the Scheme Document posted to Scheme Shareholders today.

Glencore reserves the right to waive, in whole or part, the Conditions summarised in paragraphs (e) and (i) above.

Upon the Scheme becoming effective: (a) it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Xstrata Court Meeting or the Xstrata General Meeting (and, if they attended and voted, whether or not they voted in favour); and (b) share certificates in respect of Xstrata Shares will cease to be valid and entitlements to Xstrata Shares held within the CREST system will be cancelled.

Xstrata Shares will be acquired by Glencore pursuant to the Scheme fully paid and free from all licences, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto, including voting rights and the rights to receive and retain in full all dividends and other distributions declared, made or paid on or after the Effective Date, save where the record date for such dividend or other distribution falls prior to the Effective Date or otherwise where Xstrata and Glencore agree otherwise. The New Glencore Shares issued to Scheme Shareholders pursuant to the Scheme will rank *pari passu* in all respects with existing Glencore Shares. Fractions of the New Glencore Shares will not be allotted or issued pursuant to the Merger.

Glencore has reserved the right, subject to the consent of the Panel (where necessary) and the prior written consent of Xstrata, to implement the Merger by way of Merger Offer. Subject to the receipt of such consent(s), in such event, the Merger would be implemented on substantially the same terms, subject to appropriate amendments.

If the Merger does not become Effective on or before 31 October 2012, it will lapse and the Merger will not proceed (unless Glencore and Xstrata agree and the Panel otherwise consents and (if required) if the Court allows).

The Scheme Document setting out the procedures to be followed to approve the Scheme is being posted to Xstrata Shareholders today.

Xstrata Equity Capital Management Programme

As has been disclosed publicly by Xstrata on various occasions, the Xstrata Group has in place an equity capital management programme (“ECMP”). The ECMP was set up in 2003 to, among other things, allow Xstrata to purchase Xstrata Shares in the market and hold them at a time when UK companies were not able to hold their own shares in treasury (which is no longer the case). Under the ECMP, up to 10 per cent. of the issued share capital of Xstrata can be purchased in the market by Batiss Investments Limited (“Batiss”), a Guernsey registered entity owned by a charitable trust, which is independent of the Xstrata Group.

As part of the ECMP, Batiss has entered into an option agreement (the “Option Agreement”) with Xstrata Finance Dubai Limited (“Xstrata Dubai”), a wholly-owned subsidiary within the Xstrata Group, under which Xstrata Dubai is granted an option to require Batiss to sell any Xstrata Shares it purchases to a third party nominated by Xstrata Dubai (other than a subsidiary of Xstrata) (the “Batiss Option”). For each Xstrata Share over which the Batiss Option is granted, Xstrata Dubai (i) pays Batiss a premium being the equivalent of the market price paid by Batiss, plus associated costs less 0.66 pence, and (ii) subscribes for one non-voting redeemable preference share in Batiss (“Batiss Preference Shares”) at a price of

0.66 pence per share. The purchase of Xstrata Shares by Batiss is therefore fully funded. For each Xstrata Share in relation to which the Batiss Option is exercised, Xstrata Dubai must pay an exercise price of 0.66 pence per share to Batiss, and Batiss must redeem one Batiss Preference Share, with the two payments being netted off against each other. The payments by Xstrata Dubai have historically been sourced from its existing cash resources. Xstrata Dubai is able to exercise the Batiss Option for a period of six years from the date of each purchase.

Under the Option Agreement, Batiss waives its right to receive dividends on Xstrata Shares which it holds from time to time. While Xstrata Shares are held by Batiss under the ECMP they are disregarded for the purposes of calculating earnings per Xstrata Share. Batiss is consolidated by the Xstrata Group as a quasi-subsubsidiary, and Xstrata Shares held by it are accounted for as a deduction from shareholders' funds in the Xstrata Group's consolidated balance sheet.

As at 29 May 2012 (the last practicable date prior to the publication of this document), Batiss held 28,428,786 Xstrata Shares (the "Batiss Shares").

Since the benefits of the ECMP which have been enjoyed by Xstrata since its establishment will not be of value to Glencore (given, among other things, its jurisdiction of incorporation in Jersey) following the Effective Date, in connection with the Merger, it has been agreed by Xstrata and Glencore that the ECMP will be unwound. Further details on the proposed process for achieving this are set out below.

It has been agreed by Xstrata and Glencore that, if and to the extent that Batiss holds any Batiss Shares, following the sanction of the Scheme by the Court at the Scheme Court Hearing but prior to delivery of the Scheme Court Order to the Registrar of Companies, Xstrata Dubai will (in accordance with the terms of the Option Agreement described above) direct Batiss to transfer the Batiss Shares held by it to Glencore for nil consideration.

Consequently, the Batiss Shares shall constitute Excluded Shares for the purposes of the Scheme (since they will be held by Glencore) and will not therefore be cancelled pursuant to the Scheme.

13 Antitrust Approvals

EU merger control

The Merger is subject to the EU merger control process. Glencore and Xstrata are working with the European Commission in a pre-notification process and Glencore is working towards a formal filing with the European Commission. This filing will commence a Phase I process during which the European Commission has 25 working days to consider the Merger. The Phase I process will be automatically extended to 35 working days in the event that the parties offer commitments before working day 20, with a view to remedying any antitrust concerns. At the end of the Phase I period, the European Commission may (a) approve the Merger unconditionally, (b) approve the Merger subject to commitments offered by the parties and accepted by the European Commission, or (c) conclude that it has serious doubts as to the Merger's compatibility with the common market and therefore refer the case to Phase II. The Merger will automatically lapse if the Merger or any matters arising from it are referred, by the European Commission, to a Phase II investigation prior to the Xstrata Court Meeting. The Merger will also lapse if Glencore invokes the relevant Condition as a result of either the Merger or any matter arising from it being referred, by the European Commission, to a Phase II investigation after the Xstrata Court Meeting, or as a result of the Merger being approved by the European Commission on terms (including as to remedies) which are not reasonably satisfactory to it.

Other antitrust approvals

Glencore and, where necessary, Xstrata currently intend to submit or have already submitted notifications in order to seek approvals in a number of other jurisdictions. These jurisdictions include the United States, South Africa, China and Australia. In broadly the same manner as for the EU merger control process described above, these approvals may (a) be granted unconditionally, (b) be granted subject to certain conditions, or (c) not be granted at all. In accordance with the Code and the Conditions, if any of these approvals is granted subject to conditions that are of material significance to Glencore in the context of the Merger, Glencore may invoke the relevant Condition and cause the Merger to lapse. If any of these approvals is granted subject to conditions that are not acceptable to Xstrata, Xstrata may withdraw its recommendation for the Merger and/or elect not to implement the Merger in accordance with the published timetable thereby causing the Conditions not to be satisfied and the Merger to lapse.

14 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 Scheme in respect

of 3,519,387 Xstrata Shares, representing in aggregate approximately 0.1 per cent. of Xstrata's existing issued share capital.

Those of the Directors who hold or are beneficially entitled to Glencore Shares and the Principal Glencore Shareholders have given irrevocable undertakings to vote in favour of the Resolutions in respect of an aggregate number of 2,573,503,749 Glencore Shares, representing approximately 37.2 per cent. of Glencore's existing issued share capital.

15 Offer-related Arrangements

Glencore and Xstrata entered into a mutual confidentiality agreement on 12 December 2011 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 pursuant to which Glencore has 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 the Glencore Board withdraws, amends, modifies or qualifies its recommendation of the Merger or resolves or agrees to do the same so as to cause the Merger not to proceed (a "Glencore Change in Recommendation"), save where the Glencore Change in Recommendation occurs, directly or indirectly, as a result of an event or events outside the control of Glencore.

16 Delisting and Re-registration

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

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

17 Settlement, Listing and Dealings of the New Glencore Shares

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 main market for listed securities. Application will also be made to the Hong Kong Stock Exchange for the listing of, and for permission to deal in, the New Glencore Shares on the Main Board of the Hong Kong Stock Exchange. It is expected that Admission will occur and that dealings in the New Glencore Shares on the London Stock Exchange will commence at 8.00 a.m. on the Effective Date. Hong Kong Admission is expected to occur on the Hong Kong Stock Exchange at 9.00 a.m. (Hong Kong time) on the next day following Admission that the Hong Kong Stock Exchange is open for trading in Hong Kong.

18 Dilution

Subject to the Merger becoming Effective, up to 5,660,317,060 New Glencore Shares will be issued. This will result in Glencore's issued share capital increasing by approximately 81.8 per cent. If the Merger becomes Effective, Glencore Shareholders will suffer an immediate dilution as a result of the Merger following which they will hold approximately 55.0 per cent. of the Combined Group Ordinary Share Capital.

19 Current Trading, Trends and Prospects

On 10 April 2012, Glencore published its Annual Report and Accounts for the year ended 31 December 2011 and on 9 May 2012 released its interim management statement for the first quarter of 2012. Glencore has performed well across all segments of its business in 2012.

The Viterra transaction, announced on 20 March 2012, is Glencore's first major investment in the North American agricultural sector and reflects Glencore's strong belief in the importance and future potential of the Canadian and Australian grain markets.

On 30 March 2012, Xstrata published its Annual Report and Accounts for the year ended 31 December 2011 and on 1 May 2012 released its interim management statement for the first quarter of 2012. Xstrata is well placed to benefit from on-going demand growth for commodities.

Physical demand for commodities remains broadly healthy across the globe to date in 2012, although precise conditions vary by location. US demand has continued to strengthen in areas such as automobiles and aerospace, while European conditions remain generally weaker. Overall China demand continues to be healthy. It remains Glencore's view that available global inventories are generally low, both on exchanges and within supply chains and in the short term, Glencore expects the Combined Group to benefit from a continuation of the healthy growth seen within emerging markets during 2011. Looking to the longer term, Glencore sees no change to the fundamental drivers for healthy markets in the major commodities produced and marketed by the Combined Group.

20 Risk Factors

For a discussion of certain risk factors which should be taken into account when considering whether or not to vote in favour of the Resolutions, see Part II (*Risk Factors*).

21 Glencore General Meeting and Resolutions

As described in paragraph 12 above, completion of the Merger is conditional upon Glencore Shareholders' approval of the Merger Resolution (resolution 1) being obtained at the Glencore General Meeting. Accordingly, you will find, set out at the end of this document, a notice convening a general meeting to be held at Theatre-Casino Zug, Artherstrasse 2-4, Zug, Switzerland at 11.00 a.m. Zug time on 11 July 2012 at which the Resolutions will be proposed to approve the Merger and other matters. The full text of the Resolutions is set out in the notice.

The implementation of the Merger is conditional upon the passing of resolution 1 only

Resolutions 1 and 3 are proposed as ordinary resolutions. This means that, for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 2, 4 and 5 are proposed as special resolutions. This means that, for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolution 1

Resolution 1, which will be proposed as an ordinary resolution, proposes that:

- (a) the Merger be approved and the Directors be authorised to implement the Merger; and
- (b) the Directors be authorised to allot the New Glencore Shares in connection with the Merger up to an aggregate nominal amount of US\$56,603,171 (representing, in aggregate, 5,660,317,060 New Glencore Shares).

The authority represents approximately 81.8 per cent. of the total issued ordinary share capital of Glencore (excluding treasury shares) as at 29 May 2012 (being the latest practicable date prior to the publication of this document). If the resolution is passed, this authority will expire on the earlier of the conclusion of Glencore's AGM in 2013 and 30 June 2013 and is in addition to any subsisting authorities to allot shares in Glencore. As at 29 May 2012, Glencore held no treasury shares.

Resolution 2

Resolution 2, which will be proposed as a special resolution, proposes that, subject to the Scheme becoming effective, or, as the case may be, the Merger Offer becoming or being declared wholly unconditional, Glencore's name be changed to "Glencore Xstrata plc".

Resolution 3

Resolution 3 will be proposed as an ordinary resolution. The authority in resolution 3, which is subject to the Scheme becoming effective, or, as the case may be, the Merger Offer becoming or being declared wholly unconditional, will allow the Directors to allot new shares and grant rights to subscribe for, or convert other securities into, shares up to a nominal value of US\$41,943,436, which is equivalent to approximately 33 per cent. of the Combined Group Ordinary Share Capital (excluding treasury shares). This authority is a renewal of the previous authority conferred on the Directors under Glencore's Articles, but is without prejudice to the authority conferred on the Directors by resolution 1 above.

In addition, the Directors will be allowed to allot new shares and grant rights to subscribe for, or convert other securities into, shares only in connection with a rights issue up to a further nominal value of US\$41,943,436, which is equivalent to approximately 33 per cent. of the Combined Group Ordinary Share Capital (excluding treasury shares). This is in line with UK corporate governance guidelines.

There are no present plans to undertake a rights issue or to allot new shares other than in connection with the Merger (see resolution 1 above). The authority is considered desirable in order to have the maximum

flexibility permitted by corporate governance guidelines to respond to market developments and to enable allotments to take place to finance business opportunities as they arise.

If resolution 3 is passed, this authority will expire on the earlier of the conclusion of Glencore's AGM in 2013 and 30 June 2013.

Resolution 4

Resolution 4 will be proposed as a special resolution. The authority in resolution 4, which is subject to the Scheme becoming effective, or, as the case may be, the Merger Offer becoming or being declared wholly unconditional, will allow the Directors to allot new shares pursuant to the authority given by resolution 3, or sell treasury shares, for cash (a) in connection with a pre-emptive offer or rights issue or (b) otherwise up to a nominal value of US\$6,291,516, equivalent to approximately 5 per cent. of the Combined Group Ordinary Share Capital (excluding treasury shares), in each case without the shares first being offered to existing shareholders in proportion to their existing holdings.

The authority in resolution 4 is a renewal of the previous authority conferred on the Directors under Glencore's Articles and is considered to be appropriate in order to allow flexibility to make small issues of shares for cash as suitable opportunities arise.

The Directors intend to adhere to the provisions in the Pre-emption Group's Statement of Principles not to allot shares for cash on a non-pre-emptive basis (other than pursuant to a rights issue or pre-emptive offer) in excess of an amount equal to 7.5 per cent. of the Combined Group Ordinary Share Capital (excluding treasury shares) within a rolling three-year period without prior consultation with shareholders.

If resolution 4 is passed, this authority will expire on the earlier of the conclusion of Glencore's AGM in 2013 and 30 June 2013.

Resolution 5

Resolution 5 will be proposed as a special resolution. The authority in resolution 5, which is subject to the Scheme becoming effective, or, as the case may be, the Merger Offer becoming or being declared wholly unconditional, will allow the Directors to make market purchases of up to 1,258,303,058 Glencore Shares, being approximately 10 per cent. of the Combined Group Ordinary Share Capital (excluding treasury shares). Glencore's exercise of this authority is subject to the stated upper and lower limits on the price payable which reflect the requirements of the UK Listing Rules and the provisions of Article 57 of the Companies (Jersey) Law 1991. The authority is a renewal of the previous authority conferred on the Directors under Glencore's Articles.

The power of purchase will only be exercised after careful consideration and in circumstances where, in light of market conditions prevailing at the time, it is considered in the best interests of shareholders generally to do so and where a resulting increase in earnings per share would be expected.

The Companies (Jersey) Law 1991 permits any shares that are purchased to be held as treasury shares as an alternative to immediately cancelling them. Any purchased ordinary shares held as treasury shares may be sold for cash (all or any of them), be transferred (all or any of them) for the purposes of or pursuant to an employee share plan, be cancelled (all or any of them) or continue to be held as treasury shares.

Holding such shares as treasury shares provides the ability to reissue them quickly and cost effectively and provides additional flexibility in the management of the capital base. No dividends will be paid on, and no voting rights will be exercised in respect of, shares held as treasury shares.

If resolution 5 is passed, this authority will expire on the earlier of the conclusion of Glencore's AGM in 2013 and 30 June 2013.

22 Action to be Taken

You will find enclosed a Form of Proxy for use at the Glencore General Meeting or any adjournment thereof. Whether or not you intend to be present at the Glencore General Meeting, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and return it as soon as possible and, in any case, so as to be received by Glencore's Registrars, Computershare, at their UK office at The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom by 10.00 a.m. London time on 9 July 2012 or their Hong Kong office at Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queens Road East, Wan Chai, Hong Kong by 5.00 p.m. Hong Kong time on 9 July 2012 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

If you hold Glencore Shares in CREST, you may also choose to utilise the CREST electronic proxy appointment service in accordance with the procedures set out in the notice convening the Glencore

General Meeting at the end of this document. Alternatively, you may give proxy instructions by logging on to www.investorcentre.co.uk/eproxy and following the instructions.

Proxies sent electronically (either by the CREST system or online) must also be sent as soon as possible and, in any event, so as to be received by 11.00 a.m. Zug time (5.00 p.m. Hong Kong time) on 9 July 2012 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

The return of a Form of Proxy (or electronic appointment of a proxy) will not prevent you from attending the meeting and voting in person if you wish.

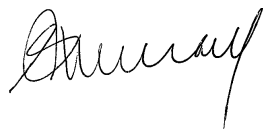
23 Further Information

Your attention is drawn to the further information contained in Parts II (*Risk Factors*) to VI (*Xstrata Summary Ore Reserves and Mineral Resources Information*) and to the information incorporated by reference into this document, as listed in paragraph 2 of Part V (*Additional Information*).

24 Recommendation

The Glencore Board considers the Merger and each of the Resolutions to be in the best interests of Glencore Shareholders as a whole and unanimously recommend that Glencore Shareholders vote in favour of each of the Resolutions, as the Directors have irrevocably agreed to do in respect of their own beneficial holdings of 1,164,147,606 Glencore Shares, representing approximately 16.8 per cent. of Glencore's existing issued ordinary share capital.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Simon Murray', written in a cursive style.

Simon Murray
Chairman

PART II RISK FACTORS

Glencore Shareholders should consider the following risks and uncertainties together with all of the other information set out in this document prior to making any decision as to whether or not to vote in favour of the Resolutions.

The risks described below are based on information known at the date of this document, but may not be the only risks to which the Glencore Group, the Xstrata Group or, following the Effective Date, the Combined Group is or might be exposed. Additional risks and uncertainties, which are currently unknown to Glencore or that Glencore does not currently consider to be material, may materially affect the business of the Glencore Group, the Xstrata Group and/or the Combined Group and could have material adverse effects on the business, financial condition, results of operations and prospects of the Glencore Group, the Xstrata Group and/or the Combined Group. If any of the following risks were to occur, the business, financial condition, results of operations and prospects of the Glencore Group, the Xstrata Group and/or the Combined Group could be materially adversely affected and the value of Glencore Shares could decline and shareholders could lose all or part of the value of their investment in Glencore Shares.

Glencore Shareholders should read this document as a whole and not rely solely on the information set out in this section.

Risks and other considerations relating to the Merger

The implementation of the Merger is subject to the satisfaction (or waiver, where applicable) of a number of Conditions.

The implementation of the Merger is subject to the satisfaction (or waiver, where applicable) of a number of conditions on or before 31 October 2012 or such later date as Glencore and Xstrata agree (with the consent of the Panel and (if required) the Court), including:

- approval of the Scheme, the Management Incentive Arrangements and related resolutions by Xstrata Shareholders or Xstrata Independent Shareholders (as the case may be) at the Xstrata Court Meeting and the Xstrata General Meeting;
- approval of the Merger by Glencore Shareholders at the Glencore General Meeting;
- antitrust and regulatory clearances in a number of jurisdictions, including the EU, the United States, South Africa, China and Australia;
- sanction of the Scheme and confirmation of the associated Reduction of Capital by the Court; and
- the UKLA and London Stock Exchange approving Admission.

There is no guarantee that these (or any other) Conditions will be satisfied (or waived, if applicable). Failure to satisfy any of the Conditions may result in the Merger not being completed.

The Glencore Group must obtain governmental, antitrust and regulatory consents, including from the European Commission, to complete the Merger, which, if delayed, not granted or granted on terms not reasonably satisfactory to Glencore, may jeopardise or delay the Merger, result in additional expenditures of money and resources and/or reduce the anticipated benefits of the Merger.

The Merger is conditional on, amongst other things, the receipt of governmental, antitrust and regulatory clearances from authorities with jurisdiction over the operations of the Glencore Group and the Xstrata Group, including the EU, the United States, South Africa, China and Australia. The authorities from which the Glencore Group is seeking these clearances have discretion in administering the governing regulations. As a condition to their clearance of the transactions contemplated by the Merger, authorities may impose requirements, limitations or costs or require divestitures or place restrictions on the conduct of the Combined Group's business. In addition, Glencore may propose remedies, such as divestitures, in order to obtain such clearances. Any such requirements, limitations, costs, divestitures or restrictions could jeopardise or delay completion of the Merger or may reduce the anticipated benefits of the acquisition of Xstrata to the Combined Group. In addition, the Merger will lapse if (a) the Merger or any matters arising from it are referred, by the European Commission, to a Phase II investigation prior to the Xstrata Court Meeting or (b) Glencore invokes the relevant Condition as a result of either the Merger or any matter arising from it being referred, by the European Commission, to a Phase II investigation after the Xstrata

Court Meeting or if the Merger is approved on terms which are not reasonably satisfactory to it. If the European Commission refers the Merger, or any matter arising from it, to a Phase II investigation after the Xstrata Court Meeting and Glencore does not invoke the relevant Condition, the Merger may also lapse if the European Commission approval is not obtained by 31 October 2012 or such later date as Glencore and Xstrata agree (with the consent of the Panel and (if required) the Court). Similarly, in accordance with the Code and the Conditions, if any of the clearances for jurisdictions (other than the EU) are not granted or are granted subject to conditions that are of material significance to Glencore in the context of the Merger, Glencore may invoke the relevant Condition and cause the Merger to lapse. If any of these clearances are granted subject to conditions that are not acceptable to Xstrata, Xstrata may withdraw its recommendation for the Merger and/or elect not to implement the Merger in accordance with the published timetable thereby causing the Conditions not to be satisfied and the Merger to lapse.

Even if a material adverse change to Xstrata's business or prospects was to occur, in certain circumstances Glencore may not be able to invoke the Conditions and terminate the Merger, which could reduce the value of Glencore Shares.

Completion of the Merger is subject to a number of conditions, including that there is no material adverse change affecting Xstrata before the Scheme is sanctioned by the Court. Under the Takeover Code, and except for certain antitrust clearance and Scheme-related conditions, Glencore may invoke a condition to the Merger to cause the Merger not to proceed only if the Panel is satisfied that the circumstances giving rise to that condition not being satisfied are of material significance to Glencore in the context of the Merger.

If a material adverse change affecting Xstrata were to occur and the Panel did not allow Glencore to invoke a condition to cause the Merger not to proceed, the market price of Glencore Shares or the Combined Group's business or financial condition may be materially adversely affected.

Glencore may fail to realise the business growth opportunities, margin benefits, cost savings and other synergies anticipated from, or may incur unanticipated costs associated with, the Merger.

There is no assurance that the Merger will achieve the business growth opportunities, margin benefits, cost savings and other synergies Glencore anticipates. Glencore believes that the consideration for the Merger is justified in part by the business growth opportunities, margin benefits, cost savings and other synergies it expects to achieve by combining its operations with Xstrata. However, these expected business growth opportunities, margin benefits, cost savings and other synergies may not develop and other assumptions upon which Glencore determined the consideration may prove to be incorrect.

Glencore may also face challenges with the following: redeploying resources in different areas of operations to improve efficiency; minimising the diversion of management attention from on-going business concerns; and addressing possible differences between Glencore's business culture, processes, controls, procedures and systems and those of Xstrata.

Under any of these circumstances, the business growth opportunities, margin benefits, cost savings and other synergies anticipated by Glencore to result from the Merger may not be achieved as expected, or at all, or may be delayed. To the extent that Glencore incurs higher integration costs or achieves lower margin benefits or fewer cost savings than expected, its and the Combined Group's results of operations, financial condition and the price of Glencore Shares may suffer.

The Combined Group's future prospects will, in part, be dependent on the Combined Group's ability to integrate the Xstrata Group effectively, including the successful integration and motivation of certain Glencore and Xstrata key employees.

The Combined Group's future prospects may, in part, be dependent upon the Combined Group's ability to integrate the Xstrata Group successfully and any other businesses that it may acquire in the future without disruption to the existing business. The performance of the Combined Group in the future will, amongst other things, also depend on the successful integration and motivation of key employees from both the Xstrata Group and the Glencore Group. It is possible that failure to retain certain individuals during the integration period will affect the ability to integrate the Xstrata Group successfully into the Combined Group and could have a material adverse effect on the Combined Group's business, financial condition, results of operations and/or prospects.

Glencore Shareholders and Xstrata Shareholders will own a smaller percentage of the Combined Group than they currently own of Glencore and Xstrata respectively.

After completion of the Merger, Glencore Shareholders and Xstrata Shareholders will own a smaller percentage of the Combined Group than they currently own of Glencore and Xstrata respectively. Based on the number of Xstrata Shares in issue as at 29 May 2012 (being the latest practicable date prior to publication of this document) and assuming (a) that the Xstrata Employee Benefit Trust will be issued with new Xstrata Shares such that it holds sufficient Xstrata Shares at the Scheme Record Time to satisfy all share options outstanding under the Xstrata Share Schemes, (b) vesting of all share awards held under the Xstrata Share Schemes over Xstrata Shares and such Xstrata Shares being acquired by Glencore and (c) none of the Glencore Convertible Bonds being converted into Glencore Shares, upon the Merger becoming Effective and the issuance of the New Glencore Shares, Existing Glencore Shareholders and former Xstrata Shareholders will own approximately 55.0 per cent. and approximately 45.0 per cent. respectively of the outstanding shares of the Combined Group.

Risks of executing the Merger could cause the market price of Glencore Shares to decline.

The market price of Glencore Shares may decline as a result of the Merger, among other reasons, if:

- the integration of Xstrata's business is delayed or unsuccessful;
- Glencore does not achieve the expected benefits of the Merger as rapidly or to the extent anticipated by analysts or investors or at all;
- the effect of the Merger on Glencore's financial results is not consistent with the expectations of analysts or investors; or
- Glencore Shareholders or former Xstrata Shareholders sell a significant number of Glencore Shares after completion of the Merger.

Depending on the legal method for implementing the Merger, Glencore may not be able to acquire the entire issued share capital of Xstrata, which would mean that there would be minority shareholders in Xstrata.

Subject to the consent of the Panel (where necessary) and the prior written consent of Xstrata, Glencore may elect to implement the Merger by way of a Merger Offer, rather than the Scheme, and within certain parameters will be able to determine the level at which the acceptance condition for the takeover offer will be set. If the acceptance level is set at (or is reduced during the takeover process to) less than 90 per cent. by value of the Xstrata Shares subject to the offer and of voting rights carried by those shares, it is possible that the acceptance condition will be satisfied (so that Glencore cannot invoke the condition and withdraw its offer) but that an insufficient number of Xstrata Shareholders will accept the offer to allow Glencore to compulsorily acquire the shares of those shareholders who have not accepted the offer. In such circumstances, minority shareholders would retain a stake in Xstrata and would benefit from certain legal protections afforded to them under English law. In addition, Glencore may be unable to realise all of the benefits that it might otherwise obtain from a successful completion of the Merger if there are minority shareholders in Xstrata after completion of the Merger.

Risks relating to the Glencore Group and/or the Xstrata Group, and, if the Merger becomes Effective, the Combined Group

Glencore and Xstrata are, and, if the Merger becomes Effective, the Combined Group will be, exposed to fluctuations in the expected volumes of supply or demand for commodities.

The expected volumes of supply and demand for the commodities in which Glencore and Xstrata are active vary over time based on changes in resource availability, government policies and regulation, costs of production, global and regional economic conditions, demand in end markets for products in which the commodities are used, technological developments, including commodity substitutions, fluctuations in global production capacity, global and regional weather conditions, natural disasters and diseases, all of which impact global markets and demand for commodities. Furthermore, changes in expected supply and demand conditions impact the expected future prices (and thus the price curve) of each commodity.

Fluctuations in the volume of each commodity produced by Glencore and Xstrata or marketed by Glencore could materially impact the business, results of operations and earnings of Glencore, Xstrata and the Combined Group. These fluctuations could result in a reduction or increase in the income generated in

respect of the volumes handled by Glencore's marketing activities, or a reduction or increase in the volume and/or margin in respect of commodities produced by Glencore's and Xstrata's industrial assets.

Glencore and Xstrata are, and, if the Merger becomes Effective, the Combined Group will be, exposed to fluctuations of commodity prices and to deterioration in economic and financial conditions.

The revenue and earnings of Glencore's and Xstrata's industrial asset activities and, to a lesser extent, Glencore's marketing activities are dependent upon the prevailing commodity prices. Commodity prices are influenced by a number of external factors, including the supply and demand for commodities, speculative activities by market participants, global political and economic conditions and related industry cycles and production costs in major producing countries. Fluctuations in the price of commodities produced or marketed could materially impact Glencore's, Xstrata's and the Combined Group's business, results of operations and earnings.

The impacts that fluctuating commodity prices have on Glencore's and Xstrata's, and, if the Merger becomes Effective, the Combined Group's, business differ between its marketing activities and industrial activities.

In a market environment in which prices for a particular commodity are higher on average, the premiums/margins that Glencore generates in its physical marketing operations relating to such commodity as a result of geographical, time and quality imbalances tend to be higher. Glencore also generally benefits from fluctuating market prices, rather than long periods of stable prices, as it seeks to physically arbitrage such resulting price differentials. As prices of commodities rise, Glencore generally has higher working capital financing requirements over the same quantity of commodities in question. During periods of falling commodity prices, the opposite applies in that Glencore will require less working capital financing for its marketing activities.

Higher prices will be particularly favourable to the profitability of Glencore and Xstrata in respect of those commodities which Glencore and Xstrata produce at their industrial assets or are produced by their associated companies and other investees. Similarly, low prices will negatively impact Glencore's and Xstrata's industrial activities and could result in such activities incurring losses.

A significant downturn in the price of commodities generally results in a decline in Glencore's or Xstrata's profitability during such a period and could potentially result in a devaluation of inventories and impairments. Although the impact of a downturn on commodity prices affects marketing and industrial activities differently, the negative impact on its industrial activities is generally greater, as the profitability in the industrial activities is more directly exposed to price risk due to its higher level of fixed costs, while Glencore's marketing activities are ordinarily substantially hedged in respect of price risk and principally operate a service-like margin-based model. Glencore or Xstrata have not historically engaged in meaningful hedging against declines in commodity prices related to industrial production and, as a result, volatility in commodity prices has directly impacted its results of operations. If the Combined Group does not engage in meaningful hedging against declines in commodity prices, its business and results of operations could also be impacted by volatility in commodity prices.

A substantial portion of the Xstrata Group's coal sales are made under annual or quarterly contracts. While price negotiations are staggered throughout the year in order to mitigate pricing risk, approximately one quarter of Xstrata's total export (thermal and coking) coal production by volume is priced in the Japanese fiscal year (i.e. ending 31 March). Prices or volumes achieved at the renewal of the coal sale contracts may be lower than those prevailing under any preceding arrangements which could have an adverse effect on the financial results of the Combined Group if the Merger becomes Effective.

