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NEWS RELEASE

RECOMMENDED ALL-SHARE MERGER OF EQUALS OF GLENCORE INTERNATIONAL PLC AND XSTRATA PLC TO CREATE UNIQUE $90 BILLION NATURAL RESOURCES GROUP

7 February 2012

Summary

- The Glencore Directors and the Independent Xstrata Directors have reached agreement on the terms of a recommended all-share merger of equals
- Creation of a major natural resources group with a combined equity market value of $90 billion and a unique business model, fully integrated along the commodities value chain, from mining and processing, storage, freight and logistics, to marketing and sales
- Merger ratio of 2.8 New Glencore Shares for every Xstrata Share held, excluding Xstrata Shares already owned by the Glencore Group, providing Xstrata Shareholders other than Glencore with a 45 per cent. stake in the Combined Entity
- The Merger values each Xstrata Share at 1,290.10 pence and the entire issued and to be issued share capital of Xstrata at approximately £39.1 billion ($61.9 billion) and represents a premium of:
    - approximately 15.2 per cent. to Xstrata's closing share price of 1,119.50 pence as at 1 February 2012, being the last business day prior to the announcement by Xstrata that it was in discussions with Glencore; and
    - approximately 27.9 per cent. to Xstrata's volume weighted average share price of 1,008.91 pence over the three-month period ended 1 February 2012, being the last business day prior to the announcement by Xstrata that it was in discussions with Glencore
- Combination of two complementary businesses with long-standing links and the logical next step for both companies against a changing industry environment

- Combines the premier global commodities marketing business and a world-class operator of metals and mining assets, each with outstanding track records of growth and value creation, and integrates two portfolios of assets and projects with industry leading growth prospects and combined production growth of 11 per cent. on a compound annual basis to 2015

- Combined Group will have a significant and expanded operational footprint, including positions in the next major regions for mining investment, including African copper-belt, Kazakhstan and South America

- Creates substantial new optionality and greater strategic and financial flexibility

- Combined Group will benefit from enhanced scale and market positions in the production and marketing of key commodities, as well as an industry-leading diversification profile by commodity and which improves cash flow diversification

- Proven management team to be led by current Xstrata CEO, Mick Davis, as CEO of the Combined Group, Ivan Glasenberg, current Glencore CEO, as Deputy CEO and President, Trevor Reid, current Xstrata CFO, as CFO and Steven Kalmin, current Glencore CFO, as Deputy CFO

- Combined Group will benefit from a robust corporate governance structure with an aligned strategy to create superior shareholder value. Sir John Bond, current Xstrata non-executive Chairman, will be nominated as non-executive Chairman of the Combined Group and the Combined Group's Board will also include Mick Davis, Ivan Glasenberg and a further eight non-executive directors, four from each of Xstrata and Glencore's current Boards

- Glencore and Xstrata management teams will be deployed according to their key strengths. Operating assets will be integrated into the existing Xstrata business units, while marketing will be managed by the existing Glencore management teams

- Best in class sustainability and operating expertise to be applied across the Combined Group's operations to underpin access to natural resources and a social licence to operate

- Estimated annual EBITDA synergies of at least $500 million in the first full financial year of the Combined Group, predominantly marketing related

- Expected to be earnings per share accretive to Xstrata Shareholders in the first full financial year of the Combined Group[1]

- For the 12 months ended 31 December 2011, Glencore generated revenues of $186.2 billion and adjusted EBITDA (before exceptional items) of $6.5 billion[2]

- For the 12 months ended 31 December 2011, Xstrata generated revenues of $33.9 billion and EBITDA (before exceptional items) of $11.7 billion[3]

- On a combined basis for the year ended 31 December 2011, the Combined Group would have generated revenues of $209.4 billion and adjusted EBITDA of $16.2 billion[4]

- The Merger will be effected by means 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

1. This statement should not be interpreted to mean that earnings per share for Xstrata Shareholders will necessarily be greater than those for the year ended 31 December 2011.
2. These figures are unaudited but are extracted from the Glencore Trading Update in Appendix 4 and include some figures which are included in the Glencore Profit Estimate. See Appendix 4 for further details.
3. Xstrata's preliminary results for the same period were released today and are available at www.xstrata.com.
4. Combined revenue excludes sales made between Glencore and Xstrata and combined EBITDA excludes Glencore's equity accounted share of Xstrata's income.

