

10 September 2012

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NEWS RELEASE

Glencore International plc

Merger Update – Glencore’s Proposal to Xstrata

As required by the Takeover Panel, Glencore International plc (“**Glencore**”) announces that over the weekend it made the following proposal (the “**Proposal**”) to the independent board of Xstrata plc (“**Xstrata**”). The Proposal remains subject to the agreement of the Xstrata board.

1. Increased merger ratio to 3.05

An increased merger ratio of 3.05 New Glencore Shares for each Xstrata Share, excluding the Xstrata Shares already held by the Glencore Group. Glencore confirms that it is an all-share merger and it will not increase the merger ratio further.

The increased merger ratio represents a substantial premium for a company with a 34 per cent. shareholder. At the close of business on Wednesday 5 September 2012 (being the last business day prior to any speculation of a change to the terms of the Merger), Glencore and Xstrata were trading at an exchange ratio of 2.4x. That would imply a premium of more than 27 per cent. would be paid with the new proposed merger ratio.

2. Governance

In order to provide clarity on the issue of CEO succession, Mick Davis will become the Chief Executive Officer and executive director of the Combined Group on the Merger becoming effective but to step down within 6 months with Ivan Glasenberg becoming Chief Executive Officer of the Combined Group at that time.

All other governance arrangements set out in Xstrata’s scheme document and Glencore’s class 1 circular and prospectus, each published on 31 May 2012, would remain the same.

3. Management Incentive Arrangements

The Merger to remain conditional on independent Xstrata shareholders approving appropriate management incentive arrangements for Xstrata management and senior employees.

Glencore has confirmed that it is content with Xstrata’s request for Xstrata management and senior employees to receive appropriate retention and incentive packages. Glencore has asked the independent Xstrata board to consider what (if any) changes they would propose to the retention and incentive arrangement packages set out in Xstrata’s supplementary scheme circular dated 8 August 2012, to ensure that they are acceptable to independent Xstrata shareholders.

4. Structure

The Merger would continue to be structured as a Scheme and Glencore could switch to a takeover offer with the consent of the Panel and Xstrata.

For the avoidance of doubt, as noted above, these terms are subject to the agreement of the Xstrata board.

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Capitalised terms used in this announcement, unless defined herein have the same meanings as set out in Glencore's Prospectus published on 31 May 2012 as supplemented by the supplementary prospectuses published on 12 July 2012, 7 August 2012 and 21 August 2012.

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Publication on Website

A copy of this announcement will be available on Glencore's website (www.glencore.com) by no later than 12 noon (London time) on the business day following the date of this announcement.

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