In addition, a decline in economic and financial conditions globally or in a specific country, region or sector may have a material adverse effect on the business, results of operations or earnings of Glencore, Xstrata and the Combined Group. For example, although most commodities' fixed pricing periods are relatively short, a significant reduction or increase in commodity prices could result in customers or suppliers, as the case may be, being unwilling or unable to honour their contractual commitments to purchase or sell commodities on pre-agreed pricing terms. In addition, a tightening of available credit may make it more difficult to obtain, or may increase the cost of obtaining, financing for Glencore's marketing activities and capital expenditures at Glencore's and Xstrata's industrial assets. Given the persisting uncertainty about a global economic recovery, the Eurozone crisis and concerns about credit risk (including that of sovereigns), forward planning is difficult. Changing production levels in response to current price levels or estimates of future price levels imposes costs, and, if mistimed, could adversely

affect the results of operations or financial condition of Glencore, Xstrata and the Combined Group. In addition, the default, or a significant decline in the credit rating, of one or more sovereigns or financial institutions could cause severe stress in the financial system generally and could adversely affect the markets in which Glencore and Xstrata operate and the businesses and economic condition and prospects of their counterparties, customers, suppliers or creditors, directly or indirectly, in ways which it is difficult to predict. The impact of this could be detrimental to Glencore or Xstrata and could have a material adverse effect on the business, results of operations or earnings of Glencore, Xstrata and the Combined Group.

Glencore and Xstrata are, and, if the Merger becomes Effective, the Combined Group will be, exposed to significant geopolitical risk.

Both Glencore and Xstrata operate and own assets in a large number of geographic regions and countries, some of which are categorised as developing, complex and having unstable political or social climates and, as a result, are, and the Combined Group will be, exposed to a wide range of political, regulatory and tax environments. These environments are subject to change in a manner that may be materially adverse for Glencore, Xstrata and the Combined Group, including changes to government policies and regulations governing industrial production, foreign investment, price controls, import and export controls, tariffs, subsidies, income and other forms of taxation (including policies relating to the granting of advance rulings on taxation matters), nationalisation or expropriation of property, repatriation of income, royalties, the environment and health and safety.

Relatively high commodity prices and other factors in recent years have resulted in increased resource nationalism in some countries, with governments repudiating or renegotiating contracts with, and expropriating assets from, companies that are producing in such countries. Many of the commodities that Glencore and/or Xstrata produce and market are considered strategic resources for particular countries. Governments in these countries may decide not to recognise previous arrangements if they regard them as no longer being in the national interest. Governments may also implement export controls on commodities regarded by them as strategic (such as oil or wheat) or place restrictions on foreign ownership of industrial assets. Renegotiation or nullification of existing agreements, leases, permits or tax rulings, changes in fiscal policies (including new or increased taxes or royalty rates or the implementation of a windfall tax which have recently been seen in several jurisdictions in which both Glencore and Xstrata have industrial assets) and currency restrictions imposed by the governments of countries in which Glencore and/or Xstrata operate could all have a material adverse effect on Glencore, Xstrata and the Combined Group.

Both Glencore and Xstrata transact business in locations where they are exposed to a greater-than-average risk of overt or effective expropriation or nationalisation, including in countries where the government has previously (and in some cases, recently) expropriated assets held within the jurisdiction of other companies or where members of the government have publicly proposed that such action be taken.

Glencore's and Xstrata's operations may also be affected by political and economic instability in the countries in which they operate. Such instability could be caused by, among other things, terrorism, civil war, guerrilla activities, military repression, civil disorder, crime, workforce instability, change in government policy or the ruling party, economic or other sanctions imposed by other countries, extreme fluctuations in currency exchange rates or high inflation.

The geopolitical risks associated with operating in a large number of regions and countries, if realised, could affect Glencore's, Xstrata's and the Combined Group's ability to manage or retain interests in their industrial activities and could have a material adverse effect on the profitability, ability to finance or, in extreme cases, viability of one or more of their industrial assets. Although Glencore's and Xstrata's industrial assets are geographically diversified across various countries, disruptions in certain of their industrial operations at any given time could have a material adverse effect on the business and results of operations of Glencore, Xstrata and the Combined Group.

Liquidity risk and a failure to obtain funds could limit Glencore's and Xstrata's, and, if the Merger becomes Effective, the Combined Group's, ability to engage in desired activities and grow its business.

Liquidity, or ready access to funds, is essential to Glencore's and Xstrata's businesses. A lack of liquidity may mean that Glencore and/or Xstrata, as applicable, will not have funds available to maintain or increase their marketing activities and industrial activities.

Glencore's marketing activities employ significant amounts of working capital to fund purchases of commodities for future delivery to its end customers, to meet margin requirements under derivative contracts and to fund the acquisition and maintenance of certain transport and storage assets which complement its marketing activities.

Glencore's and Xstrata's industrial activities may be capital intensive and the continued funding of such activities is critical for both to maintain their ownership interests in their industrial assets, to maintain production levels in periods when net operating cash flow is negative or insufficient to cover capital expenditures, to increase production levels in the future in accordance with their business plans and to grow their industrial activities through the acquisition of new assets.

While Glencore and Xstrata adjust their minimum internal liquidity targets in response to changes in market conditions, these minimum internal liquidity targets may be breached due to circumstances they are unable to control, such as general market disruptions, sharp increases in the prices of commodities or an operational problem that affects their suppliers or customers or themselves, which may require them to take remedial action that may have an adverse effect on their business, results of operations or earnings.

Glencore and Xstrata have, and, if the Merger becomes Effective, the Combined Group will have, significant outstanding indebtedness.

In addition to maintaining a cash position, Glencore and Xstrata rely on two other principal sources of liquidity: borrowings under various short-term and long-term bank and asset-backed facilities and issuance of notes in the debt capital markets. An inability to refinance or increase existing facilities in the debt markets may mean that Glencore and/or Xstrata will not have funds available to maintain or increase their marketing and industrial activities, which could have a material adverse effect on Glencore's, Xstrata's and, if the Merger becomes Effective, the Combined Group's earnings and results of operations. Glencore's and Xstrata's access to debt in amounts adequate to finance its activities could be impaired by factors that affect Glencore or Xstrata in particular or the industries or geographies in which they operate. For example, lenders could develop a negative perception of Glencore's or Xstrata's short-term or long-term financial prospects if Glencore or Xstrata incurred large losses, if the level of Glencore's marketing activities were to materially decrease due to a market downturn in the demand for commodities, or if their businesses were otherwise materially adversely affected. Although Glencore and Xstrata expect the continued support of financial institutions, there can be no assurance that additional credit or funding will be made available in the future.

Both Glencore and Xstrata have a significant amount of indebtedness, which may impair their operating and financial flexibility and could adversely affect their business and financial position. A high level of indebtedness could potentially cause Xstrata or Glencore to dedicate a substantial portion of cash flow from operations to payments to service debt, which reduces the funds available for working capital, capital expenditure, acquisitions, distributions to shareholders and other general corporate purposes and limits their ability to borrow additional funds, limits their flexibility in planning for, or reacting to, changes in technology, customer demand, competitive pressures and the industries in which it operates, placing Xstrata or Glencore at a competitive disadvantage compared to those of its competitors that are less leveraged than it is. In addition, a high level of indebtedness together with future debt financing, if accessible, may increase Glencore's and Xstrata's vulnerability to both general and industry-specific adverse economic conditions.

A reduction in their respective credit ratings could adversely affect Glencore and Xstrata, and, if the Merger becomes Effective, the Combined Group.

Glencore's and Xstrata's borrowing costs and access to the debt capital markets, and thus their liquidity, depend significantly on their public credit ratings. These ratings are assigned by rating agencies, which may reduce or withdraw their ratings or place Glencore or Xstrata on "credit watch", which could have negative implications. A deterioration of Glencore's or Xstrata's credit ratings could increase their borrowing costs and limit their access to the capital markets, which, in turn, could reduce their earnings. If the Merger becomes Effective, the Combined Group will be similarly exposed to changes in its credit rating.

Glencore's, Xstrata's and the Combined Group's counterparties, including customers, suppliers and financial institutions, are also sensitive to the risk of a ratings downgrade and may be less likely to engage in transactions with Glencore, Xstrata or the Combined Group, or may only engage at a substantially higher cost or on increased credit enhancement terms (for example, letters of credit, additional guarantees

or other credit support) which carry increased costs, if Glencore's, Xstrata's or the Combined Group's ratings were downgraded to below investment grade. While neither Glencore nor Xstrata anticipate their ratings to be downgraded below investment grade, if such an event was to occur, it could have a material adverse effect on their business, results of operations, financial condition or prospects.

Glencore's and Xstrata's business depends, and, if the Merger becomes Effective, the Combined Group's business will depend, on its ability to retain and attract key employees.

Glencore's and Xstrata's success depends, and the Combined Group's success will depend, on the continued service and performance of their key employees. The loss of services of certain key employees, whether to go to a competitor, to start their own business, to retire or for other reasons, could have a material adverse effect on Glencore's, Xstrata's or the Combined Group's operations or financial condition. If Glencore and/or Xstrata fail to retain or attract the necessary calibre of employees or if they fail to maintain compensation awards at an appropriate level for such employees, their and, if the Merger becomes Effective, the Combined Group's business, results of operations or financial condition could be materially adversely affected.

In addition, Glencore has previously operated within a private company structure and as an employee-owned company. Following its initial public offering in May 2011, Glencore employees continue to own the majority of the issued share capital of Glencore. Glencore employees who acquired Glencore Shares in the reorganisation undertaken in connection with the initial public offering were subject to lock-up arrangements with a total duration of between 12 months and five years, in each case from 24 May 2011, such lock-ups not being dependent on continued employment. The first release of locked-up Glencore Shares occurred on 24 May 2012, whereafter all Glencore employee shareholders will, for the first time since the initial public offering, be able to sell some or all of the Glencore Shares acquired by them in the pre-IPO reorganisation. Glencore, as a listed entity, now operates as a public company with the added administration this entails, which will continue after the Merger. This cultural change could result in certain key employees, whether skilled marketers or otherwise, leaving. There are a number of other reasons why such personnel may leave. The loss of any senior marketer, senior manager or other key personnel, as well as the inability to retain and/or attract new highly skilled personnel, could have a material adverse effect on the Glencore Group's, and, if the Merger becomes Effective, the Combined Group's, business.

Glencore and Xstrata are, and, if the Merger becomes Effective, the Combined Group will be, exposed to fluctuations in currency exchange and interest rates.

The vast majority of transactions undertaken by both Glencore's marketing and industrial activities and Xstrata's industrial activities are denominated in US dollars. However, Glencore and Xstrata are, and, if the Merger becomes Effective, the Combined Group will be, exposed to fluctuations in currency exchange rates through their industrial activities, because a large proportion of the operating costs of these assets are denominated in the currency of the country in which each asset is located, including the Australian dollar, the Canadian dollar, the Euro, the Kazakhstan tenge, the Chilean peso, the Norwegian kroner, the South African rand, the Argentine peso, the Colombian peso and the Peruvian sol. Glencore and Xstrata are also exposed to fluctuations in currency exchange rates through their global office network which are denominated largely in the currency of the country in which each office is located, the largest of such currency exposures being to the Swiss Franc, the pound sterling and the Euro. Glencore is also exposed to fluctuations in currency exchange rates through its marketing activities, although only a small minority of purchase or sale transactions are denominated in currencies other than US dollars.

In respect of commodity purchase and sale transactions denominated in currencies other than US dollars, Glencore generally hedges the specific future commitment through a forward exchange contract. From time to time, Glencore and/or Xstrata may hedge a portion of its currency exposures and requirements in an attempt to limit any adverse effect of exchange rate fluctuations on its results of operations, but there can be no assurance that such hedging will eliminate the potential material adverse effect of such fluctuations. In addition, to the extent that any currency exposures are unhedged or unmatched as a consequence of political risk, such exposure could adversely affect Glencore's, Xstrata's and the Combined Group's financial results.

Foreign exchange rates have seen significant fluctuation in recent years, and a depreciation in the value of the US dollar against one or more of the currencies in which Glencore and Xstrata incur significant costs will therefore, to the extent it has not been hedged, result in an increase in the cost of these operations in US dollar terms and could adversely affect Glencore's, Xstrata's and the Combined Group's financial results.

The reporting currency and the functional currency of the majority of Glencore's and Xstrata's operations are the US dollar, as this is assessed to be the principal currency of the economic environment in which Glencore and Xstrata operate. For financial reporting purposes, transactions in foreign currencies are converted into the functional currency of each entity using the exchange rate prevailing at the transaction date. Monetary assets and liabilities outstanding at year-end are converted at year-end rates. The resulting exchange differences are recorded in the consolidated statement of income. The exchange rates between relevant local currencies and the US dollar have historically fluctuated, and the translation effect of such fluctuations may have a material adverse effect on both Glencore Group and Xstrata Group members' individual and Glencore's, Xstrata's and, if the Merger becomes Effective, the Combined Group's consolidated results of operations or financial condition.

Glencore's and Xstrata's exposure to changes in interest rates results from investing and borrowing activities undertaken to manage its liquidity and capital requirements. The majority of Glencore's and Xstrata's borrowings, other than a portion of long-term, fixed-rate public bonds, bear interest at floating rates. An increase in interest rates would therefore result in a relatively immediate increase in the cost of servicing Glencore's and Xstrata's indebtedness and could adversely affect their financial results. Although borrowing costs are taken into account when setting marketing transaction terms, there is no assurance that increased financing costs can be passed on to customers and/or suppliers. Glencore, Xstrata and the Combined Group may elect in the future to enter into interest rate swaps to convert some or all of their floating-rate debt to fixed-rate debt or enter into fixed-rate to floating-rate swaps. There can be no assurance that Glencore, Xstrata and the Combined Group will not be materially adversely affected by interest rate changes in the future.

The commodities industry is very competitive and Glencore and, if the Merger becomes Effective, the Combined Group may have difficulty effectively competing with other commodity marketing and industrial companies.

The commodities industry is characterised by strong competition. Glencore believes that the majority of its, and, if the Merger becomes Effective, the Combined Group's, competitors tend to focus on a narrower commodity group or geographic area, or concentrate more heavily on industrial activities such as mining, smelting, processing, refining and food processing. Although Glencore and, if the Merger becomes Effective, the Combined Group face intense competition in each of their business segments, in view of the diversification across different commodity groups and its global geographical presence and scale, Glencore does not believe that there is, or will be, a precisely comparable company or peer group that can be defined as competing directly with Glencore and, if the Merger becomes Effective, the Combined Group across all of their business segments. However, some of these competitors or existing producers may, in the future, use their resources to broaden into all of the markets in which Glencore operates and therefore compete further against Glencore and, if the Merger becomes Effective, the Combined Group. These competitors may also expand and diversify their commodity sourcing, processing or marketing operations, or engage in pricing or other financial or operational practices that could increase competitive pressure on Glencore and, if the Merger becomes Effective, the Combined Group across each of their business segments. Increased competition may result in losses of market share for Glencore and, if the Merger becomes Effective, the Combined Group and could materially adversely affect their business, results of operations and financial condition.

Risks relating to Glencore's and Xstrata's, and, if the Merger becomes Effective, the Combined Group's, industrial activities

Each of Glencore and Xstrata hold some of their industrial assets through non-controlling stakes or joint ventures and strategic partnership arrangements.

Glencore and Xstrata do not control a number of their industrial investments. Although Glencore and Xstrata have various structures in place which seek to protect their position where they do not exercise control, the boards of these companies may:

- have economic or business interests or goals that are inconsistent with or are opposed to those of Glencore or Xstrata;
- exercise veto rights or take shareholders' decisions so as to block actions that Glencore or Xstrata believe to be in its best interests and/or in the best interests of all shareholders;
- take action contrary to Glencore's or Xstrata's policies or objectives with respect to its investments or commercial arrangements; or

- as a result of financial or other difficulties, be unable or unwilling to fulfil their obligations under any joint venture or other agreement, such as contributing capital to expansion or maintenance projects.

Where projects and operations are controlled and managed by Glencore's or Xstrata's co-investors or where control is shared on an equal basis, Glencore or Xstrata may provide expertise and advice, but have limited or restricted ability to mandate compliance with their policies and/or objectives. Improper management or ineffective policies, procedures or controls of a non-controlled entity could adversely affect the business, results of operations and financial condition of the relevant investment and, therefore, of Glencore, Xstrata and the Combined Group.

Both Glencore and Xstrata are exposed to the risk of delays in or failure to develop planned expansions or new projects.

Both Glencore and Xstrata have a number of significant expansions planned for their existing operations and plans for certain new projects, the development of which is exposed to a number of risks outside their control, such as technical uncertainties, availability of suitable financing, infrastructure constraints, cost overruns, insufficient labour skills or resources and delays in permitting or other regulatory matters.

Any future upward revisions in estimated project costs, delays in completing planned expansions, cost overruns, suspension of current projects or other operational difficulties after commissioning may have a material adverse effect on the business, results of operations, financial condition or prospects of Glencore, Xstrata or the Combined Group, in turn requiring them to consider delaying discretionary expenditures, including capital expenditures, or suspending or altering the scope of one or more of its development projects.

In addition, there can be no assurance that Glencore, Xstrata and the Combined Group will be able to effectively manage the risks arising from expansion of their operations. Glencore's and Xstrata's current systems, procedures and controls may need to be expanded and strengthened to support future operations. Any failure of Glencore and Xstrata to effectively manage their expansion plans or expanded operations could have a material adverse effect on Glencore's, Xstrata's and the Combined Group's business, results of operations, financial condition or prospects.

Once complete, the results of these projects could differ materially from those anticipated by Glencore and Xstrata and their significant capital expenditures related to these projects may not be offset by cashflows or other benefits from these projects in the timeframe anticipated or at all.

Glencore and Xstrata are exposed to the risks associated with production curtailment and resumption.

In an effort to avoid over-supplying markets or building up an inventory of unsold products during periods of depressed commodity prices (including those recently experienced during the global economic downturn), Glencore's and Xstrata's policy, in common with other producers, is to curtail production by closing mines and production facilities, placing other mines and production facilities under care and maintenance and deferring or cancelling previously planned expansionary capital expenditure. While this practice may contribute to the stabilisation of commodity prices and enable Glencore and Xstrata to avoid selling products at or below their marginal cost of production, it imposes costs both directly, in the form of redundancy payments, equipment removal, security and other closing costs and the cost of resuming production or resuming a capital expenditure programme when prices justify renewed investment, and indirectly, in the form of revenue forgone, deterioration of assets or the resulting increase in unit costs. These costs can adversely affect Glencore's and Xstrata's results of operations, financial condition or prospects.

Given the lead times required to curtail or resume production levels, periods of higher commodity price volatility (including that experienced during the global economic downturn) have exacerbated and may in the future exacerbate the adverse effects of changes in production levels, which has had and may in the future have an adverse effect on Glencore's, Xstrata's and the Combined Group's business, results of operations, financial condition or prospects.

Glencore's and Xstrata's industrial activities involve a number of operating risks and hazards, many of which are outside Glencore's and Xstrata's control.

Glencore's and Xstrata's businesses are, and the Combined Group's business will be, subject to numerous operating risks and hazards normally associated with the development and operation of natural resource projects, many of which are beyond Glencore's and Xstrata's control. These operating risks and hazards include unanticipated variations in grade and other geological problems, seismic activity, climatic

conditions such as flooding or drought, metallurgical and other processing problems, technical failures, unavailability of materials and equipment, interruptions to power supplies, industrial actions or disputes, industrial accidents, labour force disruptions, unanticipated logistical and transportation constraints, tribal action or political protests, force majeure factors, environmental hazards, fire, explosions, vandalism and crime. These risks and hazards could result in damage to, or destruction of, properties or production facilities, may cause production to be reduced or to cease at those properties or production facilities, may result in a decrease in the quality of the products, may result in personal injury or death, environmental damage, business interruption and legal liability and may result in actual production differing from estimates of production.

The realisation of such operating risks and hazards and the costs associated with them could materially adversely affect Glencore's, Xstrata's and the Combined Group's business, results of operations and financial condition, including by requiring significant capital and operating expenditures to abate the risk or hazard, restore their property or third party property, compensate third parties for any loss and/or pay fines or damages.

Title to the land, resource tenure and extraction rights of industrial activities may be challenged.

Glencore and Xstrata each have, and, if the Merger becomes Effective, the Combined Group will have, industrial activities investments in certain countries where title to land and rights in respect of land and resources (including indigenous title) has not been and may not always be clear, creating the potential for disputes over resource development. Any dispute relating to a material industrial asset of Glencore or Xstrata could disrupt or delay relevant mining, processing or other projects and/or impede Glencore's, Xstrata's or the Combined Group's ability to develop new industrial properties and may have a material adverse effect on Glencore's, Xstrata's or the Combined Group's business, results of operations and financial condition.

Title to Glencore's or Xstrata's mining and hydrocarbon rights may be challenged or impugned, and title insurance may not generally be available. In many cases, the government of the country in which a particular asset is located is the sole authority able to grant such rights and, in some cases, may have limited infrastructure and limited resources which may severely constrain Glencore's or Xstrata's ability to ensure that it has obtained secure title to individual exploration licences or extraction rights. Glencore's or Xstrata's title may be affected by, among other things, undetected defects. In addition, Glencore or Xstrata may be unable to conduct its activities or operations as permitted or to enforce its rights with respect to its properties. A successful challenge to Glencore's or Xstrata's mining and/or hydrocarbon extraction rights may result in Glencore or Xstrata being unable to proceed with the development or continued operation of a mine or project which, in turn, may have a material adverse effect on Glencore's, Xstrata's or the Combined Group's business, results of operations and financial condition.

The production, processing and product delivery capabilities of Glencore's and Xstrata's industrial assets rely on their infrastructure being adequate and remaining available.

The mining, drilling, processing, development and exploration activities of the industrial assets in which Glencore and Xstrata hold an interest depend on adequate infrastructure. Certain of these assets are located in areas that are sparsely populated and difficult to access. Reliable roads, power sources, transport infrastructure and water supplies are essential for the conduct of these operations and the availability and cost of these utilities and infrastructure affect capital and operating costs and therefore Glencore's and Xstrata's ability to maintain expected levels of production and results of operations. Unusual weather or other natural phenomena, sabotage or other interference in the maintenance or provision of such infrastructure could impact the development of a project, reduce production volumes, increase extraction or exploration costs or delay the transportation of raw materials to the mines and projects and commodities to end customers. Any such issues arising in respect of the infrastructure supporting or on Glencore's and Xstrata's sites could have a material adverse effect on Glencore's, Xstrata's and the Combined Group's business, results of operations, financial condition and prospects.

Industrial activities are exposed to an increase in production costs, including as a result of increased energy costs or shortages of equipment, spare parts and labour.

As commodity prices themselves are outside of Glencore's or Xstrata's control, the competitiveness and sustainable long-term profitability depends significantly on their ability to reduce costs and maintain a broad spectrum of low-cost, efficient operations. Because it is difficult for Glencore and Xstrata to pass

increases in production costs on to customers, any increases in input costs will adversely affect the results of operations and financial condition of Glencore, Xstrata and the Combined Group.

Costs associated with the operation of Glencore's and Xstrata's industrial assets can be broadly categorised into labour costs and other on-site expenses, including power and equipment costs. Production costs are heavily influenced by the extent of on-going development required, ore grades, mine planning, processing technology, logistics, energy and supply costs and the impact of exchange rate fluctuations on costs of operations. All of Glencore's and Xstrata's industrial assets are, to varying degrees, affected by increases in costs for labour and fuel. Unit production costs are also significantly affected by production volumes and therefore production levels are frequently a key factor in determining the overall cost competitiveness of Glencore's and Xstrata's industrial activities.

Furthermore, the resources industry is currently experiencing worldwide tightness in certain equipment, spare parts and specialised labour. Such shortages may increase the costs of Glencore's and Xstrata's operations as a result of equipment, spare parts or labour becoming more expensive due to increased demand and tight supply. Such shortages may also cause delays to, and quality issues in respect of, Glencore's and Xstrata's operations, either as a result of equipment used in Glencore's and Xstrata's operations being temporarily unavailable or not being available at all or there being insufficient resources to operate equipment or maintain production at optimum capacity. Any resulting increase in costs or production delays could have a material adverse effect on Glencore's, Xstrata's and the Combined Group's business, results of operations and financial condition.

Glencore's and Xstrata's stated mineral, coal and hydrocarbon reserves, resources and mineralised potential are only estimates and the anticipated volumes or grades may not be achieved.

The estimated reserves and resources described in this document should not be interpreted as a statement of the commercial viability, potential or profitability of any future operations. No assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realised or that mineral, coal and hydrocarbon reserves, resources and mineralised potential can be extracted or processed profitably. Actual reserves, resources or mineralised potential may not conform to geological, metallurgical or other expectations, and the volume and grade of ore or product recovered may be below the estimated levels. Lower market prices, increased production costs, reduced recovery rates and other factors may render Glencore's and Xstrata's reserves, resources or mineralised potential uneconomical to exploit and may result in revision of their reserve estimates from time to time. Reserve data are not indicative of future results of operations. Glencore's and Xstrata's, and, if the Merger is Effective, the Combined Group's, future success depends upon conducting successful exploration and development activities or acquiring properties containing economically recoverable reserves. If Glencore's and Xstrata's actual mineral, coal and hydrocarbon reserves and resources are less than current estimates or if they fail to develop their resource base through the realisation of identified or new mineral potential, the business, results of operations and financial condition of Glencore, Xstrata and the Combined Group may be materially and adversely affected.

The processes and chemicals used in Glencore's and Xstrata's extraction and production methods, as well as their shipping and storage activities, are subject to environmental hazards.

Where Glencore and Xstrata hold or have interests in industrial activities, these assets are generally subject to environmental hazards as a result of the processes and chemicals used in traditional extraction, production, storage, disposal and transportation methods. Environmental hazards may exist on Glencore's and Xstrata's owned or leased properties or at those of the industrial activities in which they hold an interest, or may be encountered while its products are in transit. In addition, the storage of tailings at Glencore's and Xstrata's industrial assets may present a risk to the environment, property and persons where there remains a risk of leakage from or failure of Glencore's and Xstrata's tailings dams, as well as theft and vandalism during the operating life of the assets or after closure.

Additionally, Glencore conducts oil exploration and drilling activities and also stores and transports crude oil and oil products around the world. Damage to exploration or drilling equipment, a vessel carrying oil or a facility where it is stored could lead to a spill, causing environmental damage with significant clean-up or remediation costs.

Glencore's and Xstrata's operations are subject to health, safety and environmental regulations and legislation.

New or amended environmental, health and safety legislation or regulations may result in increased operating costs or, in the event of non-compliance or accidents or incidents causing personal injury or

death or property or environmental damage at or to Glencore's or Xstrata's mines, smelters, refineries, concentrators, drill rigs or related facilities (such as logistics or storage facilities) or surrounding areas may result in significant losses, interruptions in production, expensive litigation, imposition of penalties and sanctions or suspension or revocation of permits and licences.

Glencore, Xstrata and the Combined Group may be liable for losses associated with environmental hazards, have their licences and permits withdrawn or suspended or may be forced to undertake extensive remedial clean-up action or to pay for government-ordered remedial clean-up actions, even in cases where such hazards have been caused by any previous or subsequent owners or operators of the property, by any past or present owners of adjacent properties, by independent third party contractors providing services to Glencore and Xstrata or by acts of vandalism by trespassers. Any such losses, withdrawals, suspensions, actions or payments may have a material adverse effect on Glencore's, Xstrata's and the Combined Group's business, results of operations and financial condition.

Accidents at Glencore's and Xstrata's industrial activities, logistics and storage facilities could result in injuries and fatalities.

Any accidents or hazardous incidents causing personal injury or death or property or environmental damage at or to Glencore's and Xstrata's mines, smelters, refineries, concentrators, drill rigs or related facilities (such as logistics and storage facilities) or surrounding areas may result in significant losses, interruptions in production, expensive litigation, imposition of penalties and sanctions or suspension or revocation of permits and licences. Risks associated with Glencore's and Xstrata's open pit mining operations include flooding of the open pits, collapses of the open pit walls and accidents or failures in operation of large equipment for open pit mining and material transportation. Risks associated with Glencore's and Xstrata's underground mining operations include flooding, underground fires and explosions (including those caused by flammable gas), cave-ins or ground falls, discharges of gases or toxic chemicals, sinkhole formation and ground subsidence. Risks associated with Glencore's oil exploration and deepwater drilling activities include explosions, spills and potential large-scale environmental pollution. Risks associated with Glencore's and Xstrata's logistics and storage operations may include the risk of: ruptures and spills from crude oil and other product carriers; spillage, leakage or seepage of tailings or other hazardous substances found in storage or disposal facilities; and failure of tailings dams during the operating life of the mines or after closure. Injuries to and deaths of workers and contractors at mines and facilities controlled by Glencore and Xstrata have occurred in the past and may occur in the future. If accidents occur in the future, Glencore's, Xstrata's and the Combined Group's business and results of operations may be adversely impacted.

Other risks relating to Glencore and/or Xstrata, and, if the Merger becomes Effective, the Combined Group

Due to the nature of their business and operations, Glencore and Xstrata are, and, if the Merger becomes Effective, the Combined Group will be, exposed to the risks of fraud and corruption.

As a diversified sourcing, marketing and distribution company conducting complex transactions globally, Glencore is exposed to the risks of fraud and corruption both internally and externally.

Glencore's marketing operations are large in scale, which may make fraudulent or accidental transactions difficult to detect. In addition, some of Glencore's and Xstrata's industrial activities are located in countries where corruption is generally understood to exist.

Glencore and Xstrata seek to comply fully with legislation such as the Foreign Corrupt Practices Act and the Bribery Act and have put in place internal control policies and external diligence and compliance policies. However, there can be no assurance that such procedures and established internal controls will adequately protect them against fraudulent and/or corrupt activity and such activity could have an adverse effect on Glencore's and Xstrata's business, reputation, results of operations, financial condition and/or prospects.

Glencore and Xstrata are, and, if the Merger becomes Effective, the Combined Group will be, subject to risks relating to the processing, storage and transportation of their commodities.

Glencore's and Xstrata's processing and storage facilities, which include ore processing plants, smelters, refineries, grain silos, tank farms and oil terminals, are subject to risks and hazards, including accidental environmental damage, technical failure, vandalism and terrorism, which, if they materialise, could adversely affect the business, results of operations and financial condition of Glencore, Xstrata and/or the

Combined Group. In addition, Glencore and Xstrata also depend upon seaborne freight, rail, trucking, pipeline, overland conveyor and other systems to deliver their commodities to market. Disruption of these transport services due to weather-related problems, key equipment or infrastructure failures, strikes, maritime disaster or other events could temporarily impair Glencore's and Xstrata's ability to supply their commodities to their customers and thus could adversely affect their operations.

Metal processing plants (ore processing plants, smelters and refineries) are especially vulnerable to interruptions, particularly where events cause a stoppage that necessitates a shutdown in operations. Stoppages in smelting, even if lasting only a few hours, can cause the contents of furnaces to solidify, resulting in a plant closure for a significant period and necessitating expensive repairs, any of which could adversely affect Glencore's and Xstrata's smelting operations.

Transportation and storage of crude oil and oil products involves significant hazards that could result in fires, explosions, spills, maritime disaster and other unexpected or dangerous conditions. The occurrence of any of these events could result in a material adverse effect, either directly or indirectly, through resulting damages, claims and awards, remediation costs or negative publicity on Glencore's and the Combined Group's business.

Crop storage entails significant risks associated with the storage environment, including temperature, humidity levels, pests, parasites and/or diseases. Excessively high or low levels of moisture, temperature or humidity may result in damage to stored crops and seeds. An event that destroys or takes all or part of a silo complex or terminal out of service could result in the loss of stored crops and require Glencore to find alternative storage arrangements. Glencore may also be subject to the loss of stored crops as a result of catastrophic events, such as fires, explosions or natural disasters.

In addition, the vessels Glencore uses to transport its products may be exposed to a variety of natural calamities during operations, including violent storms, tidal waves and tsunamis. Any of these natural calamities could result in Glencore's vessels grounding, sinking, colliding with other vessels or property, or the loss of life. If one of the vessels suffers damage, in addition to the potential loss of its cargo, it would need to be repaired, and the costs relating to such losses or repairs may not be covered (either in part or in full) by the insurance policies that are in place. The costs of such repairs are unpredictable and could be substantial. The loss of earnings while the vessels are being repaired and repositioned, and the cost of arranging for alternative transport, as well as the actual cost of such repairs, could adversely affect Glencore's and the Combined Group's business and results of operations. Furthermore, the vessels Glencore uses to transport its products may be exposed to piracy, terrorist attacks and other events beyond its control. These events could result in adverse effects to Glencore's business as a result of seizure of its cargoes and disruption to its customers' or suppliers' business. While Glencore has procured insurance for its operations against these types of risks, no insurance can compensate for all potential losses and there can be no assurance that the insurance coverage Glencore has will be adequate or that its insurers will pay a particular claim. As is the standard for policies of this type, Glencore's insurance policies do not cover risks arising from damage caused by wear and tear to the vessels that it owns directly or through joint ventures. In the event of damage to, or the loss of, a vessel or vessels and/or their cargoes, a lack of adequate insurance coverage may have a material adverse effect on Glencore's and the Combined Group's business and results of operations.

Glencore and Xstrata are, and, if the Merger becomes Effective, the Combined Group will be, subject to risks relating to product safety and dangerous goods regulations.

Products sold by Glencore and Xstrata are in many cases covered by national and international product safety and dangerous goods regulations. In some instances, product safety regulations (for example, the EU's Chemical Control Act, REACH or the International Organization for Standardization in relation to food safety) oblige manufacturers and importers to register their products and to regularly monitor and evaluate the risks and hazards of substances (chemicals, metals and illnesses, etc.) to protect humans and the environment from harm during handling, storage and use. Any failure in complying with these obligations could result in a delay of Glencore's and Xstrata's product delivery, a loss of insurance coverage, business interruption on the customer side, administrative or criminal sanctions and, in the extreme, banning (temporarily) from a marketplace. Such events could have a material impact on the local or global demand, reducing Glencore's marketing opportunities for such a product, or at least increase the handling costs while shipping and placing the product in the market, all of which could have a material adverse effect on the business, results of operations and financial condition of Glencore, Xstrata and the Combined Group.

Glencore and Xstrata are dependent on their financial, accounting, marketing and other data processing information systems to conduct their business.

Glencore's and Xstrata's software applications for areas such as traffic, accounting and finance are primarily based on integrated standard components. Glencore's and Xstrata's key business processes rely on in-house developed modules and are regularly adapted to suit their business needs. All of these applications are primarily managed from their respective headquarters and are available to all the major business locations. If any of these systems do not operate properly or are disabled, Glencore and/or Xstrata could suffer, among other things, financial loss, a disruption of its business, liability to its counterparties, regulatory intervention or reputational damage.

Glencore and Xstrata are, and, if the Merger becomes Effective, the Combined Group will be, exposed to and subject to a significant number of laws and regulations.

The activities of Glencore and Xstrata are, and the activities of the Combined Group will be, exposed to and subject to extensive laws and regulations governing various matters. These include laws and regulations relating to bribery and corruption, taxation, antitrust, financial markets regulation, environmental protection, management and use of hazardous substances and explosives, management of natural resources, licences over resources owned by various governments, exploration, development of projects, production and post-closure reclamation, the employment of expatriates, labour and occupational health and safety standards, and historic and cultural preservation, some of which may be more relevant to the Combined Group following the Merger. Additionally, in many of the developing countries where Glencore and Xstrata operate, the legal systems may not be mature and legal practice may not be developed, such that, in certain cases, there may be significant uncertainty as to the correct legal position, as well as the possibility of laws changing or new laws and regulations being enacted, which has the potential to increase risk and compliance costs.

These laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety and other impacts of Glencore's and Xstrata's past and current operations, and could lead to the imposition of substantial fines, penalties, other civil or criminal sanctions, the curtailment or cessation of operations, orders to pay compensation, orders to remedy the effects of violations and/or orders to take preventative steps against possible future violations. Moreover, the costs associated with compliance with these laws and regulations are substantial. Any changes to these laws or regulations or more stringent enforcement or restrictive interpretation of current laws and regulations by governmental authorities or rulings or clearances obtained from such governmental authorities could cause additional expenditure (including capital expenditure) to be incurred or impose restrictions on or suspensions of Glencore's and Xstrata's operations and delays in the development of their properties.

Glencore's, Xstrata's and the Combined Group's subsidiaries and the companies in which they hold investments are generally required, under applicable laws and regulations, to seek governmental licences, permits, authorisations, concessions and other approvals in connection with their activities. Obtaining the necessary governmental permits can be a particularly complex and time-consuming process and may involve costly undertakings. The duration and success of permit applications are contingent on many factors, including those outside Glencore's, Xstrata's and the Combined Group's control. Failure to obtain or renew a necessary permit could mean that such companies would be unable to proceed with the development or continued operation of a mine or project, which, in turn, may have a material adverse effect on the business, results of operations, financial condition and prospects of Glencore, Xstrata and the Combined Group.

In addition, the enactment of new laws and regulations and changes to existing laws and regulations (including, but not restricted to, environmental laws, the imposition of higher licence fees, mining and hydrocarbon royalties or taxes), compliance with which could be expensive or onerous, could also have a material adverse impact on the ability of Glencore, Xstrata and the Combined Group to operate their businesses and/or the profitability of their industrial investments.

Glencore and Xstrata are, and, if the Merger becomes Effective, the Combined Group will be, subject to emissions and climate change regulations.

Glencore's and Xstrata's global presence exposes them to a number of jurisdictions in which regulations or laws have been or are being considered to limit or reduce emissions. The likely effect of these changes will be to increase the cost for fossil fuels, impose levies for emissions in excess of certain permitted levels and

increase administrative costs for monitoring and reporting. Increasing regulation of greenhouse gas emissions, including the progressive introduction of carbon emissions trading mechanisms and tighter emission reduction targets in numerous jurisdictions in which Glencore and Xstrata operate, is likely to raise production, transportation and administrative costs. In addition, regulation of greenhouse gas emissions in the jurisdictions of Glencore's and Xstrata's major customers and in relation to international shipping could also have a material adverse effect on the demand for Glencore's and Xstrata's products.

Social, economic and other risks in the markets where Glencore and Xstrata operate may cause serious disruptions to their businesses.

Through the geographic diversity of their operations, Glencore and Xstrata are exposed to risks of political unrest, strikes, war and economic and other forms of instability, such as natural disasters, epidemics, widespread transmission of diseases, acts of God, terrorist attacks and other events beyond their control that may adversely affect local economies, infrastructure and livelihoods.

These events could result in disruption to Glencore's, Xstrata's and their customers' or suppliers' businesses and seizure of, or damage to, any of their cargoes or assets. Such events could also cause the destruction of key equipment and infrastructure (including infrastructure located at or serving Glencore's and Xstrata's industrial activities, as well as the infrastructure that supports the freight and logistics required by Glencore's marketing operations). These events could also result in the partial or complete closure of particular ports or significant sea passages, such as the Suez or Panama canals or the Straits of Hormuz, potentially resulting in higher costs, congestion of ports or sea passages, vessel delays or cancellations on some trade routes. Any of these events could adversely impact the business and results of operations of Glencore, Xstrata and the Combined Group.

Each of Glencore's and Xstrata's reputation in the communities in which it operates could deteriorate.

The continued success of Glencore's and Xstrata's existing operations and their future projects are in part dependent upon broad support and a healthy relationship with the respective local communities. If it is perceived that Glencore or Xstrata is not respecting or advancing the economic and social progress and safety of the communities in which it operates, its reputation and shareholder value could be damaged, which could have a negative impact on its "social licence to operate", its ability to secure new resources and its financial performance.

Some of Glencore's and Xstrata's current and potential industrial activities are located in or near communities that may regard such operations as having a detrimental effect on their safety or environmental, economic or social circumstances. The consequences of negative community reaction could also have a material adverse impact on the cost, profitability, ability to finance or even the viability of an operation. Such events could lead to disputes with national or local governments or with local communities or any other stakeholders and give rise to material reputational damage. If Glencore's or Xstrata's operations are delayed or shut down as a result of political and community instability, its earnings may be constrained and the long-term value of its business could be adversely impacted. Even in cases where no action adverse to Glencore or Xstrata is actually taken, the uncertainty associated with such political or community instability could negatively impact the perceived value of Glencore's and Xstrata's assets and industrial investments and, consequently, have a material adverse effect on the financial condition of Glencore, Xstrata and the Combined Group.

Glencore, Xstrata and, if the Merger becomes Effective, the Combined Group may fail to make successful acquisitions or fail to integrate acquisitions effectively.

From time to time, Glencore and Xstrata consider, and the Combined Group will consider, the acquisition of complementary businesses or assets where the opportunity is presented to do so at attractive prices. For example, on 20 March 2012, Glencore announced that it had agreed, subject to certain conditions, a C\$6.1 billion acquisition of Viterra Inc. in conjunction with a disposal of certain of its assets to Agrium Inc. and Richardson International Ltd. Business combinations entail a number of risks, including the ability of Glencore, Xstrata and the Combined Group to integrate effectively the businesses acquired with their existing operations (including the realisation of synergies, significant one-time write-offs or restructuring charges, difficulties in achieving optimal tax structures and unanticipated costs). All of these may be exacerbated by the diversion of management's attention away from other on-going business concerns. Further acquisitions to be made by Glencore or, if the Merger becomes Effective, the Combined Group may be subject to certain approvals (for example, antitrust approvals) which may or may not be obtained.

Glencore, Xstrata and the Combined Group may also be liable for the past acts, omissions or liabilities of companies or businesses they have acquired, which may be unforeseen or greater than anticipated at the time of the relevant acquisition. In addition, various factors could impact the estimated synergies for potential acquisitions and have a material adverse impact on Glencore's, Xstrata's and the Combined Group's business, results of operations and financial condition.

The industries in which Glencore and Xstrata operate are subject to a wide range of risks as described elsewhere in this section, not all of which can be covered, adequately or at all, by their insurance programmes.

Glencore and Xstrata have broad insurance programmes in place which provide coverage for operations at a level believed by their respective directors to be appropriate for the risks associated therewith. Such insurance protection is maintained with leading international insurance providers and, in the case of Xstrata for certain parts of its property and business interruption insurance, directly with a wholly-owned insurance subsidiary, and includes coverage for physical loss and damage to owned vessels, as well as third party liability, including for sudden, unintended and unexpected pollution events. However, although Glencore's and Xstrata's insurance is intended to cover the majority of the risks to which they are exposed, it cannot account for every potential risk associated with their operations. Adequate coverage at reasonable rates is not always commercially available to cover all potential risks and no assurance can be given that, where available, such coverage would be sufficient to cover all loss and liability to which Glencore or Xstrata may be exposed. The occurrence of a significant adverse event not fully or partially covered by insurance could have a material adverse effect on the business, results of operations and financial condition of Glencore, Xstrata and the Combined Group.

The maintenance of positive employee and union relations and the ability to attract and retain skilled workers is key to the successful operation of Glencore and Xstrata.

Some of Glencore's employees, as well as employees in non-controlled industrial investments, and the majority of the employees at Xstrata's industrial activities, are represented by labour unions under various collective labour agreements. Glencore, Xstrata, their subsidiaries or the industrial investments in which they hold an interest may not be able to satisfactorily renegotiate their collective labour agreements when they expire and may face tougher negotiations or higher wage demands than would be the case for non-unionised labour. In addition, existing labour agreements may not prevent a strike or work stoppage at its facilities in the future, and any strike or other work stoppage could have a material adverse effect on Glencore's or Xstrata's business, results of operations and financial condition. Glencore's and Xstrata's industrial activities have experienced strikes and other labour disputes in the past and their respective directors believe that strikes and other industrial actions will remain a risk to the business for the foreseeable future.

The success of Glencore's and Xstrata's business is also dependent on their ability to attract and retain highly effective marketing and logistics personnel, as well as highly qualified and skilled engineers and other industrial, technical and project experts to operate their industrial activities in locations experiencing political or civil unrest, or in which they may be exposed to other hazardous conditions. Glencore and Xstrata may not be able to attract and retain such qualified personnel, and this could have a material adverse effect on the business, results of operations and financial condition of Glencore, Xstrata and the Combined Group.

Glencore and certain of its operating subsidiaries and associates may be subject to restrictions on their ability to pay dividends.

Glencore's results of operations and financial condition are entirely dependent on the financial performance of members and associates of the Glencore Group other than Glencore. Glencore's ability to pay dividends will depend, among other things, on the level of distributions, if any, received from Glencore's, and, if the Merger becomes Effective, the Combined Group's, operating subsidiaries and interests, and their level of cash balances. Certain of Glencore's, and, if the Merger becomes Effective, the Combined Group's, operating subsidiaries may, from time to time, be subject to restrictions on their ability to make distributions to Glencore or return cash to it by other means, and there can be no assurance that such restrictions will not have a material adverse effect on the market price of Glencore Shares.

PART III

**RECONCILIATION OF FINANCIAL INFORMATION ON THE XSTRATA GROUP ON
THE BASIS OF THE ACCOUNTING POLICIES OF THE GLENCORE GROUP**

1 Basis of preparation

The following unaudited reconciliations summarise the material adjustments which reconcile the Xstrata Group's audited consolidated profit for each of the years in the three-year period ended 31 December 2011 and consolidated total equity as at 31 December 2009, 2010 and 2011 to those which would have been reported had the Xstrata Group applied the accounting policies applied by the Glencore Group in the preparation of its audited consolidated financial statements for the year ended 31 December 2011.

2 Unaudited reconciliation of the Xstrata Group's consolidated profit for the three years ended 31 December 2009, 2010 and 2011

	Note	Year ended 31 December 2009	Year ended 31 December 2010 <i>(US\$ million)</i>	Year ended 31 December 2011
Consolidated profit for the year as reported by the Xstrata Group	(1a)	861	4,955	5,933
Adjusted for differences from Glencore Group accounting policies:				
Accounting for jointly controlled entities increasing/ (decreasing) reported line amounts:				
Revenue	(1b)	(2,370)	(2,803)	(3,075)
Operating costs	(1b)	622	583	762
Depreciation and amortisation	(1b)	378	366	381
Share of results from associates	(1b)	1,285	1,529	1,387
Finance income	(1b)	(354)	(70)	(1)
Finance costs	(1b)	8	24	5
Income tax (charge)/credit	(1b)	431	371	541
Consolidated profit for the year of the Xstrata Group under Glencore Group accounting policies		<u>861</u>	<u>4,955</u>	<u>5,933</u>

3 Unaudited reconciliation of the Xstrata Group's consolidated total equity as at 31 December 2009, 2010 and 2011

	Note	As at 31 December 2009	As at 31 December 2010 <i>(US\$ million)</i>	As at 31 December 2011
Consolidated total equity as reported by the Xstrata Group	(1a)	34,919	42,038	45,701
Adjusted for differences from Glencore Group accounting policies:				
Accounting for jointly controlled entities increasing/ (decreasing) reported line amounts:				
Non-current assets				
Intangible assets	(1b)	(1,562)	(1,566)	(1,644)
Property, plant and equipment	(1b)	(8,335)	(8,593)	(9,479)
Trade and other receivables	(1b)	(7)	(37)	(27)
Inventories	(1b)	(8)	—	—
Other financial assets	(1b)	(3)	(3)	(3)
Prepayments	(1b)	(5)	—	—
Deferred tax assets	(1b)	(1)	(8)	(10)
Investments in associates and jointly controlled entities	(1b)	8,519	8,816	9,436
		<u>(1,402)</u>	<u>(1,391)</u>	<u>(1,727)</u>

	Note	As at 31 December 2009	As at 31 December 2010 <i>(US\$ million)</i>	As at 31 December 2011
Current assets				
Inventories	(1b)	(182)	(248)	(261)
Trade and other receivables	(1b)	(618)	(661)	(515)
Prepayments	(1b)	(8)	(19)	(37)
Cash and cash equivalents	(1b)	(186)	(201)	(203)
		(994)	(1,129)	(1,016)
Non-current liabilities				
Interest-bearing loans and borrowings	(1b)	(176)	(179)	(38)
Provisions	(1b)	(48)	(81)	(106)
Deferred tax liabilities	(1b)	(1,810)	(1,765)	(1,852)
		(2,034)	(2,025)	(1,996)
Current liabilities				
Trade and other payables	(1b)	(225)	(281)	(384)
Interest-bearing loans and borrowings	(1b)	(62)	(78)	(168)
Provisions	(1b)	(26)	(84)	(81)
Income taxes payable	(1b)	(49)	(52)	(114)
		(362)	(495)	(747)
Consolidated total equity of the Xstrata Group under Glencore Group accounting policies		<u>34,919</u>	<u>42,038</u>	<u>45,701</u>

Notes:

(1a) The consolidated profit of the Xstrata Group for the years ended 31 December 2009, 2010 and 2011 and consolidated total equity of the Xstrata Group as at 31 December 2009, 2010 and 2011 have been extracted without material adjustment from the Xstrata Group consolidated financial statements for each of the respective years.

(1b) The adjustment reflects the difference in accounting policy the two groups applied to joint venture entities. The Glencore Group accounts for its joint venture entities using the equity method of accounting where the share of the joint venture entities' income and expenses is aggregated in a single line item in the income statement and where the share of the joint venture entities' assets and liabilities are presented on a net basis in one line in the statement of financial position. The Xstrata Group applies the proportionate consolidation method, where the share of the joint venture entities' income, expenses, assets and liabilities are presented on a line by line basis in the statement of income statement and the statement of financial position. Both methods are allowed under IAS 31—Interests in Joint Ventures. There is no impact on consolidated profit for the year or consolidated total equity for the periods presented from the change in presentation of the Xstrata Group's interests in joint venture entities from the proportionate consolidation method to the equity method of accounting.

This adjustment relates primarily to three of the Xstrata Group's joint ventures: Cerrejon, Antamina and Collahuasi Joint Ventures, which are proportionately consolidated under the Xstrata Group's accounting policies. The Cerrejon Joint Venture would be accounted for as an associate under the Glencore Group's accounting policies using the equity method. Antamina and Collahuasi would be accounted for as equity accounted joint ventures under the Glencore Group's accounting policies.

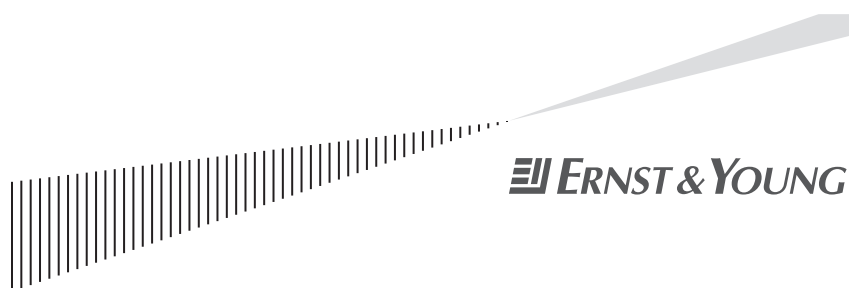
- (2) Unaudited reconciliation of the Xstrata Group's consolidated total equity under the Glencore Group's accounting policies and balance sheet presentation as at 31 December 2011.

As at 31 December 2011					
	Balance sheet as reported by the Xstrata Group	Accounting policy adjustments	Xstrata Group balance sheet under Glencore Group accounting policies <i>(US\$ million)</i>	Alignment of balance sheet presentations	Xstrata Group balance sheet under Glencore Group accounting policies and presentation
Note	(3a)	(3b)		(3c)	
Assets					
Non-current assets					
Intangible assets	8,228	(1,644)	6,584	—	6,584
Property, plant and equipment	51,454	(9,479)	41,975	30	42,005
Biological assets	23	—	23	(23)	—
Inventories	7	—	7	(7)	—
Trade and other receivables	210	(27)	183	(183)	—
Investments in associates	1,769	9,436	11,205	—	11,205
Available for sale financial assets	258	—	258	—	258
Derivative financial assets	680	—	680	(680)	—
Other financial assets	743	(3)	740	904	1,644
Prepayments	41	—	41	(41)	—
Deferred tax assets	44	(10)	34	—	34
	<u>63,457</u>	<u>(1,727)</u>	<u>61,730</u>	<u>—</u>	<u>61,730</u>
Current assets					
Inventories	5,242	(261)	4,981	—	4,981
Trade and other receivables	3,742	(515)	3,227	—	3,227
Derivative financial assets	96	—	96	—	96
Prepayments	347	(37)	310	—	310
Cash and cash equivalents	1,948	(203)	1,745	—	1,745
	<u>11,375</u>	<u>(1,016)</u>	<u>10,359</u>	<u>—</u>	<u>10,359</u>
Total assets	<u>74,832</u>	<u>(2,743)</u>	<u>72,089</u>	<u>—</u>	<u>72,089</u>
Non-current liabilities					
Trade and other payables	82	—	82	(82)	—
Interest bearing loans and borrowings	8,804	(38)	8,766	—	8,766
Derivative financial liabilities	417	—	417	(417)	—
Other financial liabilities	708	—	708	499	1,207
Provisions	3,708	(106)	3,602	692	4,294
Pension deficit	692	—	692	(692)	—
Deferred tax liabilities	6,250	(1,852)	4,398	—	4,398
Other liabilities	8	—	8	—	8
	<u>20,669</u>	<u>(1,996)</u>	<u>18,673</u>	<u>—</u>	<u>18,673</u>
Current liabilities					
Trade and other payables	5,102	(384)	4,718	55	4,773
Interest bearing loans and borrowings	1,566	(168)	1,398	—	1,398
Derivative financial liabilities	65	—	65	—	65
Provisions	778	(81)	697	—	697
Income taxes payable	896	(114)	782	—	782
Other liabilities	55	—	55	(55)	—
	<u>8,462</u>	<u>(747)</u>	<u>7,715</u>	<u>—</u>	<u>7,715</u>
Total equity ^(3d)	<u>45,701</u>	<u>—</u>	<u>45,701</u>	<u>—</u>	<u>45,701</u>

Notes:

- (3a) The balance sheet of the Xstrata Group as of 31 December 2011 has been extracted without material adjustment from the Xstrata Group audited financial statements for the year ended 31 December 2011.
- (3b) The adjustments reflect the difference in accounting policy the two groups applied to joint venture entities and have been extracted without adjustment from the table in this Part III, section 3 at 31 December 2011.
- (3c) Summarisation of certain balance sheet items in order to present the Xstrata Group balance sheet on a consistent basis to the Glencore Group:
- Non-current assets:
 - Biological assets (US\$23 million) and Inventories (US\$7 million) have been included within Property, plant and equipment (US\$30 million).
 - Trade and other receivables (US\$183 million), Derivative financial assets (US\$680 million) and Prepayments (US\$41 million) have been included within Other financial assets (US\$904 million).
 - Non-current liabilities:
 - Trade and other payables (US\$82 million) and Derivative financial liabilities (US\$417 million) have been included within Other financial liabilities (US\$499 million).
 - Pensions deficit (US\$692 million) has been included within Provisions (US\$692 million).
 - Current liabilities: Other liabilities (US\$55 million) have been included within Trade and other payables (US\$55 million).
- (3d) Glencore Group does not report “Total equity” and instead reports “Total net assets attributable to profit participation shareholders, non controlling interests and equity holders”.

4 Accountant's report on the unaudited reconciliation of the Xstrata Group financial information



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31 May 2012

Dear Sirs

Reconciliation of Financial Information

We report on the unaudited reconciliation of consolidated profit for each of the years in the three-year period ended 31 December 2011, and of consolidated total equity as at 31 December 2009, 2010 and 2011, (together the “financial information”) as previously reported in the financial statements of Xstrata plc prepared under International Financial Reporting Standards as adopted by the European Union (“IFRS”), showing the adjustments necessary to restate it on the basis of the accounting policies of Glencore International plc (the “Company”) used in preparing its financial statements for the year ended 31 December 2011 (the “Reconciliation”), set out in Part III (*Reconciliation of Financial Information on the Xstrata Group on the basis of the Accounting Policies of the Glencore Group*) of the circular of the Company dated 31 May 2012 (the “Circular”). This report is required by Listing Rule 13.5.27R(2)(b) of the Financial Services Authority and is given for the purpose of complying with that Listing Rule and for no other purpose.

Save for any responsibility we may have to any person to whom this report is expressly addressed and which we may have to ordinary shareholders of the Company as a result of the inclusion of this report in the Circular, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R (6), consenting to its inclusion in the Circular.

Responsibilities

It is the responsibility of the directors of the Company (the “Directors”) to prepare the Reconciliation in accordance with Listing Rule 13.5.27R(2)(a). It is our responsibility to form an opinion as required by Listing Rule 13.5.27R(2)(b) as to whether:

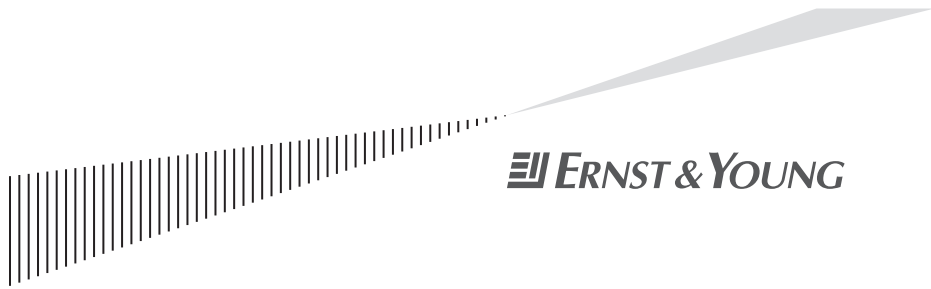
- (a) the Reconciliation has been properly compiled on the basis stated; and
- (b) the adjustments are appropriate for the purpose of presenting the financial information (as adjusted) on a basis consistent in all material respects with the Company's accounting policies,

and to report that opinion to you.



INVESTOR IN PEOPLE

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In providing this opinion, we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Reconciliation, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed at the date of their issue.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of checking whether the unadjusted financial information of Xstrata plc has been accurately extracted from an appropriate source, assessing whether all adjustments necessary for the purpose of presenting the financial information on a basis consistent in all material respects with the Company’s accounting policies have been made, examination of evidence supporting the adjustments and checking the arithmetical accuracy of the calculations within the Reconciliation.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Reconciliation has been properly compiled on the basis stated and that the adjustments are appropriate for the purpose of presenting the financial information (as adjusted) on a basis consistent in all material respects with the Company’s accounting policies.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and, accordingly, should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- (a) the Reconciliation has been properly compiled on the basis stated; and
- (b) the adjustments are appropriate for the purpose of presenting the financial information (as adjusted) on a basis consistent in all material respects with the Company’s accounting policies.

Yours faithfully

Ernst & Young LLP

PART IV

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE COMBINED GROUP

Section A: Unaudited Pro Forma Financial Information of the Combined Group

The unaudited pro forma statement of net assets of the Combined Group has been based on the net assets of the Glencore Group as at 31 December 2011 and prepared on the basis of the notes set out below. The unaudited pro forma statement of net assets has been prepared to illustrate the effect of the Merger on the net assets of the Glencore Group as if the Merger had taken place on 31 December 2011.

The unaudited pro forma statement of net assets has been prepared in a manner consistent with the accounting policies adopted by the Glencore Group in preparing the audited financial statements for the year ended 31 December 2011.

The unaudited pro forma statement of net assets has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore does not reflect the Combined Group's actual financial position or results.

Note	Glencore Group net assets for the year ended 31 December 2011 (as reported)	Adjustments			Pro forma net assets of the Combined Group as at 31 December 2011
		Xstrata Group net assets for the year ended 31 December 2011 (as reconciled)	Intra- Group adjustments	Acquisition accounting adjustments	
			(US\$ million)		
	(1)	(2)	(3)	(4)	(5)
Assets					
Non-current assets					
Intangible assets	210	6,584	—	412	7,206
Property, plant and equipment	14,639	42,005	—	—	56,644
Investments in associates and jointly controlled entities	18,858	11,205	(16,187)	—	13,876
Other investments	1,547	258	—	—	1,805
Advances and loans and other financial assets	4,141	1,644	—	—	5,785
Deferred tax assets	1,039	34	—	—	1,073
	40,434	61,730	(16,187)	412	86,389
Current assets					
Inventories	17,129	4,981	—	—	22,110
Accounts receivable	21,895	3,227	(694)	—	24,428
Other financial assets	5,065	96	—	—	5,161
Prepaid expenses	297	310	—	—	607
Marketable securities	40	—	—	—	40
Cash and cash equivalents	1,305	1,745	—	(69)	2,981
	45,731	10,359	(694)	(69)	55,327
Total assets	86,165	72,089	(16,881)	343	141,716
Non-current liabilities					
Borrowings	19,844	8,766	—	—	28,610
Deferred income	158	8	—	—	166
Other financial liabilities	—	1,207	—	—	1,207
Provisions	953	4,294	—	—	5,247
Deferred tax liabilities	1,399	4,398	—	—	5,797
	22,354	18,673	—	—	41,027

interests in joint ventures of either the equity or proportionate consolidation methods. It is expected that, in 2012, the European Union (“EU”) will endorse the adoption of IFRS 10—Consolidated Financial Statements (“IFRS 10”), IFRS 11—Joint Arrangements (“IFRS 11”) and IFRS 12—Disclosure of Interests in Other Entities (“IFRS 12”), which will provide the Combined Group with the opportunity for early adoption in the Combined Group’s 2012 accounts.

The most significant impact on the Combined Group of early adoption of these new standards is the determination of joint arrangements (“JAs”), the identification of the type of JA entered into as either a joint venture (“JV”) or a joint operation (“JO”) and the subsequent accounting treatment applied. IFRS 11 requires a more prescriptive principal-based approach be taken in determining the type of JA the entity participates in and removes the option for proportionately consolidating joint venture entities (“JVEs”). Under the new standards, significant changes are expected:

- (a) Five of the Combined Group’s JVEs (including Collahuasi and Antamina), currently accounted for using the equity accounting method, will no longer be classified as JVEs but rather as JOs and will therefore be proportionately consolidated.
- (b) One of the Combined Group’s JVEs (Perkoa), currently accounted for using the equity accounting method, will no longer be considered a JVE but rather a subsidiary and will therefore be fully consolidated.

As the EU has not endorsed these standards at the date of this document, the Combined Group will not be able to early adopt these policies in its 2012 financial statements or for the purposes of presenting the Historical Financial Information in the Prospectus. Although no definitive decision has yet been made, the Directors and Proposed Directors are currently of the opinion that the Combined Group will early adopt IFRS 10, 11 and 12 if permitted to do so.

	Combined Group pro forma net assets as at 31 December 2011	Adjustment <i>(US\$ million)</i>	Combined Group pro forma net assets as at 31 December 2011 (adjusted)
Note	(i)	(ii)	
Non-current assets	86,389	1,516	87,905
Current assets	55,327	678	56,005
Total assets	141,716	2,194	143,910
Non-current liabilities	41,027	1,583	42,610
Current liabilities	38,497	572	39,069
Total liabilities	<u>79,524</u>	<u>2,155</u>	<u>81,679</u>
Total net assets	<u>62,192</u>	<u>39</u>	<u>62,231</u>

Notes:

- (i) The unaudited pro forma non-current assets, current assets, total assets, non-current liabilities, current liabilities, total liabilities and net assets of the Combined Group have been extracted from the pro forma statement of net assets as at 31 December 2011 set out above.
- (ii) These adjustments show the impact on the Combined Group of the early adoption of IFRS 10, 11 and 12. The impact illustrates the expected adjustments required to the Combined Group for the consolidation of the Perkoa subsidiary and the proportionate consolidation of Collahuasi and Antamina JOs.

Section B: Accountant's Report on the Unaudited Pro Forma Financial Information of the Combined Group

Deloitte.

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Citigroup Global Markets Limited
Citigroup Centre
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31 May 2012

Dear Sirs

Glencore International plc (the "Company")

We report on the pro forma financial information (the "Pro forma financial information") set out in Part IV (*Section A: Unaudited Pro Forma Financial Information of the Combined Group*) of the Class 1 circular dated 31 May 2012 (the "Circular"), which has been prepared on the basis described in the notes, for illustrative purposes only, to provide information about how the transaction might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ending 31 December 2011. This report is required by Annex I item 20.2 of Commission Regulation (EC) No. 809/2004 (the "Prospectus Directive Regulation") as applied by Listing Rule 13.3.3R and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the "Directors") to prepare the Pro forma financial information in accordance with Annex I item 20.2 and Annex II items 1 to 6 of the Prospectus Directive Regulation as applied by Listing Rule 13.3.3R.

It is our responsibility to form an opinion, in accordance with Annex I item 20.2 of the Prospectus Directive Regulation, as to the proper compilation of the Pro forma financial information and to report that opinion to you in accordance with Annex II item 7 of the Prospectus Directive Regulation as applied by Listing Rule 13.3.3R.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to Glencore Shareholders as a result of the inclusion of this report in the Circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of or in accordance with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R (6), consenting to its inclusion in the Circular.

In providing this opinion, we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we

accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the Directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and, accordingly, should not be relied upon as if it had been carried out in accordance with those standards or practices.

Opinion

In our opinion:

- (a) the Pro forma financial information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Yours faithfully

Deloitte LLP
Chartered Accountants

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom. Deloitte LLP is the United Kingdom member firm of Deloitte Touche Tohmatsu Limited (“DTTL”), a UK private company limited by guarantee, whose member firms are legally separate and independent entities. Please see www.deloitte.co.uk/about for a detailed description of the legal structure of DTTL and its member firms.

Member of Deloitte Touche Tohmatsu Limited

PART V
ADDITIONAL INFORMATION

1 Responsibility

The Directors, whose names appear in Part I (*Letter from the Chairman of Glencore International plc*), accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 Relevant documentation

The following sections of the Prospectus are incorporated by reference into this document:

<u>Information</u>	<u>Sections of the Prospectus incorporated by reference into this document</u>	<u>Page number(s)</u>
<i>Information on Glencore</i>		
Details of the Directors' interests in Glencore Shares	Part XI (<i>Additional Information</i>), Paragraph 10 (<i>Interests of Directors, Proposed Directors and Senior Managers</i>)	310-311
Service contracts of the Directors	Part XI (<i>Additional Information</i>), Paragraph 6 (<i>Directors' and Proposed Directors' service contracts, terms of appointment and other details</i>)	303-304
Major interests in Glencore Shares	Part XI (<i>Additional Information</i>), Paragraph 11 (<i>Interests of Significant Shareholders</i>)	311-312
Related party transactions of Glencore	Part XI (<i>Additional Information</i>), Paragraph 13 (<i>Related party transactions</i>)	313
Details of Glencore's material contracts	Part XI (<i>Additional Information</i>), Paragraph 19.1 (<i>Material Contracts—Glencore material contracts</i>)	318-333
Details of Glencore's material litigation	Part XI (<i>Additional Information</i>), Paragraph 15.1 (<i>Litigation—Litigation relating to the Glencore Group</i>)	313
Significant change statement of Glencore	Part XI (<i>Additional Information</i>), Paragraph 17.1 (<i>Significant change—Glencore Group</i>)	315
<i>Information on Xstrata</i>		
Xstrata historical financial information	Part VIII (<i>Xstrata Historical Financial Information</i>)	162-276
<i>Other</i>		
Important information	Important Information	30-37

3 Working capital statement

Glencore is of the opinion that, after taking into account existing available facilities and existing cash resources, the working capital available to the Combined Group is sufficient for its present requirements, that is, for at least the next 12 months from the date of this document.

4 The New Glencore Shares

The New Glencore Shares to be issued pursuant to the Merger will be ordinary shares of US\$0.01 each in the capital of Glencore. The New Glencore Shares will be issued in registered form and will be capable of being held in both certificated and uncertificated form. Glencore Shareholders who hold their Glencore Shares in certificated form will retain their existing certificates and no replacement certificates will be issued. The New Glencore Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Glencore Shares in issue at the time the New Glencore Shares are

delivered pursuant to the Merger, including the right to receive and retain dividends and other distributions (if any) paid by reference to a record date after the Effective Date.

Fractions of New Glencore Shares will not be allotted or issued pursuant to the Merger and will be disregarded.

Application will be made to the UK Listing Authority for the New Glencore Shares proposed to be issued in connection with the Merger to be admitted to the premium segment of 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 main market for listed securities. Application will also be made to the Hong Kong Stock Exchange for the listing of, and for permission to deal in, the New Glencore Shares on the Main Board of the Hong Kong Stock Exchange. It is expected that the New Glencore Shares will be issued, and that Admission will become Effective, on the Effective Date (which is currently expected to be in the third quarter of 2012) and that Hong Kong Admission will occur on the next day following Admission that the Hong Kong Stock Exchange is open for trading in Hong Kong.

5 Proposed Directors' service contracts, terms of appointment and other details

Following the Merger, the Proposed Directors will be appointed to the board of the Combined Group with effect from the Effective Date. The terms of the Proposed Directors' service contracts and appointment letters are summarised below:

<u>Name</u>	<u>Position in the Combined Entity</u>	<u>Notice period (months)⁽¹⁾</u>	<u>Total salary/fees⁽²⁾ (£)</u>
Proposed Executive Director			
Mick Davis ⁽³⁾⁽⁴⁾⁽⁵⁾	Chief Executive Officer	12	1,501,500
Proposed Non-Executive Directors⁽⁶⁾			
Sir John Bond	Non-Executive Chairman	12	700,000
Con Fauconnier	Non-Executive Director	Three ⁽⁷⁾	109,800
Peter Hooley	Non-Executive Director	Three ⁽⁷⁾	118,200
Sir Steve Robson	Non-Executive Director	Three ⁽⁷⁾	109,800
Ian Strachan	Non-Executive Director	Three ⁽⁷⁾	119,350

Notes:

- (1) Under the Articles, all Directors must retire by rotation and seek re-election by shareholders every three years; however, it is intended that the Proposed Directors (as with the current Directors) shall each retire and submit themselves for re-election by shareholders annually.
- (2) Total fees will vary due to different roles and committees on which the various Non-Executive Directors sit.
- (3) Following the Merger, Mr Davis will be employed by Glencore Services Limited and seconded to the Combined Entity and to Glencore Exco AG. Mr Davis may terminate his employment at any time by giving 12 months' notice, such notice not to expire before the second anniversary of the Effective Date. Glencore Services Limited may terminate the employment immediately and without notice at any time after the Second Anniversary of the Effective Date. After the third anniversary of the Effective Date, in the event that Glencore Services Limited terminates the employment (either by giving notice in accordance with his contract of employment or in breach of his contract of employment) or if Mr Davis resigns for a "valid reason" in accordance with his contract of employment (see paragraph 6), Mr Davis is entitled to be paid a sum equal to 100 per cent. of his annual salary plus retirement benefits and other benefits and his previous year's bonus (plus any accrued basic salary and expenses) and to have all entitlements under his retirement benefit plans paid in accordance with the plan rules. If Glencore Services Limited terminates his employment on or before the third anniversary of the Effective Date (other than if he is dismissed for cause in accordance with his contract of employment) or if Mr Davis resigns for "valid reason" in accordance with his contract of employment, Mr Davis is entitled to an accelerated payment (or, in the case of nil cost options, the acceleration of exercise of relevant options) of any outstanding tranches of his retention bonus, as described in paragraph 6.
- (4) Mr Davis is entitled to continue to participate in the pension arrangements put in place by Xstrata, being a money purchase retirement plan which targets a defined benefit pension. Contributions are reassessed annually and are based on actuarial advice, with the objective of accumulating sufficient funds over the working lifetime of Mr Davis to provide an overall target retirement benefit that is currently intended to be equivalent to 3 per cent. of final pensionable salary per year of service (up to a maximum of 20 years) targeting retirement at age 60. The actual benefits payable from the retirement benefit plan will be based on the amount that has accumulated in the money purchase accounts. Contributions are made through a combination of payments to a registered retirement benefit plan and cash sum allowances to Mr Davis, having regard to the tax limits on contributions and benefits from registered UK retirement benefit plans (with only cash sum allowances being made after 2007). No employee contributions will be payable by Mr Davis.

- (5) Mr Davis will be entitled, at the Combined Entity's discretion, to participate in the Combined Entity's bonus arrangements from time to time. The current annual bonus opportunity for him will be 300 per cent. of annual salary mentioned above.
- (6) Proposed Non-Executive Directors will not be entitled to compensation on termination of their appointment, subject to note (7) below.
- (7) Other than Sir John Bond, the Proposed Non-Executive Directors are required to give three months' notice and their appointment will be terminated upon its expiry, but any notice served on the Proposed Non-Executive Directors by the Combined Group Board is effective immediately.

6 Management Incentive Arrangements

Each of the Xstrata key employees (as referred to in paragraph 8) (the "Xstrata key employees") along with 64 other Xstrata employees have been offered retention arrangements with the aim of ensuring they transition into the Combined Group and to ensure that each is motivated to remain in position and contribute to the execution of the Combined Group's business strategy.

Retention arrangements have been designed to ensure the agreed governance structure is sustained and its key objectives are underpinned, namely to:

- (a) ensure Xstrata Shareholders' interests are reflected in the Combined Group to balance the influence of Glencore management, who will continue to hold significant individual shareholdings in the Combined Group;
- (b) provide the optimal management structure to enable the Combined Group to execute its strategy and achieve superior returns for shareholders, reflecting the earnings contribution of the industrial assets (which, based on the 2011 financial results of Xstrata and Glencore, would have contributed 84 per cent. of 2011 EBIT); and
- (c) ensure the transaction is effected as a merger, as proposed, that harnesses the best from both companies and ensures Xstrata Shareholders continue to gain exposure to the Xstrata key employees and industry-leading operational and sustainability expertise. The Glencore Directors and the Independent Non-Executive Xstrata Directors have recognised the importance of retaining key Xstrata personnel for the on-going success of the Combined Group, in view of the following:
 - (i) the Xstrata key employees have a proven track record of shareholder value creation from managing and growing a diversified portfolio of industrial assets and transforming operational and sustainability performance. The majority of the Combined Group's earnings will be generated by mining and other industrial activities;
 - (ii) Xstrata and Glencore are developing a number of approved growth projects to increase copper equivalent volumes substantially in the period to 2015. 20 approved major projects are currently in construction with the majority due to commence production during the next two years. Project development skills are in scarce supply throughout the sector. Retention of key operational management is critical to deliver growth from the project pipeline and maximise shareholder value; and
 - (iii) the Merger is taking place during a period of intense competition from global competitors for the skills, expertise and knowledge base of Xstrata's mining executives and other key employees.

The Scheme is conditional upon, amongst other things, the passing of the resolution to approve the Management Incentive Arrangements at the Xstrata General Meeting. Accordingly, the Scheme will not become Effective if the resolution to approve the Management Incentive Arrangements is not passed at the Xstrata General Meeting.

Retention awards

Each of the Xstrata key employees and 64 other employees of the Xstrata Group have been offered retention measures to, in each case, motivate them to remain in position after the completion of the Merger and contribute to the execution of the Combined Group's business strategy. This is in addition to entitlements to salary, benefits and any discretionary performance bonuses (which are subject to the satisfaction of relevant performance conditions) that are payable pursuant to the terms of each relevant individual's revised contract of employment with the Combined Group. Details of the

maximum amounts payable to the Xstrata key employees and the other 64 Xstrata employees in relation to these retention awards are set out below under the sub-paragraph entitled “Summary of Management Incentive Arrangements” of this paragraph 6. Payment of all retention awards will be in tranches following completion of the Merger. The value of each tranche of a retention award is equal to the total of an individual’s current annual salary, pension and other benefits, and the bonus awarded in February 2012 in respect of performance during the financial year ended 31 December 2011, except in the case of Mr Zaldumbide, who does not receive retirement or other benefits. As a result, the value of each tranche of Mr Zaldumbide’s retention award is equal to 150 per cent. of his current annual salary and the bonus awarded in February 2012 in respect of performance during the financial year ended 31 December 2011. The payment of each retention award is conditional upon completion of the Merger and the individual not being dismissed for cause in accordance with his or her employment contract before the date of payment of the award.

Mr Davis’ retention award is payable in three equal tranches on the first, second and third anniversaries, respectively, of the Effective Date. Each payment will be paid as to two-thirds in cash and one-third in Glencore Shares (the number of which will be fixed by reference to their value at the Effective Date). The Glencore Shares will be delivered in the form of the grant of a nil-cost option over the fixed number of Glencore Shares which will be exercisable as to one-third on the first, second and third anniversaries, respectively, of the Effective Date and for up to ten years from the date of grant.

Mr Davis has entered into an employment agreement with the Combined Group which is conditional upon, and takes effect on, the Effective Date. Payment of Mr Davis’ award will be accelerated if his employment is terminated by the Combined Group at any time for any reason (other than if he is dismissed for cause in accordance with his contract of employment) or if Mr Davis resigns for a “valid reason” as defined in his contract of employment with the Combined Group. Details of Mr Davis’s contract of employment with the Combined Group are set out in paragraph 5.

The retention awards of the other Xstrata key employees and of the other 64 Xstrata employees are payable in two equal tranches in cash on the first and second anniversaries, respectively, of the Effective Date. In each case, retention awards are subject to the same conditions for payment as Mr Davis’ award. For these purposes, “valid reason” has a similar definition to that in Mr Davis’ employment contract with the Combined Group and includes a material change to the terms of employment and benefits or compensation, Glencore ceasing to comply with the governance structure as set out in the announcement of the Merger made on 7 February 2012 (including where Mr Davis ceases to be Chief Executive Officer of the Combined Group) and a change of control of Glencore. The maximum aggregate amount payable to the Xstrata key employees (with the exception of Mr Davis and other than Messrs Reid and Zaldumbide, as to which see below) in respect of year one under their retention awards is £16,088,493 (assuming all retention awards are ultimately paid). At the second anniversary of the closing of the Merger, a maximum of a further £16,088,493 (assuming all retention awards are ultimately paid) will be payable in aggregate. The maximum aggregate amount payable to the 64 other Xstrata employees under their retention awards is £46,447,660 at the first anniversary of closing of the Merger (assuming all retention awards are ultimately paid). A maximum of £46,447,660 will be paid at the second anniversary of the closing of the Merger (assuming all retention awards are ultimately paid).

Payments in respect of contractual provisions

The existing employment contracts of the Xstrata key employees provide for a contractual severance payment to be made if employment is terminated in certain circumstances, including if the individual terminates his employment for a “valid reason” (as defined in the contract). This includes circumstances where an employee cannot in good faith be expected to continue in employment, for example if there is a diminution in his role or duties. To secure their transition into the Combined Group, Xstrata has agreed to compensate each Xstrata key employee, with the exception of Mr Davis, by paying an amount equal to the amount to which he would have been entitled on termination of his employment for a “valid reason” under his contractual provision. Payment is conditional upon completion of the Merger and on the individual being in employment with the Combined Group on the Effective Date.

Mr Reid and Mr Zaldumbide will not be appointed to the board of the Combined Group. Accordingly, Xstrata has agreed to make a payment to “buy out” Mr Reid’s and Mr Zaldumbide’s

contractual right to receive a severance payment which may have been triggered in the circumstances of the Merger, in an amount of £5,451,848 in the case of Mr Reid and £3,942,785 in the case of Mr Zaldumbide.

In addition, arrangements structured in a similar way to those proposed for the Xstrata key employees have been put in place for 27 senior employees of the Xstrata Group, each of whom is considered to be key to the execution of the Combined Group's business strategy. These arrangements seek to ensure that none of this group of senior employees terminates his/her contract of employment with the Xstrata Group prior to the completion of the Merger. Payment to each eligible senior employee is conditional upon completion of the Merger and on the individual being in employment with the Combined Group on the Effective Date. The maximum aggregate amount payable to the Xstrata key employees (other than Messrs Reid and Zaldumbide, as to which see above) under this arrangement is £16,088,493 (assuming that they are still in employment with the Combined Group on the Effective Date), and the maximum aggregate amount payable to the aforementioned 27 senior Xstrata employees under their arrangements is £19,006,927 (assuming that they are still in employment with the Combined Group on the Effective Date). Details of the amounts payable to the Xstrata key employees and the other 64 Xstrata employees in relation to these payments and arrangements are set out below under the sub-paragraph entitled "Summary of Management Incentive Arrangements" of this paragraph 6.

Xstrata Long Term Incentive Plan and Glencore Performance Share Plan

On completion of the Merger, the Xstrata LTIP will terminate — for further detail on the terms of the Xstrata LTIP and the impact of the Merger upon awards under this plan, please refer to paragraph 7 below. Participants in the Xstrata LTIP will be eligible for awards under the Glencore Performance Share Plan, on and subject to the terms of that plan from 2013. Awards will be granted in the normal grant period following the announcement of Glencore's results for the financial year ending 31 December 2012.

Glencore has agreed to grant share awards under the Glencore Performance Share Plan to the Xstrata key employees for the financial year ending 31 December 2012, the value of which, expressed as a multiple of each individual's salary, will be at least equal to the multiple of salary represented by the share award granted to the individual under the Xstrata LTIP in February 2012. These awards will be subject to objective performance conditions over a period of at least three years. These individuals will also be eligible to participate in the Glencore Performance Share Plan in future years, albeit without a guaranteed base level of award.

The salary multiples for the awards granted to each of the Xstrata executive directors under the Xstrata LTIP in February 2012 are as follows:

Mick Davis	400%
Trevor Reid	400%
Santiago Zaldumbide	300%

Summary of Management Incentive Arrangements

Set out below is a summary of the payments to be made to the Xstrata key employees and the other 64 Xstrata employees in connection with the Management Incentive Arrangements:

	Retention awards ⁽¹⁾			Payments in respect of contractual provisions ⁽²⁾	Indicative value of award at grant under 2013 Glencore Performance Share Plan ⁽³⁾
	2013	2014	2015		
	2012				
Mr Davis ⁽⁴⁾	£9,598,475	£9,598,475	£9,598,475	N/A	£6,000,000
Mr Reid	£5,451,848	£5,451,848	N/A	£5,451,848	£3,260,000
Mr Zaldumbide	£3,942,785	£3,942,785	N/A	£3,942,785	£2,600,000
Xstrata key employees ⁽⁵⁾	£16,088,493	£16,088,493	N/A	£16,088,493	£13,750,000
Other Xstrata employees ⁽⁶⁾	£46,447,660	£46,447,660	N/A	£19,006,927	N/A

Notes:

- (1) Maximum aggregate amount payable.
- (2) Maximum aggregate amount payable.
- (3) The amounts stated are indicative only. No value is realised on completion of the Merger and relevant awards may never vest. Vesting of awards will be subject to performance conditions in line with the Combined Group's strategy. These awards will be subject to objective performance conditions over a period of at least three years. On completion of the Merger, the Xstrata LTIP will terminate. Participants in the Xstrata LTIP will be eligible for awards under the Glencore Performance Share Plan, on and subject to the terms of that plan from 2013. Amounts stated are the product of respective current annual salary converted into Sterling at prevailing foreign exchange rates and the multiple of salary awarded to the respective individuals under the Xstrata LTIP in February 2012. The value of awards granted under the Glencore Performance Share Plan in 2013 will be at least the product of respective 2013 annual salary converted into Sterling and the multiple of salary awarded to the respective individuals under the Xstrata LTIP in February 2012. In the case of Mr Davis, the relevant multiple is 400 per cent., in the case of Mr Reid, 400 per cent., in the case of Mr Zaldumbide, 300 per cent., and, in the case of the other members of Xstrata's Management, the multiple is between 285 and 400 per cent. (and, on average, 351 per cent.).
- (4) Mr Davis' retention award is payable in three equal tranches on the first, second and third anniversaries, respectively, of the Effective Date. Each payment will be paid as to two-thirds in cash and one-third in Glencore Shares (the number of which will be fixed by reference to their value at the Effective Date). The Glencore Shares will be delivered in the form of the grant of a nil-cost option over the fixed number of Glencore Shares which will be exercisable as to one-third on the first, second and third anniversaries, respectively, of the Effective Date and for up to ten years from the date of grant.
- (5) The individuals referred to in paragraph 8 excluding Messrs Davis, Reid and Zaldumbide.
- (6) 64 employees in total are eligible to receive retention awards. Of those 64 employees, 27 are eligible to receive payments in respect of contractual provisions.

7 Xstrata Share Schemes

Glencore option proposal

To enable Xstrata Share Schemes participants to remain invested in the Combined Group following the Effective Date and to encourage further alignment with shareholders' interests, Glencore is offering participants who hold share options under each of the Xstrata Share Schemes ("Xstrata Options") the opportunity to exchange, at their election, all or some of their Xstrata Options for equivalent new options over Glencore Shares ("New Glencore Options"). An Xstrata Option will be exchanged for a New Glencore Option over Glencore Shares on equivalent economic terms as existing Xstrata Options, calculated by reference to the Merger ratio and having a proportionate per share exercise price (if any) as the equivalent Xstrata Option. The New Glencore Options will be fully vested and will remain exercisable until the original expiry date of the equivalent Xstrata Options. It is expected that the trustee of the Xstrata Employee Benefit Trust will hold sufficient Xstrata Shares at the Scheme Record Time (which will be replaced by the New Glencore Shares under the terms of the Scheme) to satisfy the exercise of such New Glencore Options in the future.

Messrs Davis, Reid and Zaldumbide have also indicated that they propose to accept the "Glencore option proposal" described above and will exchange all of their vested options under the Xstrata LTIP,

the Xstrata Annual Bonus Plan and, in the case of Mr Davis only, the Xstrata Added Value Incentive Plan for New Glencore Options.

Further details on the impact of the Scheme on the Xstrata Share Schemes are set out below.

(a) Xstrata LTIP

Share awards granted under the Xstrata LTIP which have not already vested will vest upon sanction of the Scheme by the Court. On vesting, participants will receive Xstrata Shares prior to the date of the Scheme Court Order and these Xstrata Shares will be subject to the terms of the Scheme in the same way as the Xstrata Shares held by other Scheme Shareholders and will receive 2.8 New Glencore Shares for every Xstrata Share that vests under the share awards.

Share options will, to the extent not already exercisable, vest on and become exercisable upon sanction of the Scheme by the Court. Participants may choose whether to exercise their share options within the period of six months following the sanction of the Scheme by the Court or to accept the “Glencore option proposal” described above. Participants who choose to exercise their share options will receive 2.8 New Glencore Shares for each Xstrata Share to which they are entitled on exercise of their option.

The following table shows the number of share awards granted under the Xstrata LTIP as at 29 May 2012 (being the last practicable date prior to posting of this document), which have not already vested but which will vest upon sanction of the Scheme by the Court at the Scheme Court Hearing:

<u>LTIP</u>	<u>Series</u>	<u>Unvested LTIP awards</u>	<u>Exercise price (£)</u>	<u>Exercisable on or between</u>
Xstrata LTIP	2010	13,340,572	10.3086	18 February 2013—18 February 2020
Xstrata LTIP	2011	9,302,961	14.6829	18 February 2014—18 February 2021
Xstrata LTIP	2012	15,118,314	11.9371	18 February 2015—18 February 2022
Xstrata LTIP (Free Xstrata Shares)	2010	3,999,948	N/A	18 February 2013
Xstrata LTIP (Free Xstrata Shares)	2011	3,386,276	N/A	18 February 2014
Xstrata LTIP (Free Xstrata Shares)	2012	5,487,821	N/A	18 February 2015
Total		50,635,892		
Percentage of current issued ordinary share capital		1.686		

Note:

The figures for the unvested Xstrata LTIP awards set out in the table above include the unvested LTIP awards granted to the Xstrata key employees and the other 64 Xstrata employees, each of whom is participating in the Management Incentive Arrangements.

(b) Xstrata Annual Bonus Plan

Deferred bonus awards that have already been granted under previous bonus awards but that have not yet vested, will vest upon sanction of the Scheme by the Court. No additional value will arise from the Merger but awards will become available approximately 7 months and 19 months earlier than if the Merger did not take place. On vesting of the deferred bonus awards, participants will receive Xstrata Shares prior to the date of the Scheme Court Order and these Xstrata Shares will be subject to the terms of the Scheme in the same way as the Xstrata Shares held by other Scheme Shareholders and they will receive 2.8 New Glencore Shares for every Xstrata Share that vests under the deferred bonus awards.

Participants who hold nil-cost share options over Xstrata Shares may exercise those options within 30 days following sanction of the Scheme by the Court or accept the “Glencore option proposal” described above. To the extent that a participant exercises an option and acquires Xstrata Shares prior to the date of the Scheme Court Order, the Xstrata Shares acquired on exercise will be subject to the terms of the Scheme in the same way as the Xstrata Shares held by other Scheme Shareholders and participants will receive 2.8 New Glencore Shares for every Xstrata Share acquired under the share option. Participants who exercise an option after the date on which the Xstrata Articles of Association are amended will receive 2.8 New Glencore Shares for each Xstrata Share to which they are entitled on exercise of their option. This is not included in the table of Management Incentive Arrangements in paragraph 6 above.

(c) Xstrata Added Value Incentive Plan

Mr Davis holds deferred awards in the form of nil-cost options over Xstrata Shares granted on 18 April 2012 in respect of the vesting of the 2009-2012 performance cycle under the Xstrata Added Value Incentive Plan. He may exercise these options within 30 days following the sanction of the Scheme by the Court or accept the “Glencore option proposal” described above. If he exercises his options after the date on which the Xstrata Articles are amended he will receive 2.8 New Glencore Shares for each Xstrata Share. No additional value will arise from the Merger. This is not included in the table of Management Incentive Arrangements in paragraph 6 above.

8 Profiles of Xstrata key employees

Details of the key individuals important to Xstrata’s business are set out below:

<u>Name</u>	<u>Age</u>	<u>Current position</u>
Mick Davis	54	Chief Executive Officer
Trevor Reid	51	Chief Financial Officer
Peter Freyberg	53	Chief Executive of Xstrata Coal
Benny Levene	47	Xstrata Chief Legal Counsel
Thras Moraitis	49	Executive General Manager, Xstrata Group Strategy and Corporate Affairs
Peet Nienaber	61	Chief Executive of Xstrata Alloys
Ian Pearce	55	Chief Executive of Xstrata Nickel
Charlie Sartain	51	Chief Executive of Xstrata Copper
Santiago Zaldumbide	69	Chief Executive of Xstrata Zinc

Mick Davis, aged 54 (currently Chief Executive of Xstrata), was appointed to the Board of Xstrata in February 2002. Mr Davis was appointed as Chief Executive of Xstrata AG in October 2001. Previously, Mr Davis was Chief Financial Officer and an executive director of Billiton Plc, appointed in July 1997, and served as Executive Chairman of Ingwe Coal Corporation Limited from 1995 to 1999. He joined Gencor Limited in early 1994 from Eskom, the South African state-owned electricity utility, where he was an executive director. Following the Merger, he will be Chief Executive Officer of the Combined Entity.

Trevor Reid, aged 51 (currently Chief Financial Officer of Xstrata), joined Xstrata AG in January 2002 and was appointed to the Board of Xstrata as an executive director and Chief Financial Officer in February 2002. Prior to joining Xstrata, he was Global Head of Resource Banking at the Standard Bank Group. He joined the Standard Bank Group in 1997 from Warrior International Limited, a corporate finance boutique specialising in the minerals sector. Following the Merger, he will be Chief Financial Officer of the Combined Entity.

Peter Freyberg, aged 53 (currently Chief Executive of Xstrata Coal), began his career as a trainee official with Anglo American Corporation in South Africa in 1978 and completed his B.Sc. Mining Engineering degree in 1983. He gained his experience working in both underground and open pit coal operations in a variety of roles, including operations management and technical support. After leaving Anglo American in 1991, he embarked on an international career, including working with Kaltim Prima Coal in Indonesia; Hamersley Iron in Perth; Copelmi Mineração in Brazil; and Carbones del Cerrejón in Colombia. He joined Glencore following the acquisition of the Duiker assets in South Africa and was subsequently appointed Chief Operating Officer for Xstrata Coal South Africa after Xstrata’s purchase of the Glencore assets in 2002. Mr Freyberg became the Director of Operations for Xstrata Coal in April 2006. On 1 January 2008, Mr Freyberg was appointed Chief Executive of the Coal Business.

Benny Levene, aged 47 (currently Chief Legal Counsel of Xstrata), holds the degrees of Bachelor of Commerce, Bachelor of Laws and Master of Laws. Mr Levene began his career at Werksmans Attorneys in South Africa in 1989, where he became a partner in 1993 specialising in local and international mergers and acquisitions and equity and debt capital raising. While at Werksmans Attorneys, Mr Levene assisted with the initial acquisitions by Xstrata of its ferroalloys assets, and subsequently joined Xstrata AG in Switzerland in 1997. Mr Levene was involved in the structuring of the cross-border merger of Xstrata AG into Xstrata simultaneously with the listing of Xstrata on the London and Swiss Stock Exchanges in March 2002.

Thras Moraitis, aged 49 (currently Executive General Manager, Group Strategy and Corporate Affairs of Xstrata), joined Xstrata in 2003 and is responsible for the Xstrata Group's strategic development, post-acquisition integration, external affairs and investor relations as well as the Xstrata Group's technology businesses. Mr Moraitis began his career as an engineer on the Winkelhaak Gold Mine, Gencor. He then became a Global Partner in the strategy and merchant banking firm, Monitor, where he was responsible for their European, Middle East and African operations, advising governments and corporations around the world, and was involved in Monitor's private equity and venture capital activities.

Peet Nienaber, aged 61 (currently Chief Executive of Xstrata Alloys), holds both a Bachelor and Honours degree in Engineering. Mr Nienaber started his career as an Iscor bursary holder at Iscor Steelworks in Newcastle and worked for 15 years in the ferroalloy industry at both Samancor and CMI until 1988, when he became one of the founder members of what is now the Chrome Business. In 1997, Mr Nienaber was appointed Chief Executive of Xstrata's South African alloys operations.

Ian Pearce, aged 55 (currently Chief Executive of Xstrata Nickel), joined Falconbridge in August 2003 as Senior Vice-President, Projects & Engineering, leading the advancement and completion of major projects such as Koniambo and Nickel Rim, and holds a Bachelor's degree in Science from University of Witwatersrand in South Africa. He also attended the Management Advancement Programme at the same institution. Mr Pearce has over 26 years of professional experience in metallurgy and mining. Prior to joining Falconbridge, Mr Pearce acquired project management experience in the United States, Indonesia, Chile and South Africa. Among numerous assignments, he worked as the Executive Project Director of Muskeg River Oil Sands Project in Alberta for Fluor Daniel Canada Inc.

Charlie Sartain, aged 51 (currently Chief Executive of Xstrata Copper), was appointed to his current position in January 2004. He holds an Honours degree in Mining Engineering. Mr Sartain worked with MIM for more than 20 years in a range of engineering then senior management roles in both Australia and Latin America prior to taking up his current position. Mr Sartain is also a director of the Australian Government's Council on Australian-Latin American Relations, the Sustainable Minerals Institute at the University of Queensland and the International Copper Association.

Santiago Zaldumbide, aged 69 (currently Chief Executive of Xstrata Zinc and Executive Chairman of Asturiana de Zinc), was appointed to the Board of Xstrata as Executive Director in February 2002 and is also currently Chief Executive of Xstrata Zinc. He is a previous Chief Executive Officer and Director of Union Explosivos Rio Tinto and of Petroleos del Norte. In 1990, Petroleos del Norte became part of the Repsol Oil Group where Mr Zaldumbide was responsible for establishing the international structure of the enlarged Repsol Oil Group. From 1994 until 1997, he was Chief Executive Officer of Corporación Industrial de Banesto. In December 1997, he was appointed Chairman and Chief Executive Officer of Asturiana de Zinc.

9 No significant change in the financial or trading position of the Xstrata Group

There has been no significant change in the financial or trading position of the Xstrata Group since 31 December 2011, the date to which Xstrata's last published audited financial statements were prepared.

10 Litigation relating to the Xstrata Group

Save as set out below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Glencore is aware) during the year preceding the date of this document which may have, or have had in the recent past, significant effects on the financial position or profitability of Xstrata or the Xstrata Group:

Sulphuric acid class action lawsuits

Class action lawsuits have been filed in various jurisdictions in the United States with respect to alleged sulphuric acid marketing and sales antitrust violations by the Xstrata Group's former Falconbridge operations. The class action lawsuits were precipitated by a criminal investigation by US antitrust authorities into alleged anti-competitive conduct. The criminal investigation was concluded with no finding of any wrongdoing. The Xstrata Group is vigorously defending these lawsuits and has asserted that they are without merit. The plaintiffs claim actual damages in the amount of approximately US\$160 million (before trebling) plus attorney fees and costs. Under the relevant US

antitrust law, if the plaintiffs were to be successful then the actual damages assessed by the jury would be automatically trebled.

Privatisation of Cerrejón Zona Norte

Cerrejón, which is one-third held by the Xstrata Group, has two main operating companies being Cerrejón Zona Norte (“CZN S.A.”) and Carbones del Cerrejón (“CdC”). Popular Action 1032 has been made against CZN S.A. and others relating to the privatisation sale of the Colombian State’s interest in Cerrejón Zona Norte. The amount of damages sought pursuant to Popular Action 1032 is approximately US\$2.3 billion (in respect of which each Cerrejón joint venture partner, including the Xstrata Group, would be liable for an amount equal to approximately US\$766 million if the action were successful). A favourable first instance decision has been issued in this matter which concluded that all authorities acted in conformity with law and that no damage was caused to collective rights. The plaintiff has appealed this decision, and the second instance decision is still pending.

Popular Action 242 was filed by an individual, Martín Nicolás Barros Choles, against CdC and others, and also arises out of the privatisation of Cerrejón Zona Norte, alleging irregularities in the sale as it did not include the 50 per cent. rights in the properties and assets used in the Cerrejón North Zone operation. Mr Choles is requesting the court to order CdC to pay for the use and lease of 50 per cent. of the properties and assets used in the Cerrejón North Zone operation in the period up to and until November 2009, at which time all of the properties and assets of the Cerrejón project reverted to the Colombian State. The amount of damages sought pursuant to this action is approximately US\$2.4 billion (in respect of which the Xstrata Group would be liable for an amount equal to approximately US\$800 million if the action were successful).

Analtracarbocol vs. Carbocol and CZN S.A.

Analtracarbocol (Union of Carbocol) has initiated proceedings requesting annulment of the Mining Exploitation and Transfer (“MET”) contract entered into between Carbocol and CZN S.A., alleging that the tender offer for the award of the MET contract filed by Analtracarbocol was not duly considered, in violation of Article 60 of the Colombian Constitution. The total amount claimed by Analtracarbocol is an amount of approximately US\$367 million. Analtracarbocol’s claims were rejected by the relevant court in the first instance and Analtracarbocol’s appeal from this first instance decision to the Colombian Council of State is pending.

Barrancas Explosives Tax Assessment

The municipality of Barrancas has imposed a sanction of approximately US\$150 million on Cerrejón in relation to industry and commerce tax for the production of explosives, equivalent to 20 per cent. of an assumed marketing price for the relevant explosives. Cerrejón appealed the sanction to the relevant Government administrative body, which, although it upheld the imposition of a sanction, reduced the total amount payable in connection therewith to US\$81 million (by applying an exchange rate as at 30 June 2011). Cerrejón has appealed this decision and is seeking to have the sanction set aside in its entirety.

Los Azules

The matter concerns a claim by TNR Gold Corp (“TNR”) in connection with a 2004 option agreement in which MIM Argentina Exploraciones SA (“MIMEXA”), formerly part of the MIM group (which group was acquired by the Xstrata Group in 2003), was granted an option to acquire a 100 per cent. interest in the Los Azules property from TNR (which option was subsequently exercised and the Los Azules property was transferred by MIMEXA to a third party, Minera Andes). Pursuant to the terms of the 2004 option agreement, TNR retained a back-in right for up to 25 per cent. of Los Azules if MIMEXA completed a feasibility study within three years. No such feasibility study was completed but TNR nevertheless commenced proceedings against MIMEXA in 2008 seeking to assert its back-in rights. These proceedings remain on-going but alleged damages have not been quantified or specified by TNR.

The trial is scheduled to last for six weeks and is currently expected to commence in November 2012.

Sulphur trioxide class action lawsuits

A motion was filed in the Quebec Superior Court by a plaintiff alleging damages caused by sulphur trioxide accidentally released in 2004 from the CEZ refinery at Salaberry-de-Valleyfield, Quebec. The Xstrata Group has a 25 per cent. interest in CEZ, held through the Noranda Income Fund, and manages the refinery. The motion claims damages of C\$10,000 per class member on their behalf and asserts that an area with a population of some 180,000 people may have been affected by the alleged release of material. On 19 March 2012, the Quebec Superior Court granted authorisation to the plaintiff to commence a class action and prepare for formal trial proceedings, although at this stage there has been no finding on liability or on the quantum of any damages if damages were found to be payable. Xstrata is vigorously defending the claim. Environment Canada conducted a full investigation into the incident and found no wrongdoing on the part of CEZ. No charges or fines were laid against CEZ following the Environment Canada investigation of the incident. The matter is expected to proceed to trial in 2014 or 2015.

El Morro

Xstrata is a party to proceedings in the Ontario Superior Court issued by Barrick against New Gold and Gold Corp following completion of the sale of El Morro to the New Gold group. Barrick's claim alleges, among other things, that the agreement between New Gold and Goldcorp, whereby Goldcorp financed the exercise of New Gold's right of first refusal, was unlawful. Barrick is therefore seeking a primary remedy of specific performance against Goldcorp for an order that Barrick is entitled to Xstrata's former 70 per cent. interest (together with its associated rights and assets) in El Morro and, in the alternative, damages in an aggregate amount of up to approximately C\$815 million. Whilst these damages are being sought (in the alternative) against all defendants, including Xstrata, if any damages are awarded there can be no certainty that the award would not be payable solely by Xstrata.

The trial was concluded in February 2012 and the court's decision remains pending.

11 Xstrata material contracts

The following are all of the contracts (not being contracts entered into in the ordinary course of business) which have been entered into by Xstrata and/or members of the Xstrata Group within the two years immediately preceding the date of this document which are, or may be, material to the Xstrata Group or which have been entered into at any time by any member of the Xstrata Group which contain any provision under which any member of the Xstrata Group has any obligation or entitlement which is, or may be, material to the Xstrata Group as at the date of this document:

Relationship Agreement

Glencore and Xstrata entered into a relationship agreement on 20 March 2002 to regulate the continuing relationship between the parties (the "Relationship Agreement"). In particular, it ensures that:

- (a) Xstrata is capable of carrying on its business independently of Glencore as a controlling shareholder (as such term is defined in the Relationship Agreement);
- (b) transactions and relationships between Glencore (or any of its subsidiaries or affiliates) and Xstrata are at an arm's length and on normal commercial terms;
- (c) Glencore shall be entitled to nominate up to three directors or (if lower or higher) such number of directors equal to one less than the number of directors who are independent directors (which means a director who is not a director, officer or employee of any member of Glencore and is free from any business or other relationship with Glencore or any of its associates which could materially interfere with the exercise of his independent judgement in matters concerning Glencore); and
- (d) directors of Xstrata nominated by Glencore shall not be permitted to vote on any board resolution, unless otherwise agreed by the independent directors, to approve any aspect of Xstrata's involvement in or enforcement of any arrangements, agreements or transactions with Glencore or any of its subsidiaries or affiliates.

It is expressed that the Relationship Agreement terminates in the event that Glencore ceases to be a controlling shareholder of Xstrata following a sale or disposal of shares in Xstrata or if Xstrata ceases to be listed on the Official List and traded on the London Stock Exchange.

Break fee agreement

Glencore and Xstrata also entered into a reverse break fee agreement on 7 February 2012 pursuant to which Glencore has 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 the Glencore Board withdraws, amends, modifies or qualifies its recommendation of the Merger or resolves or agrees to do the same so as to cause the Merger not to proceed, save where such change in recommendation occurs, directly or indirectly, as a result of an event or events outside the control of Glencore.

The US\$6 billion multi-currency revolving credit facility

On 24 October 2011, Xstrata (Schweiz) AG, Xstrata Finance (Canada) Limited, Xstrata Canada Financial Corporation, Xstrata Finance (Dubai) Limited as borrowers and guarantors and Xstrata as guarantor and parent entered into a US\$6 billion multi-currency revolving credit facility (the “Club Facility”) with Abbey National Treasury Services plc (trading as Santander Global Banking & Markets), Australia and New Zealand Banking Group Limited, Banco Bilbao Vizcaya Argentaria, S.A., Barclays Capital, Canadian Imperial Bank of Commerce, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Commonwealth Bank of Australia, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, London Branch, HSBC Bank plc, J.P. Morgan Limited, Lloyds TSB Bank plc, Mizuho Corporate Bank, Limited, National Australia Bank Limited, Royal Bank of Canada, Standard Chartered Bank, Sumitomo Mitsui Banking Corporation, The Bank of Nova Scotia, The Bank of Tokyo-Mitsubishi UFJ, Limited, The Royal Bank of Scotland plc and the Toronto-Dominion Bank as arrangers and with Abbey National Treasury Services plc (trading as Santander Global Banking & Markets), Barclays Capital, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, London Branch, HSBC Bank plc, J.P. Morgan Limited, Lloyds TSB Bank plc, Mizuho Corporate Bank, Limited, Royal Bank of Canada, The Bank of Tokyo-Mitsubishi UFJ, Limited and The Royal Bank of Scotland plc as bookrunners and with Barclays Bank PLC as facility agent and certain banks as original lenders.

The Xstrata Group have used the Club Facility to refinance existing facilities and for general corporate purposes.

Interest is payable on the loans at the rate which is the aggregate of: (a) LIBOR or, in relation to any loan in Euro, EURIBOR; (b) mandatory costs (being regulatory costs of the lenders which are passed on to the borrowers); and (c) the relevant margin per annum, which is 0.85 per cent. but subject to adjustment, whereby if the long-term credit ratings assigned by Moody’s Investors Service, Inc./Standard & Poor’s Corporation to Xstrata are: (i) A3/A – or higher, the margin payable will be 0.60 per cent.; (ii) Baa1/BBB+, the margin payable will be 0.75 per cent.; (iii) Baa2/BBB, the margin payable will be 0.85 per cent.; or (iv) Baa3/BBB – or lower, the margin payable will be 1.00 per cent. If such rating is split, the margin shall be calculated on the lower of the two ratings unless the difference is greater than one notch, in which case the margin will be calculated by averaging the margin for the two ratings. If only one rating is assigned to Xstrata, the margin will be such rating. If Xstrata ceases to be rated by such agencies, or an event of default is continuing, the margin payable will be 1.00 per cent. The margin adjustment does not apply to loans then outstanding.

The interest payable on swingline loans is the higher of: (A) the prime commercial lending rate as determined by the facility agent at such time; and (B) 0.5 per cent. per annum plus the federal funds rate at such time. Certain commitment, agency and utilisation fees are also payable.

The Club Facility is available until one month prior to maturity. Maturity is subject to two independent extension options. If no extension option is exercised, maturity, when all amounts must be repaid, will be 24 October 2016. Subject to certain conditions, Xstrata (Schweiz) AG may request an extension of the maturity until 24 October 2017 and/or until 24 October 2018.

The Club Facility contains certain mandatory prepayment events, including: (I) illegality; and (II) a change of control of Xstrata. As the occurrence of the Merger would constitute a change of control under the Club Facility, the Xstrata Group has obtained all lender consent to a waiver of such provision and intends to amend and restate the Club Facility prior to the Effective Date.

The Club Facility contains representations, warranties and undertakings (including financial condition covenants and undertakings) and a guarantee from Xstrata, Xstrata (Schweiz) AG, Xstrata Finance (Canada) Limited, Xstrata Canada Financial Corporation and Xstrata Finance (Dubai) Limited in favour of the lenders of the Club Facility, which are typical for these types of credit agreements. It also contains customary events of default upon occurrence of which the lenders may terminate and demand repayment of the Club Facility.

Las Bambas option agreement

An option contract dated 1 October 2004 between Empresa Minera del Centro del Peru S.A. (“Centromin”) and Xstrata Peru S.A. relating to the grant of an option for a term of five years, with the potential to extend by a new option contract for a further one year.

The agreement was entered into following the Xstrata Group winning the right, in August 2004, to explore, and the option to develop, the Las Bambas copper-gold-molybdenum project in Southern Peru following an international bid process conducted by ProInversion (Peru’s Private Investment Promotion Agency).

The consideration for the initial option was US\$45.5 million plus US\$500,000 and US\$750,000 for each six months in year five and year six of the option, respectively. On the exercise of the option, Centromin agreed to execute a transfer agreement relating to the transfer of mining tenements covering approximately 35,000 hectares and including the Chalcobamba, Ferrobamba, Sulfobamba and Charcas deposits and other assets to Xstrata.

The Las Bambas copper project is within the Southern Peru copper belt, which hosts a series of major copper operations, including Toquepala and Cuajone (SPCC), the Tintaya operation and Cerro Verde (Phelps Dodge). It is located in the district of Apurimac, 260 kilometres from Cuzco. Exploration work indicated a resource in excess of 500 million tonnes and copper grades of over 1 per cent.

In September 2010, the Peruvian Government transferred the Las Bambas mining titles to the Xstrata Group following the Xstrata Group’s decision to invest US\$4.2 billion to develop the Las Bambas Project.

Option agreement relating to the Agua Rica project

In August 2011, Xstrata Copper, Goldcorp Inc. (“Goldcorp”) and Yamana Gold Inc. (“Yamana”) entered into a definitive agreement providing Minera Alumbreira Limited Sucursal Argentina (“Minera Alumbreira”) the exclusive option to acquire Yamana’s 100 per cent. interest in the Agua Rica project. Agua Rica is a feasibility stage project in the province of Catamarca, Argentina, located approximately 35 kilometres from the currently operating Alumbreira mine.

Minera Alumbreira is a joint venture operation between Xstrata Copper (manager and 50 per cent. owner), Goldcorp (37.5 per cent. owner) and Yamana (12.5 per cent. owner) that currently operates the Alumbreira mine. Under the terms of the definitive agreement, Minera Alumbreira holds an exclusive four-year option to acquire Yamana’s interest in the Agua Rica project for cumulative payments made by Goldcorp and Xstrata Copper of US\$110 million. During the option period, Minera Alumbreira will manage the Agua Rica project and fund a feasibility study and all development costs. The respective ownership interests in Minera Alumbreira would remain unchanged and apply to the Agua Rica project.

Goldcorp and Xstrata Copper made a payment of US\$20 million to Yamana on execution of the definitive agreement, in addition to the US\$10 million paid previously.

Minera Alumbreira can elect to exercise the option at any time during the four-year period. Upon approval to proceed, Yamana would receive US\$150 million and a further US\$50 million on commencement of commercial production in addition to the remaining option payments. Yamana would also retain the right to a deferred payment related to 65 per cent. of the payable gold production from Agua Rica to a maximum of 2.3 million ounces.

2011 bond issue

On 4 November 2011, Xstrata announced the launch and pricing of a US\$ denominated issue of notes (the “Notes”) in a US\$3 billion four-tranche transaction comprising three year, five year, 10 year and 30 year Notes issued through its subsidiary Xstrata Finance (Canada) Limited. The transaction covers US\$800 million 2.85 per cent. guaranteed Notes due November 2014, US\$700 million 3.60 per cent.

guaranteed Notes due January 2017, US\$1,000 million 4.95 per cent. guaranteed Notes due November 2021 and US\$500 million 6.00 per cent. guaranteed Notes due November 2041.

The Notes are guaranteed by Xstrata, Xstrata (Schweiz) AG, Xstrata Finance (Dubai) Limited and Xstrata Canada Financial Corp. The Notes have been offered and sold pursuant to Rule 144A and Regulation S of the US Securities Act.

Sukunka and JX Nippon joint venture

On 13 March 2012, Xstrata Coal and JX Nippon Oil & Energy Corporation (“JX”) announced the creation of a joint venture comprising contiguous metallurgical coal assets in the Peace River Coalfields in Western Canada. JX Nippon Oil & Energy (Australia) Pty Ltd (“JX Australia”), a subsidiary of JX, has paid US\$435 million in cash to acquire a 25 per cent. interest in Xstrata Coal British Columbia (“XCBC”). XCBC comprises a 100 per cent. interest in the following metallurgical coal assets:

- (a) First Coal tenements, acquired by Xstrata Coal in August 2011, representing over 100,000 hectares of contiguous coal licences and applications;
- (b) the Lossan coal deposit acquired by Xstrata Coal in October 2011; and
- (c) the Sukunka coal deposit, the acquisition of which was announced by Xstrata Coal on 8 March 2012 and which completed on 13 March 2012.

Xstrata Coal retains a 75 per cent. interest in XCBC and will develop, operate and manage the assets on behalf of the joint venture. Together with its 25 per cent. interest in XCBC through JX Australia, JX will be the exclusive marketing agent for First Coal and Sukunka coal sold into Japan. Xstrata Coal has combined the project formerly known as Lossan with neighbouring First Coal tenements to create an expanded open-cut coal project of significantly larger scale, now known as the Suska Coal Project (“Suska”). Technical studies indicate that the two most advanced XCBC projects, Sukunka and Suska, have the potential to produce up to approximately 9.5 million tonnes per annum. The majority of this production is expected to comprise hard coking coal with the balance expected to be PCI coal.

Sukunka has an NI 43-101 compliant coal resource of 236 million tonnes in the Measured and Indicated categories. Norwest Corporation has completed a pre-feasibility study for a longwall mine producing hard coking coal. Xstrata Coal’s technical studies indicate the potential to realise further value from the resource. Both historical exploration reports and recent studies highlight the prospectivity of the First Coal tenements for significant deposits of export quality metallurgical coals. An exploration programme is on track to commence in 2012 following receipt of approvals.

12 Consents

Citigroup Global Markets Limited, whose address is Citigroup Centre, Canada Square, London E14 5LB, has given and has not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.

Morgan Stanley & Co. Limited, whose address is 25 Cabot Square, Canary Wharf, London E14 4QA, has given and has not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.

Ernst & Young LLP has given, and has not withdrawn, its written consent to the inclusion in this document of its report set out in Part III (*Reconciliation of Financial Information on the Xstrata Group on the basis of the Accounting Policies of the Glencore Group*) in the form and context in which it appears.

Deloitte LLP has given, and has not withdrawn, its written consent to the inclusion in this document of its report set out in Part IV (*Unaudited Pro Forma Financial Information of the Combined Group*) in the form and context in which it appears.

13 Documents available for inspection

Copies of all of the documents referred to in paragraph 22 of Part XI (*Additional Information*) of the Prospectus and the consent letters referred to in paragraph 12 above are available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for a period from the date of publication of this document until Admission, at the registered office of Glencore, Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES (telephone number +44 1534 281800).

PART VI

XSTRATA SUMMARY ORE RESERVES AND MINERAL RESOURCES INFORMATION

The following is a summary Ore Reserves and Mineral Resources statement extracted without material amendment from the Mineral Resources Ore Reserves Report published by Xstrata on 10 February 2012 (the “Xstrata Group Ore Reserves and Mineral Resources Report”).

Ore Reserves and Mineral Resources in the report are reported in accordance with the JORC Code unless otherwise stated. South African Coal Ore Reserves and Mineral Resources have been reported according to SAMREC, this being similar to the JORC Code with only minor variations.

Certain Ore Reserves have been prepared in accordance with NI 43-101. The term “Ore Reserves” as defined in the JORC Code has the same meaning as “Mineral Reserves” as defined in the CIM Definition Standards. The CIM Definition Standards are incorporated, by reference, in NI 43-101.

Ore Reserve and Mineral Resource information in the tables below is based on information compiled by Competent Persons.

Each of the Competent Persons that has compiled this information has the appropriate professional membership and the relevant experience in relation to the Mineral Resources and/or Ore Reserves being reported by them to qualify as a Competent Person. Competent Persons have consented to the inclusion in the Xstrata Group Ore Reserves and Mineral Resources Report of the matters based on their information in the form and context in which it appears.

The Ore Reserves and Mineral Resources figures in the following tables are reported as at 31 December 2011, unless otherwise stated. Metric units are used throughout. All data is presented on a 100 per cent. basis. All tonnes and grade information has been rounded to reflect the relative uncertainty in the estimates; there may therefore be small differences in the totals. Mineral Resources are reported inclusive of those Mineral Resources modified to produce Ore Reserves.

In addition, life of mine information (marked in each case with an asterisk) has been included. This life of mine information was not included in, and did not form part of, the Xstrata Group Ore Reserves and Mineral Resources Report, and was therefore not reported in accordance with the JORC Code, SAMREC or CIM.

Commodity prices and exchange rates used to estimate the economic viability of Ore Reserves are based on long-term forecasts applied at the time the estimate was calculated.

Definitions for this Part VI

The following definitions (as per the JORC Code), or similar, have been applied in estimating the Ore Reserves and Mineral Resources position of the Xstrata Group disclosed within this Part VI.

Mineral Resource: a concentration or occurrence of material of intrinsic economic interest in or on the Earth’s crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

Inferred Mineral Resource: that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.

Indicated Mineral Resource: that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or

inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

Measured Mineral Resource:

that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.

Ore Reserve:

the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves.

Probable Ore Reserve:

the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

Proved Ore Reserve:

the economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

Throughout this Part VI, the following abbreviations have also been used:

APEGBC	Association of Professional Engineers and Geoscientists of BC
APEGGA	Association of Professional Engineers, Geologists and Geophysicists of Alberta
APEGNB	Association of Professional Engineers and Geoscientists of New Brunswick
APGO	Association of Professional Geoscientists of Ontario
AusIMM	Australasian Institute of Mining and Metallurgy
CV (kcal/kg)	Calorific Value, kilo calories per kilogramme
ICOG-EurGeol	Ilustre Colegio Oficial de Geólogos—European Geologist
OC	Opencast or Opencut
OGQ	Ordre des Géologues du Québec
OIQ	Ordre des Ingénieurs du Québec
MR	Mineral Resource
Mt	Million metric tonnes
OR	Ore Reserve
SACNASP	The South African Council for Natural Scientific Professions
UG	Underground

Marketable Coal Reserves represent beneficiated or otherwise enhanced coal product where modifications due to mining, dilution and processing have been considered.

Saleable Coal Reserve is the tonnage and coal quality that will be available for sale, either in the raw ROM state at a specific moisture content or after beneficiation of the ROM coal reserve has produced materials at specified qualities, moisture contents and size ranges.

Other than set out above, definitions of all the terms used in this Part VI can be found in the relevant codes.

Xstrata Alloys

South African chromite, vanadium and PGM resources and reserves in this report are reported in accordance with the JORC Code.

The Chromite, Vanadium and PGM's Mineral Resource and Ore Reserve Statement at 31 December 2011 are consistent with the JORC Code and are based on the Xstrata Alloys "Procedure for the Estimation of Mineral Resources and Ore Reserves", reference No. 10000027570.

The resource and reserve statements have been reviewed and the relevant data extracted and compiled by Pieter-Jan Gräbe, Xstrata Alloys (SACNASP).

Chrome Mineral Resources

Name of operation	Attributable interest (%)	Mining method	Commodity	Measured Mineral Resources	Indicated Mineral Resources	Measured and	Inferred Mineral Resources	Competent Person
						Indicated Mineral Resources		
Operating mines								
Waternal Mine	79.5	UG	Ore (Mt)	16.530	1.36	17.89	0.6	NM/DR
			Cr ₂ O ₃ (%)	41.20	42.5	41.3	43	
Marikana West	74.0	UG	Ore (Mt)	3.217	2.06	5.27	—	NM/DR
			Cr ₂ O ₃ (%)	42.34	42.7	42.5	—	
Kroondal Mine	79.5	UG/OC	Ore (Mt)	9.995	1.89	11.89	—	NM/DR
			Cr ₂ O ₃ (%)	42.91	42.6	42.9	—	
Kroondal Gemini	50.0	UG/OC	Ore (Mt)	9.846	7.76	17.61	0.2	NM/DR
			Cr ₂ O ₃ (%)	42.98	42.4	42.7	42	
Marikana East	74.0	UG	Ore (Mt)	3.874	1.21	5.08	0.3	NM/DR
			Cr ₂ O ₃ (%)	42.41	42.3	42.4	42	
Horizon Mine	79.5	UG/OC	Ore (Mt)	4.023	10.09	14.11	8.8	NM/DR
			Cr ₂ O ₃ (%)	44.99	44.0	44.3	45	
Boshhoek Mine	79.5	OC/UG	Ore (Mt)	0.739	16.87	17.61	—	PJG/DR
			Cr ₂ O ₃ (%)	40.38	40.4	40.4	—	
Thornccliffe Mine	79.5	UG/OC	Ore (Mt)	41.322	12.51	53.83	13.6	BS/DR
			Cr ₂ O ₃ (%)	40.46	40.9	40.6	41	
Helena Mine	79.5	UG/OC	Ore (Mt)	18.744	9.06	27.81	56.8	BS/DR
			Cr ₂ O ₃ (%)	40.53	39.5	40.2	39	
Subtotal			Ore (Mt)	108.289	62.81	171.10	80.4	
			Cr ₂ O ₃ (%)	41.33	41.4	41.4	40	
Projects								
Wonderkop	79.5	UG	Ore (Mt)	0.452	6.84	7.29	—	PJG/DR
			Cr ₂ O ₃ (%)	40.20	40.5	40.5	—	
Extension	79.5	UG	Ore (Mt)	—	12.61	12.61	—	PJG/DR
			Cr ₂ O ₃ (%)	—	40.8	40.8	—	
De Grooteboom	79.5	UG/OC	Ore (Mt)	0.808	0.66	1.47	—	BS/DR
			Cr ₂ O ₃ (%)	40.28	40.3	40.3	—	
Klipfontein/Waternal	79.5	UG	Ore (Mt)	4.476	15.78	20.26	123.4	NM/DR
			Cr ₂ O ₃ (%)	42.82	42.6	42.7	42	
Subtotal			Ore (Mt)	5.735	35.90	41.64	123.4	
			Cr ₂ O ₃ (%)	42.26	41.5	41.6	42	
Total			Ore (Mt)	114.024	98.71	212.73	203.8	
			Cr ₂ O ₃ (%)	41.38	41.5	41.4	42	

Chrome Ore Reserves

Name of operation	Attributable interest (%)	Mining method	Commodity	Proved Ore Reserves	Probable Ore Reserves	Total Ore Reserves	Competent Person
Operating mines							
Waterval Mine	79.5	UG	Ore (Mt)	10.253	1.23	11.48	NM/DR
			Cr ₂ O ₃ (%)	31.35	26.5	30.8	
Marikana West	74.0	UG	Ore (Mt)	0.973	—	0.97	NM/DR
			Cr ₂ O ₃ (%)	28.65	—	28.7	
Kroondal Mine	79.5	UG/OC	Ore (Mt)	3.227	1.66	4.89	NM/DR
			Cr ₂ O ₃ (%)	28.28	27.8	28.1	
Kroondal Gemini	50.0	UG/OC	Ore (Mt)	6.288	6.94	13.23	NM/DR
			Cr ₂ O ₃ (%)	31.49	28.7	30.0	
Marikana East	74.0	UG	Ore (Mt)	0.726	0.02	0.74	NM/DR
			Cr ₂ O ₃ (%)	28.71	27.3	28.7	
Horizon Mine	79.5	UG	Ore (Mt)	1.743	0.069	1.18	NM/DR
			Cr ₂ O ₃ (%)	34.08	28.49	33.9	
Thorncliffe Mine	79.5	UG/OC	Ore (Mt)	25.660	6.56	32.22	BS/DR
			Cr ₂ O ₃ (%)	37.90	39.1	38.2	
Helena Mine	79.5	UG/OC	Ore (Mt)	4.131	—	4.13	BS/DR
			Cr ₂ O ₃ (%)	34.96	—	35.0	
Total			Ore (Mt)	52.999	16.48	69.48	
			Cr ₂ O ₃ (%)	34.64	32.6	34.2	

Notes for Chrome Mineral Resources and Ore Reserves:

- Remaining mine life: different for each mine, ranging from 3 years to 11 years based on ore reserves and between 8 and 58 years based on mineral resources*. Expiry date of relevant mining rights: different for each mine ranging from 2022 to 2039.
- Grades are quoted as per cent. Cr₂O₃.
- The Mineral Resources are estimated as chromitite tonnages and grades to reflect the grades of the various individual chromitite layers.
- The underground Ore Reserves are reported at a minimum mining cut, which is related to the mining method and the mining equipment used. External waste is included to make up the minimum cut where applicable.
- Competent Persons

PJG = Pieter-Jan Gräbe, Xstrata Alloys, (SACNASP). Overall Responsibility for Resources and Reserves.

BS = Brian Smith, Xstrata Alloys, (PLATO). Overall Responsibility for Resources and Reserves. Brian Smith has since left the employment of Xstrata Alloys.

NM = Nathi Mntungwa, Xstrata Alloys, (SACNASP). Overall Responsibility for Resources and Reserves. Nathi Mntungwa has since left the employment of Xstrata Alloys.

DR = Dean Richards, Obsidian Consulting Services (SACNASP). Responsible for geostatistical analysis of data, Mineral Resource classification and construction of tonnage and grade block models and reporting of tonnage and grades from block models.

Vanadium Mineral Resources

Name of operation	Attributable interest (%)	Mining method	Commodity	Measured Mineral Resources	Indicated Mineral Resources	Measured and Indicated Resources	Inferred Mineral Resources	Competent Person
Operating mines								
Rhovan	74.0	OC	Magnetite Ore (Mt)	27.773	44.52	72.30	84	DR/PJG
			V ₂ O ₅ (%)	0.54	0.5	0.5	0.5	
Total			Magnetite Ore (Mt)	27.773	44.52	72.30	84	
			V ₂ O ₅ (%)	0.54	0.5	0.5	0.5	

Vanadium Ore Reserves

<u>Name of operation</u>	<u>Attributable interest</u> (%)	<u>Mining method</u>	<u>Commodity</u>	<u>Proved Ore Reserves</u>	<u>Probable Ore Reserves</u>	<u>Total Ore Reserves</u>	<u>Competent Person</u>
Operating mines							
Rhovani	74.0	OC	Magnetite Ore (Mt)	16.173	28.66	44.84	AvW/PJG
			V ₂ O ₅ (%)	0.51	0.5	0.5	
Total			Magnetite Ore (Mt)	16.173	28.66	44.84	
			V ₂ O ₅ (%)	0.51	0.5	0.5	

Notes for Vanadium Mineral Resources and Ore Reserves:

- Remaining mine life: approximately 17 years based on reserves and 53 years based on resources*. Expiry date of relevant mining right: 2027.
- Grades are quoted as per cent.V₂O₅.
- Competent Persons

PJG = Pieter-Jan Gräbe, Xstrata Alloys, (SACNASP). Overall Responsibility for Resources and Reserves.

DR = Dean Richards, Obsidian Consulting Services (SACNASP). Responsible for data validation, geostatistical analysis of data, construction of tonnage and grade block models and reporting of tonnage and grades from block models for Mineral Resource estimates.

AvW = Anton von Wielligh, A & B Global Mining, (Pr. Eng.). Responsible for pit optimisation, pit design and scheduling and the Ore Reserves estimation.

PGM Mineral Resources

<u>Name of operation</u>	<u>Attributable interest</u> (%)	<u>Mining method</u>	<u>Commodity</u>	<u>Measured Mineral Resources</u>	<u>Indicated Mineral Resources</u>	<u>Measured and Indicated Resources</u>	<u>Inferred Mineral Resources</u>	<u>Competent Person</u>
Operating mines/ projects								
Mototolo JV	37.0	UG/OC	UG2 Ore (Mt)	19.532	12.98	32.56	9.9	BS/DR/CL
			3PGE + Au (g/t)	4.01	4.7	4.3	4.1	
Eland Platinum	73.99	UG/OC	UG2 Ore (Mt)	44.666	31.71	76.37	76.5	DN/DR/CL
			3PGE + Au (g/t)	4.42	4.0	4.2	4.5	
Zilkaatsnek	100	UG/OC	UG2 Ore (Mt)	—	3.39	3.39	0.1	DN/DR/CL
			3PGE + Au (g/t)	—	2.5	2.5	2.4	
Schietfontein	70	UG/OC	UG2 Ore (Mt)	—	1.50	1.50	21.2	DN/DR/CL
			3PGE + Au (g/t)	—	2.2	2.2	2.3	
Total			UG2 Ore (Mt)	64.198	49.57	113.82	107.8	
			3PGE + Au (g/t)	4.30	4.0	4.2	4.0	

PGM Ore Reserves

<u>Name of operation</u>	<u>Attributable interest</u> (%)	<u>Mining method</u>	<u>Commodity</u>	<u>Proved Ore Reserves</u>	<u>Probable Ore Reserves</u>	<u>Total Ore Reserves</u>	<u>Competent Person</u>
Operating mines/projects							
Mototolo JV	37	UG/OC	UG2 Ore (Mt)	11.877	1.21	13.08	BS/DR
			3PGE + Au (g/t)	3.47	3.78	3.5	
Eland Platinum	73.99	UG/OC	UG2 Ore (Mt)	9.978	6.03	16.01	DN/DR
			3PGE + Au (g/t)	3.16	2.68	3.0	
Zilkaatsnek	100	UG/OC	UG2 Ore (Mt)	—	0.03	0.03	DN/DR
			3PGE + Au (g/t)	—	1.6	1.6	
Schietfontein	70	UG/OC	UG2 Ore (Mt)	—	—	—	DN/DR
			3PGE + Au (g/t)	—	—	—	
Total			UG2 Ore (Mt)	21.855	7.27	29.12	
			3PGE + Au (g/t)	3.33	2.9	3.2	

Notes for PGM Mineral Resources and Ore Reserves:

- Remaining mine life: different for each mine, ranging from 12 years to 39 years based on resources*. Expiry date of relevant mining rights: 2039.
- Grades are quoted as 3PGE + Au (Platinum, Palladium, Rhodium and Gold).
- Competent Persons
BS = Brian Smith, Xstrata Alloys, (PLATO). Overall Responsibility for Resources and Reserves.
DN = Daneal Nieuwoudt, Xstrata Alloys (SACNASP). Overall Responsibility for Resources and Reserves.
DR = Dean Richards, Obsidian Consulting Services (SACNASP). Responsible for data validation, construction of tonnage and grade block models and reporting of tonnage and grades from block model.
CL = Carina Lemmer, Geological & Geostatistical Services (SACNASP). Responsible for geostatistical analysis of data and classification of Mineral Resources.

Silica Mineral Resources

<u>Name of operation</u>	<u>Attributable interest</u> (%)	<u>Mining method</u>	<u>Commodity</u>	<u>Measured Mineral Resources</u>	<u>Indicated Mineral Resources</u>	<u>Measured and Indicated Resources</u>	<u>Inferred Mineral Resources</u>	<u>Competent Person</u>
Operating mine								
Rietvly	79.5	OC	Quartzite Ore (Mt)	—	25.18	25.18	—	PJG
			SiO ₂ (%)	—	91	91	—	
Total			Quartzite Ore (Mt)	—	25.18	25.18	—	
			SiO ₂ (%)	—	91	91	—	

Notes for Silica Mineral Resources:

- Remaining mine life: approximately 50 years based on resources*. Expiry date of relevant mining right: 2037.
- Grades are quoted as per cent. SiO₂.
- Competent Person
PJG = Pieter-Jan Gräbe, Xstrata Alloys (SACNASP). Overall Responsibility for Resources.

Xstrata Coal

Australian coal resources and reserves are estimated and presented in accordance with the JORC Code. South African and Colombian coal resources and reserves are estimated and presented in accordance with SAMREC and the JORC Code. Canadian coal resources and reserves have been prepared in accordance with the CIM Definition Standards and with reference to GSA Paper 88-21, "A Standardised Coal Resource/Reserve Reporting System for Canada".

The Xstrata Coal Reserve and Coal Resource Statement at 31 December 2011 is consistent with these codes and is based on the Xstrata Coal Resource and Reserve Estimation and Reporting Standard, Version 30/06/2010.

Coal resources have been estimated for potentially mineable seams within mining leases or exploration licences and are limited by major cadastral, geological and economical boundaries. Coal resources exclude areas where the seam has been affected by igneous bodies, extracted by mining and areas where coal has been sterilised by mining to 31 December 2011. Minor heat-affected coal resources (low volume) are included at a number of Queensland coal projects. Resources do not include out-of-seam dilution. Underground resources are typically reported on a full seam or working section basis, and may contain a small amount of intra-seam partings material.

The resource and reserve estimates are compiled and verified by Raymond Howard, Xstrata Coal.

Australia Coal Resources—New South Wales

<u>Name of operation</u>	<u>Attributable interest</u> (%)	<u>Commodity</u>	<u>Measured Coal Resources</u>	<u>Indicated Coal Resources</u>	<u>Inferred Coal Resources</u>	<u>Competent Person</u>
Oakbridge Group		Thermal Coal (Mt)	1,235	655	1,150	
Bulga Complex	68.3	Thermal Coal (Mt)	1,200	570	800	PG
		CV (kcal/kg)	5,800	5,750		
Baal Bone	74.1	Thermal Coal (Mt)	15	15	150	JMB
		CV (kcal/kg)	5,750	6,200		
Running Stream	78.0	Thermal Coal (Mt)	20	70	200	JHB
		CV (kcal/kg)	5,300	5,200		
Macquarie Coal Joint Venture	80	Thermal Coal (Mt)	77	120	20	
West Wallsend		Thermal Coal (Mt)	75	25	—	CFP
		CV (kcal/kg)	5,700	5,300	—	
Westside		Thermal Coal (Mt)	—	—	—	CFP
		CV (kcal/kg)	—	—	—	
Cardiff Borehole		Thermal Coal (Mt)	—	10	20	CFP
		CV (kcal/kg)	—	5,700		
Teralba		Thermal Coal (Mt)	2	85	—	CFP
		CV (kcal/kg)	6,000	6,000	—	
Mitchells Flat	100	Thermal Coal (Mt)	—	120	400	CFP
		CV (kcal/kg)	—	5,300		
Liddell	67.5	Thermal Coal (Mt)	100	200	400	PH
		CV (kcal/kg)	6,050	6,150		
Mount Owen Complex	100.0	Thermal Coal (Mt)	210	110	170	
Mount Owen		Thermal Coal (Mt)	80	60	80	RH
		CV (kcal/kg)	6,500	6,400		
Ravensworth East		Thermal Coal (Mt)	50	10	—	PH
		CV (kcal/kg)	5,500	5,300	—	
Glendell		Thermal Coal (Mt)	80	40	90	KJW
		CV (kcal/kg)	6,000	6,000		
United	95.0	Thermal Coal (Mt)	250	220	600	RMD
		CV (kcal/kg)	6,200	6,100		
Ulan	90.0	Thermal Coal (Mt)	320	430	2,800	RMD
		CV (kcal/kg)	6,600	5,000		
Ravensworth Group		Thermal Coal (Mt)	475	230	100	
Narama	100	Thermal Coal (Mt)	30	—	—	ST
		CV (kcal/kg)	5,900	—	—	
Ravensworth West	90	Thermal Coal (Mt)	85	—	—	ST
		CV (kcal/kg)	5,800	—	—	
Ravensworth North	90	Thermal Coal (Mt)	360	230	100	ST
		CV (kcal/kg)	5,900	6,000		
Mangoola	100.0	Thermal Coal (Mt)	150	30	1,300	ST
		CV (kcal/kg)	5,250	5,350		
Tahmoor Complex	100.0	Coking Coal (Mt)	55	140	250	

<u>Name of operation</u>	<u>Attributable interest</u> (%)	<u>Commodity</u>	<u>Measured Coal Resources</u>	<u>Indicated Coal Resources</u>	<u>Inferred Coal Resources</u>	<u>Competent Person</u>
Tahmoor		Coking Coal (Mt)	55	45	120	BC
Bargo		Coking Coal (Mt)	—	95	130	BC
Ravensworth UG	70.0	Thermal Coal (Mt)	300	180	350	PH
		CV (kcal/kg)	<u>5,850</u>	<u>5,450</u>	—	
Resources Subtotal— New South Wales		(Mt)	<u>3,172</u>	<u>2,435</u>	<u>7,540</u>	

Australia Coal Resources—Queensland

<u>Name of operation</u>	<u>Attributable interest</u> (%)	<u>Commodity</u>	<u>Measured Coal Resources</u>	<u>Indicated Coal Resources</u>	<u>Inferred Coal Resources</u>	<u>Competent Person</u>
Oaky Creek	55.0	Coking Coal (Mt)	320	180	140	RJH
Redrock EPCs	75.0	Coking Coal (Mt)	—	6	20	RJH
Newlands-Collinsville-Abbot-Point	55.0	Coking/Thermal Coal (Mt)	450	445	965	
Newlands, Suttor, Eastern (RCM)		Coking Coal (Mt)	10	10	20	JT
		Thermal Coal (Mt)	310	90	360	JT
		CV (kcal/kg)	5,700	5,750		
Wollombi (MCM)		Coking Coal (Mt)	10	30	65	JT
		Thermal Coal (Mt)	20	60	95	JT
		CV (kcal/kg)	4,800	4,700		
Sarum		Coking Coal (Mt)	30	10	60	JT
		Thermal Coal (Mt)	—	70	260	JT
		CV (kcal/kg)	—	5,450		
Collinsville		Coking Coal (Mt)	20	75	35	MB
		Thermal Coal (Mt)	50	100	70	MB
		CV (kcal/kg)	5,900	6,100		
Cook	100.0	Coking/Thermal Coal (MT)	—	105	940	KJW
Rolleston	75.0	Thermal Coal (Mt)	170	285	265	
Rolleston ML		Thermal Coal (Mt)	155	65	15	JT
		CV (kcal/kg)	5,800	5,700		
Rolleston MDL & EPCs		Thermal Coal (Mt)	15	220	250	JT
		CV (kcal/kg)	5,800	5,700		
Togara North	70.0	Thermal Coal (Mt)	370	250	800	TP
		CV (kcal/kg)	6,350	6,000		
Wandoan	75.0	Thermal Coal (Mt)	1,252	1,140	3,550	
Wandoan MDLs		Thermal Coal (Mt)	1,250	570	1,350	RJ
		CV (kcal/kg)	5,200	5,050		
Wandoan EPCs		Thermal Coal (Mt)	2	570	2,200	RJ
		CV (kcal/kg)	<u>5,300</u>	<u>5,400</u>	<u>2,200</u>	RJ
Resources Subtotal— Queensland		(Mt)	<u>2,562</u>	<u>2,411</u>	<u>6,680</u>	
Resources Total—Coal Australia		(Mt)	<u>5,734</u>	<u>4,846</u>	<u>14,220</u>	

Australia Coal Reserves—New South Wales

Name of operation	Attributable interest (%)	Mining method	Coal type	Coal Reserves		Marketable Coal Reserves		Total Marketable Coal Reserves	Competent Person
				Proved	Probable	Proved	Probable		
Oakbridge Group . . .			Thermal Coal (Mt)	326	31	221	22	243	
Bulga OC	68.3	OC	Thermal Coal (Mt)	186	11	127	7	134	NB
			CV (kcal/kg)			6,350	6,300	6,350	
Bulga UG	68.3	UG	Thermal Coal (Mt)	140	21	94	15	109	NB
			CV (kcal/kg)			6,840	6,840	6,840	
Maquarie Coal Joint Venture	80.0		Thermal Coal (Mt)	10	17	7	12	19	
West Wallsend		UG	Thermal Coal (Mt)	10	17	7	12	19	JW
			CV (kcal/kg)			6,150	6,050	6,100	
Liddell	67.5	OC	Thermal Coal (Mt)	47	22	30	14	44	NB
			CV (kcal/kg)			6,600	6,600	6,600	
Mount Owen Complex	100.0		Thermal Coal (Mt)	95	8	64	4	68	
Mount Owen		OC	Thermal Coal (Mt)	49	5	32	2	34	STH
			CV (kcal/kg)			6,750	6,700	6,750	
Ravensworth East . . .		OC	Thermal Coal (Mt)	6	—	4	—	4	STH
			CV (kcal/kg)			6,300	—	6,300	
Glendell		OC	Thermal Coal (Mt)	40	3	28	2	30	STH
			CV (kcal/kg)			6,650	6,650	6,650	
United	95.0		Thermal Coal (Mt)	—	84	—	56	56	
United OC		OC	Thermal Coal (Mt)	—	48	—	32	32	DL
			CV (kcal/kg)			—	6,400	6,400	
United A444		UG	Thermal Coal (Mt)	—	36	—	24	24	NB
			CV (kcal/kg)			—	6,400	6,400	
Ulan	90.0		Thermal Coal (Mt)	192	2	178	1	180	
Ulan #3 UG		UG	Thermal Coal (Mt)	77	—	68	—	68	NB
			CV (kcal/kg)			6,600	—	6,600	
Ulan West UG		UG	Thermal Coal (Mt)	106	—	104	—	104	NB
			CV (kcal/kg)			6,600	—	6,600	
Ulan Waratah OC . . .		OC	Thermal Coal (Mt)	9	2	6	1	8	DL
			CV (kcal/kg)			5,750	5,700	5,700	
Ravensworth Group . .			Thermal Coal (Mt)	270	12	189	9	198	
Narama	100	OC	Thermal Coal (Mt)	7	—	7	—	7	DT
			CV (kcal/kg)			5,450	—	5,450	
Ravensworth West . . .	90	OC	Thermal Coal (Mt)	38	—	27	—	27	DT
			CV (kcal/kg)			5,950	—	5,950	
Ravensworth North . .	90	OC	Thermal Coal (Mt)	225	12	155	9	164	DT
			CV (kcal/kg)			5,950	5,950	5,950	
Mangoola	100.0	OC	Thermal Coal (Mt)	140	12	102	9	111	MW
			CV (kcal/kg)			5,650	5,650	5,650	
Tahmoor Complex . . .	100.0			24	25	20	21	41	
Tahmoor		UG	Coking Coal (Mt)	24	3	20	2	22	REH
			Ash (%)			8.5	8.5	8.5	
Bargo		UG	Coking Coal (Mt)	—	22	—	19	19	NB
			Ash (%)			—	9.5	9.5	
Ravensworth UG	70.0	UG	Thermal Coal (Mt)	48	1	32	1	33	RSH
			CV (kcal/kg)			6,000	6,000	6,000	
Reserves Subtotal— New South Wales . . .			(Mt)	<u>1,152</u>	<u>214</u>	<u>843</u>	<u>149</u>	<u>993</u>	

Australia Coal Reserves—Queensland

Name of operation	Attributable interest (%)	Mining method	Coal type	Coal Reserves		Marketable Coal Reserves		Total Marketable Coal Reserves	Competent Person
				Proved	Probable	Proved	Probable		
Oaky Creek	55.0		Coking Coal (Mt)	102	97	73	71	144	
Oaky No. 1		UG	Coking Coal (Mt)	13	7	10	5	15	POG
			Ash (%)			9.5	9.5	9.5	
Oaky North		UG	Coking Coal (Mt)	89	41	63	27	90	POG
			Ash (%)			9.5	9.5	9.5	
Oaky Acacia OC . . .		OC	Coking Coal (Mt)	—	49	—	39	39	LF
			Ash (%)				9.5	9.5	
Newlands-Collinsville-Abbot Point	55.0		Coking/Thermal Coal (Mt)	117	92	84	67	151	
Newlands OC		OC	Coking Coal (Mt)	19	16	11	10	21	LF
			Ash (%)			9.5	10	9.7	
		OC	Thermal Coal (Mt)	36	30	25	24	49	LF
			CV (kcal/kg)			6,300	6,300	6,300	
Newlands UG		UG	Thermal Coal (Mt)	15	22	11	15	26	POG
			CV (kcal/kg)			6,300	6,300	6,300	
Collinsville OC		OC	Coking Coal (Mt)	15	7	10	5	15	IN
			Ash (%)			9.3	9.7	9.5	
		OC	Thermal Coal (Mt)	32	17	27	13	40	IN
			CV (kcal/kg)			6,050	5,900	6,000	
Rolleston	75.0		Thermal Coal (Mt)	137	170	137	170	307	
Rolleston		OC	Thermal Coal (Mt)	137	34	137	34	171	RM
			CV (kcal/kg)			5,750	5,400	5,650	
Rolleston West		OC	Thermal Coal (Mt)	—	136	—	136	136	RM
			CV (kcal/kg)				5,600	5,600	
Togara North	70.0	OC	Thermal Coal (Mt)	140	27	140	22	162	SB
			CV (kcal/kg)			6,400	5,900	6,300	
Wandoan	75.0	OC	Thermal Coal (Mt)	780	240	560	170	730	PP
			CV (kcal/kg)			5,900	5,900	5,900	
Reserves Subtotal—Queensland			(Mt)	<u>1,276</u>	<u>626</u>	<u>994</u>	<u>500</u>	<u>1,494</u>	
Reserves Total—Coal Australia			(Mt)	<u>2,428</u>	<u>840</u>	<u>1,837</u>	<u>649</u>	<u>2,487</u>	

Notes for Australia Coal Resources and Reserves:

- Remaining mine life: different for each mine, ranging from 5 years to 28 years*. Expiry date of relevant mining/concession licences: different for each mine ranging from 2008 (renewal has been applied for and a decision is pending) to 2033.
- Reserves and Marketable Reserves are quoted on an “as-received” moisture basis.
- Resource tonnes have been reported using an appropriate in situ moisture basis for each deposit, ranging from 3 per cent. to 10 per cent. in situ moisture excluding Wandoan (12 per cent. in situ moisture) and Rolleston (18 per cent. in situ moisture).
- Coal Resource qualities are reported at in situ moisture basis and Coal Reserve qualities are reported at a gross as received basis.
- Coal Resources have been re-estimated in 2011 for inclusion in this summary table except where otherwise stated. Revision of the totals includes changes to classifications of Resource status due to exploration, geological reinterpretation and remodelling, and changes to lease holdings.
- Competent Persons
 BC = Barry Clark, Technical Services Consultant, Bureau Veritas (AusIMM)
 CFP = Charles Parbury, Director, McElroy Bryan Geological Services Pty Ltd, Consulting Geologists (AusIMM)
 DL = David Lennard, General Manager Opencast, Palaris (AusIMM)
 DT = Darryn Tracy, Senior Mining Engineer, Ravensworth Operations, Xstrata Coal New South Wales (AusIMM)

IN = Ian Neilsen, Principal Mining Engineer, Xstrata Coal Queensland (AusIMM)
 JHB = John Bryan, Director, McElroy Bryan Geological Services Pty Ltd, Consulting Geologists (AusIMM)
 JMB = Janet Bartolo, Senior Geologist, McElroy Bryan Geological Services Pty Ltd (AusIMM)
 JT = John Terrill, Principal Resource Geologist, Xstrata Coal Queensland (AIG)
 JW = Jillian Wright, Technical Consultant, Consulting Services NSW (AusIMM)
 KJW = Kerry Whitby, Managing Director, McElroy Bryan Geological Services Pty Ltd, Consulting Geologists (AusIMM)
 LF = Lindsay Ford, Technical Services Manager Opencut, Xstrata Coal Queensland (AusIMM)
 MB = Mal Blaik, Principal Consultant, JB Mining Services Pty Ltd. (AusIMM)
 MW = Mark Williams, Technical Services Manager Mangoola, Xstrata Coal New South Wales (AusIMM)
 NB = Nicole Brook, Group Manager, Technical and Business Development, Xstrata Coal NSW (AusIMM)
 PG = Peter Graham, Senior Geologist, Bulga Coal (AusIMM)
 PH = Paul Harrison, Senior Geologist, McElroy Bryan Geological Services Pty Ltd (AusIMM)
 POG = Paul O'Grady, Technical Services Manager Underground, Xstrata Coal Queensland (AusIMM)
 PP = Philip Price, Wandoan Project Manager—Operations, Xstrata Coal Queensland (AusIMM)
 REH = Raymond Howard, Manager Mine Planning & Technical, Xstrata Coal Sydney (AusIMM)
 RJH = Richard Hingst, Senior Resource Geologist, Moultrie Group (AusIMM)
 RH = Ruth Henwood, Geologist, McElroy Bryan Geological Services Pty Ltd, Consulting Geologists (AusIMM)
 RJ = Rowan Johnson, Senior Geologist, McElroy Bryan Geological Services Pty Ltd, Consulting Geologists (AusIMM)
 RMD = Robert Dyson, Senior Geologist, McElroy Bryan Geological Services Pty Ltd, Consulting Geologists (AusIMM)
 RM = Robert Molan, Senior Mining Engineer, Rolleston, Xstrata Coal Queensland (AusIMM)
 RSH = Scott Hobden, Technical Services Manager, Xstrata Ravensworth UG (AusIMM)
 SB = Shaun Barker, Senior Mining Engineer, Togara North Project, Xstrata Coal Queensland (AusIMM)
 STH = Shane Holmes, Technical Services Manager, Xstrata Mt Owen (AusIMM)
 ST = Shaun Tamplin, Principal Consultant, Tamplin Resources (AusIMM)
 TP = Toby Prior, Senior Resource Geologist, Togara North Project, Xstrata Coal Queensland (AusIMM)

South Africa Coal Resources

<u>Name of operation</u>	<u>Attributable interest</u> (%)	<u>Commodity</u>	<u>Measured Coal Resources</u>	<u>Indicated Coal Resources</u>	<u>Inferred Coal Resources</u>	<u>Competent Person</u>
Operations						
Twefontein	79.8	Thermal Coal (Mt) CV (kcal/kg)	770 5,200	— —	15	MS
Twefontein South	79.8	Thermal Coal (Mt) CV (kcal/kg)	230 5,200	62 4,300	37	MS
Goedgevonden Complex	74.0	Thermal Coal (Mt) CV (kcal/kg)	580 4,500	24 4,850	—	MS
iMpunzi North	79.8	Thermal Coal (Mt) CV (kcal/kg)	270 5,550	34 6,250	6	MS
iMpunzi East	79.8	Thermal Coal (Mt) CV (kcal/kg)	150 5,350	5 5,700	11	MS
Resources Subtotal—Current						
Operations		(Mt)	2,000	125	69	
Undeveloped/Projects						
Oogiesfontein	100.0	Thermal Coal (Mt) CV (kcal/kg)	36 4,700	40 4,850	—	MS
Elandspruit	100.0	Thermal Coal (Mt) CV (kcal/kg)	30 5,000	— —	—	MS
Zonnebloem	100.0	Thermal Coal (Mt) CV (kcal/kg)	210 5,100	30 4,700	5	MS
Paardekop	100.0	Thermal Coal (Mt) CV (kcal/kg)	— —	450 5,400	400	MS

Name of operation	Attributable interest	Commodity	Measured Coal Resources	Indicated Coal Resources	Inferred Coal Resources	Competent Person
	(%)					
Undeveloped Resources	100.0	Thermal Coal (Mt) CV (kcal/kg)	— —	12 5,000	190 —	MS
Resources Subtotal— Undeveloped/Projects		(Mt)	<u>276</u>	<u>532</u>	<u>595</u>	
Resources Total—Coal South Africa		(Mt)	<u>2,276</u>	<u>657</u>	<u>664</u>	

South Africa Coal Reserves

Name of operation	Attributable interest	Mining method	Coal type	Extractable Coal Reserves		Saleable Coal Reserves		Total Saleable Coal Reserves	Competent Person
				Proved	Probable	Proved	Probable		
	(%)								
Operations									
Twefontein North	79.8	UG/OC	Thermal (Mt)	182	39	97	29	126	TH
			Export (Mt)			69	21	90	
			CV (kcal/kg)			5,900	5,900	5,900	
			Domestic (Mt)			28	8	36	
Twefontein South	79.8	UG/OC	Thermal (Mt)	11	50	6	29	35	TH
			Export (Mt)			5	25	30	
			CV (kcal/kg)			6,000	6,000	6,000	
			Domestic (Mt)			1	4	5	
Goedgevonden Complex . .	74.0	OC	Thermal (Mt)	273	76	170	28	198	RR
			Export (Mt)			106	6	112	
			CV (kcal/kg)			6,000	6,000	6,000	
			Domestic (Mt)			64	22	86	
iMpunzi North	79.8	OC	Thermal (Mt)	78	3	44	1	45	RR
			Export (Mt)			40	1	41	
			CV (kcal/kg)			5,900	5,900	5,900	
			Domestic (Mt)			4	—	4	
iMpunzi East	79.8	OC	Thermal (Mt)	140	3	79	2	81	RR
			Export (Mt)			76	2	78	
			CV (kcal/kg)			5,900	5,900	5,900	
			Domestic (Mt)			3	—	3	
Zonnebloem	79.8	OC	Thermal (Mt)	—	143	—	100	100	RR
			Export (Mt)			—	57	57	
			CV (kcal/kg)			—	5,900	5,900	
			Domestic (Mt)			—	43	43	
			CV (kcal/kg)	—	—	—	5,135	5,135	
Reserves Subtotal—Coal South Africa									
			(Mt)	<u>684</u>	<u>314</u>	<u>396</u>	<u>189</u>	<u>586</u>	

Notes for South Africa Coal Resources and Reserves:

- Remaining mine life: different for each mine, ranging from 5 years to 30 years*. Expiry date of relevant mining/concession licences: different for each mine ranging from 12 February 2012 to 18 August 2040.
- Valid prospecting rights have been issued for all the undeveloped Coal Resources. Some prospecting rights are being renewed, while application has been made for a number of mining rights.
- Coal Resources have been re-estimated in 2011 for inclusion in this summary table except where otherwise stated. Revision of the totals include changes to classifications of Resource status due to exploration, geological reinterpretation and remodelling, and changes to lease holdings.

- Coal Resources qualities are reported at an air dried moisture basis and Coal Reserves are reported at a net as received moisture basis.

- Competent Persons

MS = Marius Smith; B.Sc. Honours Geology; SACNASP; Group Coal Geologist, Xstrata Coal South Africa (6 years)—Management of entire geological function including production and exploration, geological modelling, Resource estimation and assessment, new business development initiatives including local and Africa. Divisional Geologist, Xstrata Coal South Africa (2 years)—Manage geological function at 8 operating collieries; Senior Project Geologist, Anglo Coal (4 years)—Manage exploration programmes and geological modelling.

RR = Rohan Roach; B.Com; BTech Mine Engineering; Coal Mine Managers Certificate of Competency, Metalliferous Mine Managers Certificate of Competency; SAIMM, ECSA; Group Mining Engineer, Xstrata Coal South Africa (1.5 years)—Life-of-mine planning and reserve estimation of new projects; Technical Services Manager, Xstrata Coal South Africa (3 years)—Short, medium and life-of-mine planning, reserve estimation and reconciliation; Technical Services Manager & Planning Mine Overseer, BHP Billiton (7 years)—Short, medium and life-of-mine planning, reserve estimation and reconciliation; Onsetter, Miner, Shift boss, Mine Overseer, acting Production Manager, Rand Gold, BHP Billiton & Xstrata (6 years)—Management of production units underground and open pit dragline and minipit truck shovel operations.

TH = Trevor Howard; B.Eng. Mining; Coal Mine Managers Certificate of Competency; SAIMM; Group Mining Engineer, Xstrata Coal South Africa (3 years)—Life-of-mine planning for Tweefontein, reserve estimation and reconciliation, element leader for mining related elements of the Tweefontein Project studies; Technical Services Manager, Xstrata Coal South Africa (3.5 years)—Short, medium and life-of-mine planning for underground and opencast, production forecasting, economic consideration of various short-term initiatives; Long Term Planning Manager, Sasol Mining (1.5 years)—Short, medium and life-of-mine planning, monthly reconciliations, economic evaluations of options to link up adjacent mine; Miner, Shift boss, Mine Overseer & Underground Manager, Sasol Mining (5 years)—Management of production units underground coal mining.

Americas Coal Resources—Colombia

Name of operation	Attributable interest (%)	Commodity	Measured Coal Resources	Indicated Coal Resources	Inferred Coal Resources	Competent Person
Carbones del Cerrejón	33.3	Thermal Coal (Mt) CV (kcal/kg)	3,200 6,550	1,150 6,550	800 —	GH
Resources Total—Colombia		(Mt)	<u>3,200</u>	<u>1,150</u>	<u>800</u>	

Americas Coal Reserves—Colombia

Name of operation	Attributable interest (%)	Mining method	Coal type	Extractable Coal Reserves		Saleable Coal Reserves		Total Saleable Coal Reserves	Competent Person
				Proved	Probable	Proved	Probable		
Carbones del Cerrejón	33.3	OC	Thermal Coal (Mt) CV (kcal/kg)	720 —	85 —	700 6,200	80 6,200	780 6,200	GH
Reserves Total—Colombia			(Mt)	<u>720</u>	<u>85</u>	<u>700</u>	<u>80</u>	<u>780</u>	

Canada Coal Resources

Name of operation	Attributable interest (%)	Commodity	Measured Coal Resources	Indicated Coal Resources	Inferred Coal Resources	Competent Person
Donkin Mine	75.0	Coking/Thermal Coal (Mt) CV (kcal/kg)	— —	230 7,400	250 —	KJW
Lossan Coal Area	100.0	Coking/Thermal Coal (Mt)	108	77	50	GJ
Resources Total—Canada		(Mt)	<u>108</u>	<u>307</u>	<u>300</u>	

Canada Coal Reserves

Name of operation	Attributable interest (%)	Mining method	Coal type	Extractable Coal Reserves		Saleable Coal Reserves		Total Saleable Coal Reserves	Competent Person
				Proved	Probable	Proved	Probable		
Donkin Mine	75.0	UG	Coking/Thermal Coal (Mt)	—	58	—	48	48	LP
			CV (kcal/kg)	—	—	—	7,200	7,200	
Reserves Total—Canada .			(Mt)	<u>—</u>	<u>58</u>	<u>—</u>	<u>48</u>	<u>48</u>	

Notes for Americas and Canada Coal Resources and Reserves:

- Remaining mine life is estimated to be 20 years*. Expiry date of relevant mining/concession licences: different for each mine ranging from 1 year to 20 years.
- Reserves are ROM Reserves—as mined reserves taking into account geological losses, mining losses, contamination and as mined moisture adjustments. Reserves are reported on a ROM moisture basis. Resources are reported on an in situ moisture basis.
- Saleable Reserves: as sold basis are Reserves adjusted for yield losses in the preparation plant (if applicable) and converted to a saleable moisture basis. The Coal Resource and Coal Reserve estimates tabulated above are stated on a total mine basis as at 31 December 2011.
- Coal Resource qualities are reported at *in situ* moisture basis and Coal Reserve qualities are reported at a gross as received basis.
- Americas (Colombia) Resources are Gross Tons *In Situ* Resources (GTIS). The Coal Resources include coal for which the continuity, quality and mineability are established but are outside the current life-of-mine plan. These Resources comply with current and foreseen mining and marketing criteria and have economic potential. The estimates of Coal Resources and Coal Reserves presented in this table for Cerrejón have been prepared in accordance with the SAMREC Code (South African Code for Reporting of Coal Resources and Coal Reserves).
- Canada Resources and Reserves are reported in accordance with the CIM Definition Standards on Mineral Resources and Mineral Reserves with reference to Paper 88-21 guidelines.
- Competent Persons

GH = German Hernandez; B.Sc, BHP Billiton Certificate of Competent Person; GSSA; APS Geology Superintendent, Carbones del Cerrejón—Drilling—core, open and reverse circulation drilling; Geophysical—geophysical logging set to coal exploration, magnetic susceptibility, etc, also reflection seismic, airborne magnetic, ground based mag and DC Resistivity profiling; Geological Data Management—Integrated geological database/graphics and modelling packages including Minex Horizon, Mincom GDB, Microstation and in-house software applications; Extensive experience in exploration programmes and mine geology support in Colombia Coal Fields, and feasibility studies programmes in Cerrejón.

GJ = Geoffrey Jordan, Senior Geologist, Norwest Corporation (APEGGA and APEGBC)

KJW = Kerry Whitby, Managing Director, McElroy Bryan Geological Services Pty Ltd, Consulting Geologists (AusIMM)

LP = Lynn Partington, Executive Mining Consultant, Marston and Marston, Inc. (APEGGA and APEGBC)

Xstrata Copper

Xstrata Copper has adopted the JORC Code as its standard for all public reports of its exploration results, mineral resources and ore reserves.

The Xstrata Copper Mineral Resource and Ore Reserve Statement is consistent with the JORC Code and is based on the Guidelines for “The Estimation and Public Reporting of Exploration Results, Mineral Resources and Ore Reserves Xstrata Copper”.

The resources and reserves estimates are compiled and verified by Neal O’Connor, Xstrata Copper.

North Queensland Mineral Resources

Name of operation	Attributable interest	Mining method	Commodity	Measured Mineral Resources	Indicated Mineral Resources	Measured and	Inferred Mineral Resources	Competent Person*
						Indicated Mineral Resources		
						(%)		
Ernest Henry	100							
Open Cut		OC	(Mt)	—	—	—	—	MC
			Cu (%)	—	—	—	—	
			Au (g/t)	—	—	—	—	
			Magnetite (%)					
Underground		UG	(Mt)	4	71	75	13	MC
			Cu (%)	1.3	1.3	1.3	1.2	
			Au (g/t)	0.7	0.7	0.7	0.6	
			Magnetite (%)	32	28	28	26	
E1		OC	(Mt)	9	25	34	14	MC
			Cu (%)	0.9	0.7	0.8	0.6	
			Au (g/t)	0.3	0.2	0.2	0.2	
Monakoff		OC	(Mt)	—	2	2	1	MC
			Cu (%)	—	1.4	1.4	1.2	
			Au (g/t)	—	0.4	0.4	0.4	
Mount Isa	100							
X41 Mine 1100 & 1900 Orebodies		UG	(Mt)	44	15	60	8	KH
			Cu (%)	1.9	1.8	1.9	2	
Enterprise Mine 3000 & 3500 Orebodies		UG	(Mt)	40	6	45	1	KH
			Cu (%)	3.0	2.5	3.0	2	
500 Orebody		UG	(Mt)	—	—	—	—	NB
			Cu (%)	—	—	—	—	
Open Pit		OC	(Mt)	—	150	150	133	NB
			Cu (%)	—	1.2	1.2	1	
Total—North Queensland			(Mt)	<u>97</u>	<u>269</u>	<u>366</u>	<u>170</u>	

North Queensland Ore Reserves

Name of operation	Attributable interest	Mining method	Commodity	Proved Ore	Probable Ore	Total Ore	Competent Person*	
				Reserves	Reserves	Reserves		
						(%)		
Ernest Henry	100							
Open Cut		OC	(Mt)	—	—	—		AT
			Cu (%)	—	—	—		
			Au (g/t)	—	—	—		
			Magnetite (%)	—	—	—		
Underground		UG	(Mt)	—	74	74		CC
			Cu (%)	—	0.95	0.95		
			Au (g/t)	—	0.5	0.5		
			Magnetite (%)	—	23	23		
E1		OC	(Mt)	—	26	26		AT
			Cu (%)	—	0.8	0.8		
			Au (g/t)	—	0.2	0.2		
Monakoff		OC	(Mt)	—	2	2		AT
			Cu (%)	—	1.4	1.4		
			Au (g/t)	—	0.4	0.4		

Name of operation	Attributable interest	Mining method	Commodity	Proved Ore Reserves	Probable Ore Reserves	Total Ore Reserves	Competent Person*
	(%)						
Mount Isa	100						
X41 Mine 1100 & 1900 Orebodies		UG	(Mt)	18	13	31	GC
			Cu (%)	1.9	1.8		
Enterprise Mine 3000 & 3500 Orebodies		UG	(Mt)	17	7	24	
			Cu (%)	3.3	2.5	3.0	
Total—North Queensland			(Mt)	<u>35</u>	<u>122</u>	<u>157</u>	

Canada Mineral Resources

Name of operation	Attributable interest	Mining method	Commodity	Measured Mineral Resources	Indicated Mineral Resources	Measured and Indicated Resources	Inferred Mineral Resources	Competent Person*
	(%)							
Kidd Creek	100%	UG	(Mt)	19.3	1.1	20.4	4.2	BD
			Cu (%)	2.05	1.35	2.01	1.7	
			Zn (%)	4.71	5.56	4.75	6.4	
			Pb (%)	0.17	0.10	0.16	0.1	
			Ag (g/t)	57	31	56	57	
Total—Canada			(Mt)	<u>19</u>	<u>1</u>	<u>20</u>	<u>4</u>	

Canada Ore Reserves

Name of operation	Attributable interest	Mining method	Commodity	Proved Ore Reserves	Probable Ore Reserves	Total Ore Reserves	Competent Person*
	(%)						
Kidd Creek	100	UG	(Mt)	13.3	2.3	15.5	AM
			Cu (%)	1.89	1.61	1.85	
			Zn (%)	5.09	4.53	5.01	
			Pb (%)	0.18	0.11	0.17	
			Ag (g/t)	62	36	58	
Total—Canada			(Mt)	<u>13</u>	<u>2</u>	<u>16</u>	

Minera Alumbra Ore Reserves

Name of operation	Attributable interest	Mining method	Commodity	Proved Ore Reserves	Probable Ore Reserves	Total Ore Reserves	Competent Person*
	(%)						
Bajo de la Alumbra	50	OC	(Mt)	248	8	256	JBN
			Cu (%)	0.37	0.28	0.37	
			Au (g/t)	0.37	0.24	0.36	
			Mo (%)	0.013	0.014	0.013	
Total—Alumbra			(Mt)	<u>248</u>	<u>8</u>	<u>256</u>	

Chile Mineral Resources

Name of operation	Attributable interest (%)	Mining method	Commodity	Measured Mineral Resources	Indicated Mineral Resources	Measured and Indicated Resources	Inferred Mineral Resources	Competent Person*
Collahuasi	44	OC	Sulphide (Mt)	378	3,266	3,644	3,900	LA
			Cu (%)	0.92	0.79	0.80	0.8	
			Mo (%)	0.02	0.03	0.03	0.02	
		OC	Oxide & Mixed (Mt)	33	16	49	5	LA
			Cu (%)	0.60	0.67	0.62	0.6	
Lomas Bayas	100							
Lomas Bayas I		OC	Oxide & Mixed (Mt)	—	—	—		NF
			Cu (%)	—	—	—		
			Soluble Cu (%)	—	—	—		
Lomas Bayas II		OC	Oxide & Mixed (Mt)	344	222	566	77	NF
			Cu (%)	0.30	0.21	0.26	0.15	
			Soluble Cu (%)	0.21	0.14	0.18	0.08	
Lomas Bayas III		OC	Sulphide (Mt)	17.7	228	245.7	190	NF
Sulphide Zone			Cu (%)	0.54	0.40	0.41	0.36	
			Oxide and Mixed (Mt)	66.2	312.9	379.1	28	
			Cu (%)	0.35	0.25	0.27	0.21	
Total—Chile			(Mt)	<u>839</u>	<u>4,045</u>	<u>4,884</u>	<u>4,200</u>	

Chile Ore Reserves

Name of operation	Attributable interest (%)	Mining method	Commodity	Proved Ore Reserves	Probable Ore Reserves	Total Ore Reserves	Competent Person*
Collahuasi	44	OC	Sulphide (Mt)	285	2,575	2,860	MQ
			Cu (%)	1.07	0.77	0.80	
			Mo (%)	0.03	0.02	0.02	
		OC	Oxide & Mixed (Mt)	21	15	35	MQ
			Cu (%)	0.59	0.69	0.63	
Lomas Bayas	100						
Lomas Bayas I		OC	Oxide & Mixed (Mt)	16	25	41	NF
			Cu (%)	0.32	0.28	0.30	
			Soluble Cu (%)	0.21	0.18	0.19	
Lomas Bayas II		OC	Oxide & Mixed (Mt)	310	163	473	NF
			Cu (%)	0.30	0.21	0.27	
			Soluble Cu (%)	0.22	0.14	0.19	
Total—Chile			(Mt)	<u>632</u>	<u>2,778</u>	<u>3,409</u>	

Peru Mineral Resources

Name of operation	Attributable interest (%)	Mining method	Commodity	Measured Mineral Resources	Indicated Mineral Resources	Measured and Indicated Resources	Inferred Mineral Resources	Competent Person*		
Antamina	33.75	OC	Sulphide Cu (Mt)	125	749	874	530	LC		
				Cu (%)	0.89	0.94	0.93		0.8	
				Zn (%)	0.15	0.13	0.14		0.1	
				Ag (g/t)	7.2	9.0	8.7		9	
				Mo (%)	0.034	0.025	0.026		0.02	
			Sulphide Cu-Zn (Mt)	58	254	312	180		LC	
				Cu (%)	0.73	0.84	0.82			0.5
				Zn (%)	1.55	1.96	1.89			1.3
				Ag (g/t)	13.5	14.1	14.0			9.7
				Mo (%)	0.011	0.006	0.007			0.003
Tintaya	100	OC	(Mt)	50	39	88	—	HB		
			Cu (%)	1.22	1.10	1.17	—			
			Au (g/t)	0.19	0.18	0.18	—			
Antapaccay	100	OC	(Mt)	185	438	623	190	HB		
			Cu (%)	0.66	0.54	0.58	0.4			
			Au (g/t)	0.14	0.12	0.13	0.06			
			Ag (g/t)	1.63	1.43	1.49	1.3			
			Mo (%)	0.005	0.005	0.005	0.005			
Coroccohuayco	100	OC	(Mt)	—	129	129	190	RR		
			Cu (%)	—	1.10	1.10	0.8			
			Au (g/t)	—	0.12	0.12	0.1			
			Ag (g/t)	—	3.60	3.60	3			
			Mo (%)	—	0.018	0.018	0.01			
Las Bambas	100	OC	Sulphide (Mt)	490	720	1,210	500	RR		
			Cu (%)	0.64	0.68	0.66	0.5			
			Mo (ppm)	174	172	173	149			
			Ag (g/t)	3.0	3.5	3.3	2.4			
			Au (g/t)	0.06	0.05	0.05	0.03			
Total—Peru			(Mt)	<u>908</u>	<u>2,329</u>	<u>3,236</u>	<u>1,590</u>			

Peru Ore Reserves

Name of operation	Attributable interest (%)	Mining method	Commodity	Proved Ore Reserves	Probable Ore Reserves	Total Ore Reserves	Competent Person*		
Antamina	33.75	OC	Sulphide Cu (Mt)	90	476	565	MM		
				Cu (%)	1.05	0.95		0.96	
				Zn (%)	0.16	0.14		0.15	
				Ag (g/t)	8.2	8.9		8.8	
				Mo (%)	0.033	0.027		0.028	
			Sulphide Cu-Zn (Mt)	43	177	220		MM	
				Cu (%)	0.82	0.83			0.83
				Zn (%)	1.79	1.99			1.95
				Ag (g/t)	15.0	14.3			14.5
				Mo (%)	0.006	0.006			0.006
Tintaya	100	OC	(Mt)	30	19	49	HB		
			Cu (%)	1.12	0.84	1.01			
			Au (g/t)	0.14	0.10	0.12			
Antapaccay	100	OC	(Mt)	176	365	541	HB		
			Cu (%)	0.66	0.56	0.59			
			Au (g/t)	0.14	0.12	0.13			
			Ag (g/t)	1.63	1.45	1.51			
			Mo (%)	0.005	0.005	0.005			
Total—Peru			(Mt)	<u>339</u>	<u>1,037</u>	<u>1,375</u>			

Other projects Mineral Resources

Name of operation	Attributable interest (%)	Mining method	Commodity	Measured Mineral Resources	Indicated Mineral Resources	Measured and Indicated Mineral Resources	Inferred Mineral Resources	Competent Person*
El Pachon	100	OC	(Mt)	430	810	1,240	1,500	RR
			Cu (%)	0.69	0.51	0.57	0.4	
			Mo (%)	0.014	0.011	0.012	0.01	
			Ag (g/t)	2.4	2.1	2.2	2	
Tampakan	62.5	OC	(Mt)	980	1,290	2,270	670	RR
			Cu (%)	0.69	0.45	0.55	0.4	
			Au (g/t)	0.28	0.16	0.21	0.1	
			Mo (%)	0.008	0.006	0.007	0.005	
Frieda River	81.8							
Nena High Sulfidation		OC	(Mt)	—	37	37	14	RR
30-12-08			Cu (%)	—	2.67	2.67	1.8	
			Au (g/t)	—	0.63	0.63	0.4	
H-I-T Porphyry		OC	(Mt)	780	410	1,190	900	
			Cu (%)	0.51	0.44	0.49	0.4	
			Au (g/t)	0.28	0.2	0.25	0.2	
West Wall Copper Project	50		(Mt)				750	GL
			Cu (%)	—	—	—	0.54	
			Au (g/t)	—	—	—	0.05	
			Mo (%)	—	—	—	0.01	
Total—Other projects			(Mt)	<u>2,190</u>	<u>2,547</u>	<u>4,737</u>	<u>3,834</u>	

Notes for Copper Mineral Resources and Ore Reserves:

- Remaining mine life: different for each mine, ranging from 2 years to 48 years*. Expiry date of relevant mining/concession licences: different for each mine ranging from 1 September 2012 (expected to be further renewed) to continuous maintenance of relevant grant subject to all applicable conditions being met and annual taxes being paid.
- Competent Persons
 - AM = Adrianus Moerman, Xstrata Copper (Association of Professional Engineers of Ontario)
 - AT = Andrew Theobald, Xstrata Copper (AusIMM)
 - BD = Benoit Drolet, Xstrata Copper (Association of Professional Geoscientists of Ontario)
 - CC = Chris Carr, Xstrata Copper (AusIMM)
 - GC = Gibson Chitumbura, Xstrata Copper (AusIMM)
 - GL = Graeme Lyall, Employee of Anglo American (AusIMM)
 - HB = Heller Bernabe, Employee of Minera Tintaya (AusIMM)
 - JBN = Julio Bruna Novillo, Xstrata Copper (AusIMM)
 - KH = Kimberley Head, Employee Mnt Isa Copper (AusIMM)
 - LA = Luis Aedo, Employee of Compania Minera Dona Ines de Collahuasi (AusIMM)
 - LC = Lucio Canchis, Employee of Compania Minera Antamina S.A. (AusIMM)
 - MC = Matt Clifford, Xstrata Copper (AIG)
 - MM = Marco Maulen, Employee of Compania Minera Antamina S.A. (AusIMM)
 - MQ = Mario Quiñones, Employee of Compania Minera Dona Ines de Collahuasi (AusIMM)
 - NB = Nathan Bullock, Xstrata Copper (AusIMM)
 - NF = Nicolas Fuster, Xstrata Copper (AusIMM)
 - RR = Raul Roco, Xstrata Copper (AusIMM)
- * Competent Person for Ore Reserve/Competent Person for Mineral Resource; where only one set of initials is listed, the same Competent Person is responsible for all categories quoted. Unless otherwise noted, all Competent Persons are full-time employees of Xstrata plc subsidiaries.

Iron Ore

Iron ore resources and reserves are presented in accordance with the JORC Code.

The resources and reserves estimates are compiled and verified by Jonathan Romcke, Xstrata Iron Ore.

Iron Ore Mineral Resources

Name of operation	Attributable interest	Commodity	Measured Mineral Resources	Indicated Mineral Resources	Measured and Indicated Mineral Resources	Inferred Mineral Resources	Competent Person
El Aouj Mining Company	43.89						
	(%)						
Guelb el Aouj East		(Mt)	188	313	501	200	SK
		Fe (%)	35.5	36.8	36.3	36.3	
		DTC wt (%)	44.1	46.4	45.5	44.3	
		DTC Fe (%)	70.1	70.2	70.2	70.2	
Guelb al Aouj Centre		(Mt)				225	SK
		Fe (%)				36.0	
		DTC wt (%)				45.6	
		DTC Fe (%)				70.6	
Sphere Minerals	87.78						
Askaf North		(Mt)	161	129	290	104	AM/SvdM
		Fe (%)	36.1	35.2	35.7	35.8	
		DTC wt (%)	46.1	43.1	44.7	44.3	
		DTC Fe (%)	70.2	70.1	70.1	70.1	
Lebtheinia		Fresh (Mt) (%)		2,179	2,179	354	AM/SvdM
		Fe		32.3	32.3	32.4	
		DTC wt (%)		27.5	27.5	27.2	
		DTC Fe (%)		68.6	68.6	68.1	
		LOX (Mt)				209	AM/SvdM
		Fe (%)				30.7	
Jumelles Limited	50%						
Zanaga		(Mt)	149	2,540	2,689	1,650	JA
		Fe (%)	38.7	34.1	34.4	31	
Total Iron Ore Mineral Resources .		(Mt)	<u>498</u>	<u>5,161</u>	<u>5,659</u>	<u>2,967</u>	

Iron Ore Reserves

<u>Name of operation</u>	<u>Attributable interest</u> (%)	<u>Mining method</u>	<u>Commodity</u>	<u>Proved Ore Reserves</u>	<u>Probable Ore Reserves</u>	<u>Total Ore Reserves</u>	<u>Competent Person</u>
El Aouj Mining Company	43.89						
Guelb el Aouj		OC	(Mt)	152	277	429	RB
			Fe (%)	35.9	36.5	36.3	
			DTC wt (%)	44.6	43.6	44.0	
			DTC Fe (%)	70.8	70.6	70.7	
Sphere Minerals	87.78						
Askaf North		OC	(Mt)	146	100	246	RB
			Fe (%)	35.5	33.9	34.8	
			DTC wt (%)	46.3	43.3	45.1	
			DTC Fe (%)	70.2	70.1	70.1	
Total Iron Ore Reserves			(Mt)	<u>298</u>	<u>377</u>	<u>675</u>	

Notes for Iron Ore Mineral Resources and Reserves:

- Remaining mine life: not applicable as currently no production from the site. Expiry date of relevant mining/concession licences: different for each mine ranging from 1 year to 20 years.
- DTC wt (%)—Davis Tube Concentrate mass recovery.
- DTC Fe (%)—Davis Tube Concentrate assay %Fe.
- Davis Tube test work has been conducted at a grind size of 95 per cent. passing 80 micron.
- Competent Persons

AM = Alan Miller, Golder Associates Pty Ltd (MAusIMM (CP)). Mr Miller is the Competent Person responsible for the construction of the geological block model, the grade interpolation and the Mineral Resource estimation (tonnage and grade) and classification.

JA = John Arthur, SRK Consulting (UK) Limited, (MloM3)

RB = Ross Bertinshaw, Golder Associates Pty Ltd (FAusIMM (CP))

SvdM = Dr Schalk van der Merwe, Sphere Minerals (SACNSP). Dr van der Merwe is the Competent Person responsible for the geological interpretation for the Mineral Resource estimation (wireframe model), and the drill hole data set used in this resource estimation.

SK = Dr Sia Khosrowshahi, Golder Associates Pty Ltd (MAusIMM (CP))

Xstrata Nickel

The majority of the resources and reserves estimates are prepared in accordance with the CIM Definition Standards and the CIM Estimation Guidelines using geostatistical and/or classical methods, plus economic and mining parameters appropriate to each project.

The resources and reserves estimates at Xstrata Nickel Australasia (Cosmos, Sinclair) have been prepared in compliance with the JORC Code.

The resources and reserves estimates are compiled and verified by Chester Moore, P. Eng., P. Geo., consultant with Scott Wilson Roscoe Postle Associates, an external auditor for Xstrata Nickel.

Nickel Mineral Resources

<u>Name of operation</u>	<u>Attributable interest</u> (%)	<u>Mining method</u>	<u>Commodity</u>	<u>Measured Mineral Resources</u>	<u>Indicated Mineral Resources</u>	<u>Measured and Indicated Resources</u>	<u>Inferred Mineral Resources</u>	<u>Competent Person*</u>
Cosmos	100	UG	(Mt)	13.6	33.8	47.4	12.7	TM
			Ni (%)	0.79	0.91	0.87	0.6	
Falcondo	85.3	OC	(Mt)	40.2	34.5	74.7	4.9	ED
			Ni (%)	1.45	1.56	1.50	1.4	
Koniambo	49	OC	(Mt)	21.2	54.4	75.6	83	GB
			Ni (%)	2.54	2.45	2.47	2.5	
Raglan	100	UG	(Mt)	4.01	10.5	14.6	17.9	KS
			Ni (%)	2.47	3.49	3.21	3.0	
			Cu (%)	0.72	0.97	0.89	0.9	
			Co (%)	0.05	0.08	0.07	0.07	
Sinclair	100	UG	(Mt)	0.55	0.49	1.04	0.3	TM
			Ni (%)	2.87	2.56	2.72	2.2	
Sudbury	100	UG	(Mt)	12.85	22.34	35.19	15.6	SK
			Ni (%)	1.78	2.27	2.09	1.7	
			Cu (%)	2.05	1.67	1.81	1.9	
			Co (%)	0.05	0.05	0.05	0.1	
Araguaia	100	OC	(Mt)	16.1	89.0	105.1	18	SB
			Ni (%)	1.44	1.31	1.33	1.3	
Kabanga	50	UG	(Mt)	13.8	23.4	37.2	21	RK
			Ni (%)	2.49	2.72	2.63	2.6	
			Cu (%)	0.34	0.36	0.35	0.3	
			Co (%)	0.21	0.19	0.20	0.2	
			Pt (g/t)	0.16	0.42	0.32	0.3	
			Pd (g/t)	0.19	0.28	0.25	0.3	
Total			(Mt)	<u>122</u>	<u>269</u>	<u>391</u>	<u>173</u>	

Nickel Ore Reserves

<u>Name of operation</u>	<u>Attributable interest</u> (%)	<u>Mining method</u>	<u>Commodity</u>	<u>Proved Ore Reserves</u>	<u>Probable Ore Reserves</u>	<u>Total Ore Reserves</u>	<u>Competent Person*</u>
Cosmos	100	UG	(Mt)	0.04	0.53	0.57	SVDM
			Ni (%)	2.88	2.66	2.68	
Falcondo	85.3	OC	(Mt)	44.0	29.7	73.7	ED
			Ni (%)	1.28	1.36	1.31	
Koniambo	49	OC	(Mt)	17.2	45.3	62.5	GB
			Ni (%)	2.50	2.36	2.40	
Raglan	100	UG	(Mt)	4.13	5.30	9.4	PD
			Ni (%)	2.22	3.73	3.07	
			Cu (%)	0.65	0.88	0.78	
			Co (%)	0.05	0.08	0.07	
Sinclair	100	UG	(Mt)	0.29	0.32	0.61	JW
			Ni (%)	2.02	1.93	1.97	
Sudbury	100	UG	(Mt)	8.66	9.44	18.11	SK
			Ni (%)	1.39	1.39	1.39	
			Cu (%)	2.37	1.74	2.04	
			Co (%)	0.03	0.04	0.03	
Total			(Mt)	<u>74</u>	<u>91</u>	<u>165</u>	

Notes for Nickel Mineral Resources and Ore Reserves:

- Remaining mine life: different for each mine, ranging from 2 years to 25 years*. Expiry date of relevant mining/concession licences: different for each mine ranging from 1 July 2012 to an unlimited duration.
- For the purposes of this statement, the term “Ore Reserves” as defined by the JORC Code 2004 has the same meaning as “Mineral Reserves” as defined in the CIM Definition Standards 2010. The resource totals have been restated in compliance with the JORC Code.
- Depending on when production is scheduled, Mineral Reserves and Resources are calculated using a blend of short, medium or long-term metal price assumptions and exchange rates.
- Competent Persons
ED = Edwin Deveaux, Xstrata Nickel, P. Geo. (APGO, Ontario)
GB = Gertjan Bekkers, Koniambo Nickel SAS, Xstrata Nickel, P. Eng., (PEO Ontario)
JW = Jed Whitford, Xstrata Nickel (AusIMM)
KS = Kristan Straub, Xstrata Nickel, P. Geo. (APGO, Ontario); OSQ, (OGQ Quebec)
PD = Philemon Desrochers-Gagnon, Xstrata Nickel, P.Eng. (OIQ Quebec)
RK = Ray Kohlsmith, Xstrata Nickel, P. Geo. (APGO, Ontario)
SB = Scott Bruce, Xstrata Nickel, P. Geo. (PEGNL, Newfoundland and Labrador); AustIMM
SK = Steve Kormos, Xstrata Nickel, P. Geo. (APGO, Ontario)
SVDM = Shaun Van Der Merwe, Xstrata Nickel (AusIMM)
TM = Terry Mallinson, Xstrata Nickel, P. Geo. (OGQ Quebec)

Xstrata Zinc

The Xstrata Zinc Mineral Resource and Ore Reserve Statement at 31 December 2011 is consistent with the JORC Code and it is based on the guidelines for “The Estimation and Public Reporting of Exploration Results, Mineral Resources and Ore Reserves Xstrata Zinc”, Version 21 January 2008.

The term “Ore Reserves”, as defined in Clause 28 of the JORC Code, has the same meaning as “Mineral Reserves” as defined in the CIM Definition Standards.

This statement has been compiled and verified by Ignacio Seebold, Manager Mining Operations Xstrata Zinc (ICOG-EurGeol).

Australia Mineral Resources

Name of operation	Attributable interest	Mining method	Commodity	Measured Mineral Resources	Indicated Mineral Resources	Measured and Indicated Mineral Resources		Competent Person
						Indicated Mineral Resources	Inferred Mineral Resources	
	(%)							
Mount Isa	100							
Black Star Open Cut		OC	(Mt)	24.0	6.1	30.1	4	MS
			Zn (%)	5.3	4.2	5.1	4	
			Pb (%)	3.5	2.6	3.3	3	
			Ag (g/t)	69	52	66	50	
Mount Isa Open Pit		OC	(Mt)	105.9	95.9	201.8	150	MS
Excl. Black Star			Zn (%)	3.8	3.6	3.7	4	
			Pb (%)	3.2	2.8	3.0	3	
			Ag (g/t)	72	67	70	60	
George Fisher	100							
George Fisher South (Hilton) Orebodies		UG	(Mt)	33.9	15.9	49.8	23	OG
			Zn (%)	8.6	8.7	8.6	8	
			Pb (%)	6.0	5.7	5.9	5	
			Ag (g/t)	128	118	125	113	
George Fisher North Orebodies		UG	(Mt)	22.4	83.8	106.2	65	OG
			Zn (%)	9.7	8.3	8.6	8	
			Pb (%)	4.6	3.5	3.7	4	
			Ag (g/t)	82	58	63	69	
Handlebar Hill Open Cut (primary)		OC	(Mt)	2.1	4.8	6.9	1	MS
			Zn (%)	7.9	6.5	6.9	5	
			Pb (%)	3.1	2.6	2.8	2	
			Ag (g/t)	49	41	43	30	
Handlebar Hill Open Cut (oxide)		OC	(Mt)	0.5	0.1	0.6	—	MS
			Zn (%)	0.4	0.4	0.4	—	
			Pb (%)	8.5	4.0	7.8	—	
			Ag (g/t)	89	65	85	—	
Lady Loretta	100	UG	(Mt)	7.0	6.3	13.3	2	SJ
			Zn (%)	16.6	16.2	16.4	14	
			Pb (%)	6.5	4.8	5.7	6	
			Ag (g/t)	102	84	93	92	
McArthur River	100							
Open Cut		OC	(Mt)	118.3	43.9	162.2	—	KG
			Zn (%)	11.6	8.1	10.7	—	
			Pb (%)	4.8	4.5	4.7	—	
			Ag (g/t)	49	45	48	—	
Woyzbun South Zone		UG	(Mt)	—	8.3	8.3	—	KG
			Zn (%)	—	14.2	14.2	—	
			Pb (%)	—	5.6	5.6	—	
			Ag (g/t)	—	58	58	—	
Total Zinc Lead Australia			(Mt)	314.1	265.1	579.2	245	
			Zn (%)	8.1	6.8	7.5	6	
			Pb (%)	4.3	3.6	4.0	3	
			Ag (g/t)	70	63	67	67	

Australia Ore Reserves

<u>Name of operation</u>	<u>Attributable interest</u>	<u>Mining method</u>	<u>Commodity</u>	<u>Proved Ore Reserves</u>	<u>Probable Ore Reserves</u>	<u>Total Ore Reserves</u>	<u>Competent Person</u>
Mount Isa	100						
Black Star Open Cut		OC	(Mt)	16.5	13.6	30.1	BS
			Zn (%)	4.6	5.3	4.9	
			Pb (%)	2.5	4.0	3.2	
			Ag (g/t)	55	73	63	
George Fisher	100						
George Fisher South (Hilton) Orebodies		UG	(Mt)	9.1	10.5	19.6	JJG
			Zn (%)	6.7	6.4	6.5	
			Pb (%)	4.2	4.6	4.4	
			Ag (g/t)	86	104	96	
George Fisher North Orebodies		UG	(Mt)	13.4	48.4	61.8	JJG
			Zn (%)	8.1	7.4	7.5	
			Pb (%)	4.3	3.4	3.6	
			Ag (g/t)	77	58	62	
Handlebar Hill Open Cut (primary)		OC	(Mt)	0.7	1.4	2.1	BS
			Zn (%)	8.4	7.2	7.6	
			Pb (%)	3.7	3.3	3.4	
			Ag (g/t)	61	51	54	
Handlebar Hill Open Cut (oxide)		OC	(Mt)	0.5	—	0.5	BS
			Zn (%)	0.4	—	0.4	
			Pb (%)	8.5	—	8.5	
			Ag (g/t)	89	—	89	
Lady Loretta	100	UG	(Mt)	6.7	6.0	12.7	LS
			Zn (%)	14.9	13.5	14.2	
			Pb (%)	5.7	3.9	4.8	
			Ag (g/t)	94	72	84	
McArthur River	100	OC	(Mt)	34.9	14.7	49.6	DH
			Zn (%)	11.3	7.9	10.3	
			Pb (%)	4.7	4.2	4.6	
			Ag (g/t)	48	41	46	
Total Zinc Lead Australia			(Mt)	81.7	94.6	176.4	
			Zn (%)	9.1	7.4	8.2	
			Pb (%)	4.2	3.7	4.0	
			Ag (g/t)	63	63	63	

Canada Mineral Resources

Name of operation	Attributable interest (%)	Mining method	Commodity	Measured Mineral Resources	Indicated Mineral Resources	Measured and Indicated Resources	Inferred Mineral Resources	Competent Person
Brunswick Mine	100	UG	(Mt)	3.9	—	3.9	—	PB
			Zn (%)	8.3	—	8.3	—	
			Pb (%)	3.2	—	3.2	—	
			Cu (%)	0.5	—	0.5	—	
			Ag (g/t)	103	—	103	—	
Perseverance	100	UG	(Mt)	1.5	—	1.5	—	PB
			Zn (%)	13.1	—	13.1	—	
			Cu (%)	1.2	—	1.2	—	
			Ag (g/t)	30	—	30	—	
			Au (g/t)	0.4	—	0.4	—	
Bracemac-McLeod	65	UG	(Mt)	2.7	1.0	3.7	3	GR
			Zn (%)	10.1	8.9	9.8	9	
			Cu (%)	1.6	1.1	1.5	1	
			Ag (g/t)	37	21	32	39	
			Au (g/t)	0.5	0.6	0.5	1.1	
PD-1	50	OC/UG	(Mt)	0.5	1.0	1.5	—	GR
			Zn (%)	4.2	5.0	4.7	—	
			Cu (%)	0.8	1.3	1.2	—	
			Ag (g/t)	20	20	20	—	
			Au (g/t)	0.1	—	—	—	
Hackett River Open Cut	100	OC	(Mt)	—	16.6	16.6	20	AC
			Zn (%)	—	4.6	4.6	4	
			Pb (%)	—	0.6	0.6	1	
			Cu (%)	—	0.5	0.5	1	
			Ag (g/t)	—	131	131	109	
Underground		UG	(Mt)	—	3.7	3.7	21	AC
			Zn (%)	—	5.1	5.1	4	
			Pb (%)	—	0.8	0.8	1	
			Cu (%)	—	0.3	0.3	0	
			Ag (g/t)	—	172	172	165	
Total Zinc Lead Canada			(Mt)	8.6	22.3	30.9	44	
			Zn (%)	9.5	4.9	6.2	4	
			Pb (%)	1.5	0.6	0.8	1	
			Cu (%)	1.0	0.5	0.7	1	
			Ag (g/t)	65	127	110	131	

Canada Ore Reserves

<u>Name of operation</u>	<u>Attributable interest</u> (%)	<u>Mining method</u>	<u>Commodity</u>	<u>Proved Ore Reserves</u>	<u>Probable Ore Reserves</u>	<u>Total Ore Reserves</u>	<u>Competent Person</u>
Brunswick Mine	100	UG	(Mt)	2.4	1.2	3.6	PB/BR*
			Zn (%)	7.2	7.7	7.4	
			Pb (%)	2.8	3.0	2.8	
			Cu (%)	0.5	0.4	0.4	
			Ag (g/t)	91	94	92	
Perseverance	100	UG	(Mt)	1.3	—	1.3	PB/FP**
			Zn (%)	12.4	—	12.4	
			Cu (%)	1.0	—	1.0	
			Ag (g/t)	28	—	28	
			Au (g/t)	0.3	—	0.3	
Bracemac-McLeod	65	UG	(Mt)	2.8	0.9	3.7	AC
			Zn (%)	9.8	8.9	9.6	
			Cu (%)	1.4	0.9	1.3	
			Ag (g/t)	32	19	28	
			Au (g/t)	0.4	0.5	0.4	
Total Zinc Lead Canada			(Mt)	6.5	2.1	8.6	
			Zn (%)	9.4	8.2	9.1	
			Pb (%)	1.0	1.7	1.2	
			Cu (%)	1.0	0.6	0.9	
			Ag (g/t)	53	62	55	

Ireland Mineral Resources

Name of operation	Attributable interest (%)	Mining method	Commodity	Measured Mineral Resources	Indicated Mineral Resources	Measured and	Inferred Mineral Resources	Competent Person
						Indicated Mineral Resources		
Pallas Green	100	UG	(Mt)	—	—	—	30	AH
Tobermalug Zone			Zn (%)	—	—	—	7	
			Pb (%)	—	—	—	1	

Notes for Zinc Mineral Resources and Ore Reserves:

- Remaining mine life: different for each mine, ranging from 2013 to 2030*. Expiry date of relevant mining/concession licences: different for each mine ranging from 31 January 2013 to 4 January 2043.
- In order to provide consistency across all projects, above tables are presented rounding to one decimal place applied to tonnage and grade figures, with rounding exclusive of decimal places applied in Ag grades and in all cases to Inferred Mineral Resources.
- Reserve statements prepared for Xstrata Zinc by external parties may be reported to different significant figures.
- Competent Persons (where only one set of initials is listed, the same Competent Person is responsible for all categories quoted. Unless otherwise noted, all Competent Persons are full-time employees of Xstrata plc subsidiaries)
MS = Max Shawcross, Project Manager, Xstrata Zinc (AusIMM)
OG = Osvaldo Gonzalez, George Fisher Mine Geology Superintendant, Xstrata Zinc (AusIMM)
SJ = Scott Jackson, Principal Consultant Geology, Quantitative Group Pty Ltd. (AusIMM)
KG = Karissa Grenfel, Mining Manager, Xstrata Zinc (AusIMM)
BS = Bryant Schwengler, GM Open Pit Mining, Xstrata Zinc (AusIMM)
JGG = Johannes Grobler, Technical Services Manager, Xstrata Zinc (AusIMM)
LS = Lutz Sprengel, Mining Consultant, Minserve Group Pty Ltd. (AusIMM)
DH = Drew Herbert, Consulting Mining Engineer, Australian Mine Design & Development Pty Ltd. (AusIMM)
PB = Pierre Bernard, Chief Mine Geologist, Xstrata Zinc (APEGNB)
GR = Gilles Roy, Senior Project Geologist, Xstrata Zinc (OGQ)
FP = François Provonost, Chief Mine Engineer, Xstrata Zinc (OIQ)
BR = Barbara Rose, Chief Mine Engineer, Xstrata Zinc (APEGNB)
AC = Aline Côté, Project Manager, Xstrata Zinc (OGQ)
AH = Allan Huard, Senior Geologist, Xstrata Zinc (APGO)
- * Competent Persons for Brunswick Ore Reserves estimate are Barbara Rose, who is responsible for stope design, economic analysis and all mine planning activities, and Pierre Bernard, who is responsible for compiling the Reserve estimate, assigning confidence classification, preparing the technical report and disclosure.
- ** Competent Persons for Perseverance Ore Reserves estimate are François Provonost, who is responsible for stope design, economic analysis and all mine planning activities, and Pierre Bernard, who is responsible for compiling the Reserve estimate, assigning confidence classification, preparing the technical report and disclosure.

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

\$, US\$ or cents	the lawful currency of the US
£, GBP, Sterling, pence or p	the lawful currency of the UK
Admission	the New Glencore Shares being admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities
AGM	Annual General Meeting
Business Day	a day on which the London Stock Exchange is open for business
C\$	the lawful currency of Canada
CEZ	Canadian Electrolyte Zinc Limited
CIM Definition Standards	the standards for the classification of mineral resources and reserves into various categories as approved by CIM on 20 August 2000, and updated on 14 November 2004, for reporting of exploration information, mineral resources and mineral reserves in Canada, adopted by the CIM Council on 11 December 2005, and are incorporated by reference in NI 43-101
CIM Estimation Guidelines	the guidelines intended to assist a Qualified Person, as defined NI 43-101 in the planning, supervision, preparation and reporting of mineral resources and mineral reserves estimates in accordance with NI 43-101, as presented in the report "Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines" dated 30 May 2003 by CIM, adopted by the CIM Council on 23 November 2003
CIS	the Commonwealth of Independent States, whose participant countries are certain former members of the Union of Soviet Socialist Republics
Closing Price	the closing middle market price of a relevant share as derived from the Daily Official List
Code	the City Code on Takeovers and Mergers
Combined Entity	the ultimate parent company of the Combined Group, which upon the Merger becoming Effective will be Glencore (to be renamed Glencore Xstrata plc)
Combined Group	the combined group following the Merger, comprising the Glencore Group and the Xstrata Group
Combined Group Board	the board of directors of the Combined Entity following the Merger
Combined Group Ordinary Share Capital	all of the issued Glencore Shares at the date immediately following the Merger becoming Effective
Conditions	the conditions to the implementation of the Merger (including the Scheme) as described in Part IV of the Scheme Document
Court	the High Court of Justice in England and Wales
Court Orders	the Scheme Court Order and the Reduction Court Order
CREST	the computer system (as defined in the Companies (Uncertificated Securities) (Jersey) Order 1999) in respect of which Euroclear UK & Ireland Limited is the authorised

	operator (as defined in such order) in accordance with which securities may be held and transferred in uncertificated form
CREST Manual	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedure and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms)
Daily Official List	the daily official list of the London Stock Exchange
Directors or Glencore Directors	the directors of Glencore, whose names appear in Part I (<i>Letter from the Chairman of Glencore International plc</i>)
Effective	in the context of the Merger: <ul style="list-style-type: none"> (a) if the Merger is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or (b) if the Merger is implemented by way of Merger Offer, such Merger Offer having been declared and become unconditional in all respects in accordance with the requirements of the Code
Effective Date	the date upon which the Merger becomes Effective
EU	European Union
Excluded Shares	(a) any Xstrata Shares beneficially owned by Glencore or any other member of the Glencore Group; (b) any Xstrata Shares held in treasury by Xstrata; and (c) any other Xstrata Shares which Glencore and Xstrata agree will not be subject to the Scheme
First Coal	First Coal Corporation
Form of Proxy	the form of proxy for use by Glencore Shareholders in relation to the Glencore General Meeting, which accompany this document
FSA	the Financial Services Authority
FSMA	the Financial Services and Markets Act 2000
Glencore or Company	Glencore International plc
Glencore Board	the board of Directors of Glencore
Glencore Convertible Bonds	the US\$2.3 billion guaranteed convertible bonds due 2014 issued by Glencore Finance (Europe) S.A., one of the financing vehicles of the Glencore Group
Glencore General Meeting	the general meeting of Glencore to be held at 11.00 a.m. Zug time on 11 July 2012 at Theatre-Casino Zug, Artherstrasse 2-4, Zug, Switzerland (and any adjournment thereof) for the purposes of considering and, if thought fit, approving the Resolutions
Glencore Group	Glencore, its subsidiaries and subsidiary undertakings
Glencore Nominee Directors	Ivan Glasenberg, Aristotelis Mistakidis and Tor Peterson, the Xstrata Directors nominated by Glencore
Glencore's Articles	the articles of association of Glencore
Glencore Shareholders	holders of Glencore Shares

Glencore Shares	fully paid-up ordinary shares of US\$0.01 each in the capital of Glencore
Glencore’s Registrars	Computershare Investor Services (Jersey) Limited and Computershare Hong Kong Investor Services Limited
Hong Kong	the Hong Kong Special Administrative Region of the People’s Republic of China
Hong Kong Admission	the approval of the Listing Committee of the Hong Kong Stock Exchange for the listing of and dealing in the New Glencore Shares on the Main Board of the Hong Kong Stock Exchange
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
IFRS	International Financial Reporting Standards
Independent Non-Executive Xstrata Directors	Sir John Bond, David Rough, Dr Con Fauconnier, Peter Hooley, Claude Lamoureux, Sir Steve Robson CB and Ian Strachan
Independent Xstrata Directors	the directors of Xstrata other than the Glencore Nominee Directors
IPO	initial public offering
JORC Code	the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
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
Management Incentive Arrangements	those elements of the retention and incentive arrangements proposed to be put in place for those members of Xstrata management who are interested in Xstrata Shares which will be voted on by the Xstrata Independent Shareholders at the Xstrata General Meeting, as referred to in paragraph 6 of Part V (<i>Additional Information</i>)
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 the Glencore Group) to be implemented by way of the 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 a Scheme
Merger Resolution	resolution 1 set out in the notice convening the Glencore General Meeting at the end of this document
New Glencore Shares	the new Glencore Shares to be issued and credited to Xstrata Shareholders pursuant to the Merger
NI 43-101	the Canadian National Instrument 43-101—“Standard Disclosure for Mineral Projects” of the Canadian Securities Administrators
Official List	the official list of the UK Listing Authority
Panel	the Panel on Takeovers and Mergers
Principal Glencore Shareholders	Daniel Francisco Maté Badenes, Aristotelis Mistakidis, Tor Peterson and Alex Beard

Proposed Directors	Sir John Bond, Mick Davis, Con Fauconnier, Peter Hooley, Sir Steve Robson and Ian Strachan
Prospectus	the prospectus relating to Glencore and the Admission of the New Glencore Shares
Prospectus Rules	the rules for the purposes of Part 6 of FSMA in relation to the offers of securities to the public and the admission of securities to trading on a regulated market
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
Reduction of Capital	the proposed reduction of Xstrata's share capital under Chapter 10 of Part 17 of the UK Companies Act, associated with the Scheme
Registrar of Companies	the Registrar of Companies in England and Wales
Regulatory Information Service	any of the services authorised from time to time by the FSA for the purposes of disseminating regulatory announcements
Resolutions	the resolutions to be proposed at the Glencore General Meeting (and set out in the notice of general meeting contained at the end of this document)
ROM	run of mine
SAMREC	the 2007 edition of the South African Code of Reporting of Exploration Results, Mineral Resources and Mineral Reserves
Scheme	the 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
Scheme Court Hearing	the hearing by the Court of the petition to sanction the Scheme
Scheme Court Order	the order of the Court sanctioning the Scheme under Part 26 of the UK Companies Act
Scheme Document	the document to be sent to (among others) Xstrata Shareholders containing and setting out, among other things, the full terms and conditions of the Scheme and containing the notices convening the Xstrata Court Meeting and Xstrata General Meeting
Scheme Record Time	6.00 p.m. on the Business Day immediately prior to the Effective Date
Scheme Shareholders	holders of Scheme Shares
Scheme Shares	Xstrata Shares: <ul style="list-style-type: none"> (a) in issue as at the date of the Scheme Document; (b) (if any) issued after the date of the Scheme Document and prior to the Scheme 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 of such Xstrata Shares are to be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme,

	but, in each case, other than the Excluded Shares
Special Resolution	the special resolution to be proposed by Xstrata at the Xstrata General Meeting in connection with, among other things, the approval of the Scheme and confirmation of the Capital Reduction, the alteration of Xstrata's articles of association and such other matters as may be necessary to implement the Scheme and the delisting of the Xstrata Shares
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
Swiss Stock Exchange	SIX Swiss Exchange
tonne or tonnes	1,000 kilograms
UK Companies Act	the UK Companies Act 2006, as amended from time to time
UK Listing Authority or UKLA	the FSA acting in its capacity as the competent authority for listing under FSMA
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
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
Xstrata	Xstrata plc
Xstrata 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 for the purpose of approving the Scheme, including any adjournment thereof
Xstrata Directors	the directors of Xstrata
Xstrata General Meeting	the general meeting of Xstrata to be convened in connection with the Scheme and the Capital Reduction, including any adjournment thereof
Xstrata Group	Xstrata, its subsidiaries and subsidiary undertakings
Xstrata Independent Shareholders	those Xstrata Shareholders who are permitted under Rule 16.2 of the Code to vote on any resolution to approve the Management Incentive Arrangements at the Xstrata General Meeting
Xstrata Shareholders	holders of Xstrata Shares
Xstrata Shares	fully paid-up ordinary shares of US\$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, each as amended from time to time

GLENCORE INTERNATIONAL PLC NOTICE OF GENERAL MEETING

GLENCORE

INTERNATIONAL plc

(Incorporated in Jersey under the Companies (Jersey) Law 1991 with registered number 107710)

Registered Office
Queensway House
Hilgrove Street
St Helier
Jersey JE1 1ES

NOTICE IS HEREBY GIVEN that a General Meeting (the “Meeting”) of Glencore International plc (“Glencore”) will be held at Theatre-Casino Zug, Artherstrasse 2-4, Zug, Switzerland at 11.00 a.m. Zug time on 11 July 2012 for the purpose of considering and, if thought fit, passing the following resolutions.

Resolutions 1 and 3 will be proposed as ordinary resolutions.

Resolutions 2, 4 and 5 will be proposed as special resolutions.

Please note that the implementation of the proposed all share merger of Glencore with Xstrata plc (the “Merger”) is conditional upon the passing of the first resolution set out in this notice only.

Resolution 1 (Ordinary Resolution)

THAT:

- (A) the Merger to be effected pursuant to a scheme of arrangement (the “Scheme”) under Part 26 of the Companies Act 2006 (the “Act”) or takeover offer (the “Merger Offer”) made by or on behalf of Glencore for the entire issued and to be issued share capital of Xstrata, substantially on the terms and subject to the conditions set out in the circular to shareholders of Glencore dated 31 May 2012 (the “Circular”) outlining the Merger and the prospectus prepared by Glencore in connection with the Admission (as defined below) dated 31 May 2012 (a copy of each of which is produced to the Meeting and signed for identification purposes by the chairman of the meeting) be and is hereby approved and the directors of Glencore (the “Directors”) (or any duly constituted committee thereof) be authorised to: (i) take all such steps as may be necessary or desirable in connection with, and to implement, the Merger; and (ii) agree such modifications, variations, revisions or amendments to the terms and conditions of the Merger (provided that any such modifications, variations, revisions or amendments are not a material change to the terms of the Merger for the purposes of Listing Rule 10.5.2), and to any documents relating thereto, as they may in their absolute discretion think fit; and
- (B) subject to and conditional upon the Scheme becoming effective (save for any conditions relating to: (i) the delivery of the orders of the High Court of Justice in England and Wales (the “Court”) sanctioning the Scheme and confirming the reduction of capital in Xstrata to the Registrar of Companies in England and Wales; (ii) registration of such orders by the Registrar of Companies in England; and (iii) the UK Listing Authority and the London Stock Exchange agreeing to admit the ordinary shares of US\$0.01 each in Glencore (the “Ordinary Shares”) to the Official List and to trading on the main market of the London Stock Exchange, respectively (“Admission”)), or, as the case may be, the Merger Offer becoming or being declared wholly unconditional (save for Admission), the Directors be and are hereby generally and unconditionally authorised in accordance with article 10.1 of Glencore’s articles of association (the “Articles”) to exercise all powers of Glencore to allot equity securities (as defined in the Articles), credited as fully paid, with authority to deal with fractional entitlements arising out of such allotment as it thinks fit and to take all such other steps as it may deem necessary, expedient or appropriate to implement such allotment in connection with the Merger up to an aggregate nominal amount of US\$56,603,171, and which authority shall expire on the date of the annual general meeting in 2013 or on 30 June 2013, whichever is the earlier (unless previously revoked or varied by Glencore in general meeting), save that Glencore may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

Resolution 2 (Special Resolution)

THAT, subject to the Scheme becoming effective or, as the case may be, the Merger Offer becoming or being declared wholly unconditional, Glencore's name be changed to "Glencore Xstrata plc" and that the memorandum of association of Glencore be amended by the deletion of the first paragraph thereof and the insertion in its place of the following:

"1. The name of the Company is Glencore Xstrata plc".

Resolution 3 (Ordinary Resolution)

THAT, subject to the Scheme becoming effective or, as the case may be, the Merger Offer becoming or being declared wholly unconditional, pursuant to Article 10.2 of the Articles, and in addition to the amount set out in paragraph (B) of resolution 1 but in substitution for the previous authority conferred upon the Directors under that Article, the Directors be and are hereby authorised unconditionally to allot Ordinary Shares or grant rights to subscribe for or to convert any security into Ordinary Shares for an Allotment Period (as defined in the Articles) commencing on the date of the passing of this resolution and ending on the earlier of 30 June 2013 and the conclusion of Glencore's Annual General Meeting in 2013, and for that purpose the Authorised Allotment Amount (as defined in the Articles) shall be US\$41,943,436 and the Rights Issue Allotment Amount (as defined in the Articles) shall be US\$41,943,436.

Resolution 4 (Special Resolution)

THAT, subject to the Scheme becoming effective or, as the case may be, the Merger Offer becoming or being declared wholly unconditional and the passing of resolution 3, pursuant to Article 10.3 of the Articles and in substitution for the previous authority conferred on the Directors under that Article, the Directors be and are hereby empowered to allot equity securities for an Allotment Period (each as defined in the Articles) commencing on the date of the passing of this resolution and ending on the earlier of 30 June 2013 and the conclusion of Glencore's Annual General Meeting in 2013 wholly for cash as if Article 11 of the Articles did not apply to such allotment and, for the purposes of Article 10.3(c), the Non-Pre-Emptive Amount (as defined in the Articles) shall be US\$6,291,516.

Resolution 5 (Special Resolution)

THAT, subject to the Scheme becoming effective, or, as the case may be, the Merger Offer becoming or being declared wholly unconditional:

- (A) Glencore be and is hereby generally and unconditionally authorised pursuant to Article 57 of the Companies (Jersey) Law 1991, as amended, (the "Companies Law") to make market purchases of Ordinary Shares, provided that:
- (i) the maximum number of Ordinary Shares authorised to be purchased is 1,258,303,058;
 - (ii) the minimum price, exclusive of any expenses, which may be paid for an Ordinary Share is US\$0.01;
 - (iii) the maximum price, exclusive of any expenses, which may be paid for an Ordinary Share shall be the higher of:
 - (a) an amount equal to 5 per cent. above the average of the middle market quotations for Ordinary Shares taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such shares are contracted to be purchased; and
 - (b) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange Daily Official List at the time that the purchase is carried out; and
 - (iv) the authority hereby conferred shall be in substitution for the previous authority conferred on the Directors under that Article and shall expire on the earlier of the conclusion of Glencore's Annual General Meeting in 2013 and 30 June 2013 (except that Glencore may make a contract to purchase Ordinary Shares under this authority before such authority expires, which will or may be executed wholly or partly after the expiry of such authority, and may make purchases of Ordinary Shares in pursuance of any such contract as if such authority had not expired); and

(B) Glencore be and is hereby generally and unconditionally authorised pursuant to Article 58A of the Companies Law to hold, if the Directors so desire, as treasury shares, any Ordinary Shares purchased pursuant to the authority conferred by (A) above.

Dated: 31 May 2012.

Registered Office
Queensway House, Hilgrove Street
St Helier, Jersey JE1 1ES

By Order of the Board
John Burton
Company Secretary

Notes:

Right to attend and vote

(1) *Glencore, pursuant to the Companies (Uncertificated Securities) (Jersey) Order 1999, specifies that only those persons entered on Glencore's principal register of shareholders in Jersey (the "Principal Register") or Glencore's branch register of shareholders in Hong Kong (the "Branch Register") as at 7.00 p.m. Zug time on 9 July 2012 shall be entitled to attend or vote at the Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the Principal Register or Branch Register after 7.00 p.m. Zug time on 9 July 2012 shall be disregarded in determining the rights of any person to attend or vote at the Meeting. If the Meeting is adjourned, then, to be so entitled, shareholders must be entered on the Principal Register or Branch Register at 7.00 p.m. Zug time on the day two days prior to the adjourned meeting or, if Glencore gives notice of the adjourned meeting, at the time specified in that notice. Changes to entries in the Principal Register or Branch Register after 7.00 p.m. Zug time on the relevant date shall be disregarded in determining the rights of any person to attend or vote at the adjourned meeting.*

Proxy appointment

(2) *A shareholder who is entitled to attend, speak and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, speak and vote at the Meeting. A proxy need not be a shareholder of Glencore. A shareholder may appoint more than one proxy in relation to the Meeting, provided that the total number of such proxies shall not exceed the total number of shares carrying an entitlement to attend such meeting held by such shareholder. Shareholders may appoint a proxy using the enclosed form of proxy, the CREST electronic proxy appointment service (described below) or Computershare's online proxy appointment service at www.investorcentre.co.uk/eproxy (also described below).*

(3) *The appointment of a proxy will not prevent a shareholder from subsequently attending and voting at the Meeting in person.*

(4) *Any corporation which is a shareholder of Glencore may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at the Meeting. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual shareholder of Glencore. Under the Companies (Jersey) Law 1991, corporations may only appoint one corporate representative. Corporations wishing to allocate their votes to more than one person should use the proxy arrangements.*

(5) *Where a person is authorised to represent a body corporate, the Directors or the chairman may require him to produce a certified copy of the resolution from which he derives his authority.*

(6) *Any person to whom this notice is sent who is a person nominated to enjoy information rights (a "Nominated Person") may, under an agreement between him and the shareholder by whom he was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Meeting. Alternatively, if a Nominated Person has no such right, or does not wish to exercise it, he may, under any such agreement, have a right to give instructions to the relevant shareholder as to the exercise of voting rights.*

(7) *The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 2 and 3 above does not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by Glencore Shareholders.*

(8) *To be valid, an appointment of proxy must be returned using one of the following methods:*

(i) *by sending a duly authorised proxy form (together, if appropriate, with the power of attorney or other written authority under which it is signed or a certified copy of such power or authority) to Glencore's registered office or the office of Computershare at The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom or, for shareholders on the Hong Kong Branch Register, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong;*

(ii) *in the case of CREST members, by utilising the CREST electronic proxy appointment service; or*

(iii) *in the case of shareholders who have registered online, by utilising Computershare's online proxy appointment service at www.investorcentre.co.uk/eproxy,*

and, in each case, the appointment of proxy (together with any relevant power or authority) must be received (or, in the case of the appointment of a proxy through CREST, retrieved by enquiry to CREST in the manner prescribed by CREST) by Computershare not later than 48 hours before the time appointed for holding the Meeting.

(9) *If two or more valid but differing proxy appointments are received in respect of the same Ordinary Share, the one which is last received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the others as regards that Ordinary Share and, if Glencore is unable to determine which was last deposited, none of them shall be treated as valid in respect of that share.*

CREST members

- (10) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (11) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Glencore's agent not later than 11.00 a.m. Zug time on 9 July 2012. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Glencore's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- (12) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- (13) Glencore may treat as invalid a CREST Proxy Instruction in the circumstances set out in Article 34 of the Companies (Uncertificated Securities) (Jersey) Order 1999.

Voting by poll

- (14) Each of the resolutions to be put to the Meeting will be voted on by poll and not by show of hands. A poll reflects the number of voting rights exercisable by each shareholder and so the Board considers it a more democratic method of voting. It is also in line with recommendations made by the Shareholder Voting Working Group and Paul Myners in 2004. Shareholders and proxies will be asked to complete a poll card to indicate how they wish to cast their votes. These cards will be collected at the end of the Meeting. The results of the poll will be announced to the relevant stock exchanges and published on Glencore's website once the votes have been counted and verified.
- (15) Glencore has included on the proxy form a "Vote Withheld" option in order for shareholders to abstain on any particular resolution. However, it should be noted that a "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" the particular resolution.

Appointing a proxy and voting online

- (16) You may, if you wish, register the appointment of a proxy and/or voting instructions for this Meeting online by registering for the Computershare service, at www.investorcentre.co.uk/eproxy. Full details of the procedures are set out on this website. The proxy appointment and/or voting instructions must be received by Computershare by no later than 11.00 a.m. Zug time on 9 July 2012. You will need to have your form of proxy to hand when you log on as it contains information which is required during the process.
- (17) Please note that any electronic communication sent to Glencore or Computershare that is found to contain a computer virus will not be accepted.

Questions

- (18) Any shareholder attending the meeting has the right to ask questions. We recognise that not all shareholders will be able to attend the meeting. If you are unable to come to the meeting but would like to ask the directors a question, please submit your question in advance by email to investors@glencore.com by 11.00 a.m. Zug time on 9 July 2012.

Information about shares and voting

- (19) The total number of issued Ordinary Shares in Glencore on 29 May 2012, which is the latest practicable date before the publication of this document, is 6,922,713,511, carrying one vote each on a poll and the total number of votes exercisable at that date is the same number. At 29 May 2012, Glencore held no treasury shares.

Venue arrangements

- (20) To facilitate entry to the Meeting, shareholders are requested to bring with them the admission card which is attached to the form of proxy.
- (21) Shareholders should note that the doors to the Meeting will be open at 10.30 a.m. Zug time on 11 July 2012.
- (22) For security reasons, all hand luggage may be subject to examination prior to the entry to the Meeting. Mobile phones may not be used in the meeting hall, and cameras, tape recorders, laptop computers, video recorders and similar equipment are not allowed in the meeting hall.

(23) *We ask all those present at the Meeting to facilitate the orderly conduct of the Meeting. Glencore reserves the right, if orderly conduct is threatened by a person's behaviour, to require that person to leave.*

(24) *There will be facilities for shareholders who are in a wheelchair. Anyone accompanying a shareholder in need of assistance will be admitted to the meeting as a guest of that shareholder.*

Website information

(25) *A copy of this notice and other relevant shareholder information can be found at www.glencore.com/investors and www.glencore.com/glencore-xstrata.php.*

Use of electronic address

(26) *Shareholders may not use any electronic address provided in either this notice of meeting or any related documents (including the enclosed form of proxy) to communicate with Glencore for any purposes other than those expressly stated.*

Information rights

(27) *A shareholder who holds shares on behalf of another person may nominate that person to have information rights to receive all communications sent by Glencore to its shareholders. Any shareholder wishing to make such nomination should apply to Computershare at the address below giving details of the nominated person, including their relationship with them.*

General enquiries

(28) *Computershare maintains Glencore's register of shareholders. They provide a telephone helpline service (telephone number from the UK: 0870 7074040; from outside the UK: 0044 870 7074040). If you have any queries about the Meeting or about your shareholding, please contact Computershare at the following address: The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom or, for shareholders on the Hong Kong Branch Register, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong or the Hong Kong general helpline: (852) 2862 8555.*