Xstrata's operating businesses and Glencore's marketing functions will continue to operate under their existing brands. It is proposed that the Combined Entity will be called Glencore Xstrata International plc, listed on the London and Hong Kong Stock Exchanges, with its headquarters in Switzerland and will continue as a company incorporated in Jersey.

The Independent Xstrata Directors, who have been so advised by each of the Xstrata Financial Advisers, consider the terms of the Merger to be fair and reasonable. Accordingly, the Independent Xstrata Directors intend unanimously to recommend Xstrata Shareholders to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Xstrata General Meeting as the Independent Xstrata Directors who hold or are beneficially entitled to Xstrata Shares have irrevocably undertaken to do in respect of their own Xstrata Shares (representing approximately 0.1 per cent. of the issued ordinary share capital of Xstrata). In providing its advice, each of the Xstrata Financial Advisers has taken into account the commercial assessments of the Independent Xstrata Directors.

The Glencore Directors consider the Merger to be in the best interests of Glencore Shareholders taken as a whole. Accordingly, the Glencore Directors intend unanimously to recommend Glencore Shareholders to vote in favour of the resolution to be proposed at the Glencore General Meeting to approve the Merger and related resolutions as the Glencore Directors who hold or are beneficially entitled to Glencore Shares have irrevocably undertaken to do in respect of their own Glencore Shares (representing approximately 16.8 per cent. of the issued ordinary share capital of Glencore).

Mick Davis, Xstrata plc Chief Executive Officer commented:

"A merger between Glencore and Xstrata offers a unique opportunity to create a new business model in our industry to respond to a changing environment. It is the logical next step for two complementary businesses, each with an outstanding track record of shareholder value creation, entrepreneurial management and a proven ability to spot valuable opportunities and capitalise on them.

"Our industry landscape is evolving ever faster. Sources of supply are diverging from traditional mining regions to more complex and disparate locations, with a

range of new industry participants seeking access to markets. At the same time, demand growth has shifted from Europe, Japan and the US, to emerging Asian economies. The commodities value chain is becoming longer and more complex, creating opportunities for a company that can pre-emptively participate at every stage. Glencore Xstrata would be well positioned to do just that, creating value from resource extraction to customer sales and services, at a time when demand for our combined products continues to grow.

"Increased scale and diversity will improve our risk profile, enhance access to capital markets and allow us to participate in industry consolidation. With access to superior market intelligence, relationships with thousands of suppliers and customers and the sustainability and operating expertise to operate in both existing and emerging producing regions, Glencore Xstrata will be well placed to build a distinct competitive position and capture new opportunities across the globe.

"The Merger also offers exciting career prospects for both companies' people within a dynamic, decentralised and entrepreneurial global corporation. I look forward to discussing this opportunity with our shareholders over the coming weeks."

Ivan Glasenberg, Glencore Chief Executive, said:

"We have a fantastic opportunity to create a new powerhouse in the global commodities industry. The merged company will be the most diverse major resource group, combining two complementary project portfolios and pipelines with the best commodities marketing business in the world.

"This is a natural merger which will realise immediate and ongoing value from marketing the Combined Group's products to maximise arbitrage opportunities, blending, swapping and storing to meet customer needs more exactly. But the opportunity is even greater than that.

"Working together, we will be able to provide customers with greater security of supply and a broader range of products and services. We buy from thousands of third-party commodity producers worldwide, and these relationships enable us to spot opportunities to grow our asset base before anyone else. Our enhanced scale, diversification and financial flexibility will enable us to capture more of these opportunities if they are right for the Combined Group.

"Our two companies have worked well together for over 10 years. I look forward to supporting Mick and working as part of what I am confident will be the leading team in the resources sector."

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

"The Xstrata plc Board recognises the merits of the Merger that will provide Xstrata shareholders with a significant stake in a unique new business at a premium to their Xstrata shareholding. The Merger will bring together two entrepreneurial and highly successful management teams to create a unique group with an exciting future. The Combined Group will continue Xstrata and Glencore's commitment to creating superior shareholder value, including a progressive policy for dividends and a robust governance framework to ensure the Combined Group's strategy can be delivered responsibly and transparently."

Simon Murray, Glencore non-executive Chairman, commented:

"Glencore's Board has unanimously agreed that the Merger is in the best interests of Glencore Shareholders. It builds upon the long-standing relationship between Xstrata and Glencore to the benefit of both companies. These two entrepreneurial companies have separately grown into leaders in the commodity industry, each with a different but highly complementary focus. Together these two companies will create an attractive group with the capabilities and scale to play a key role in meeting the growing global demand for commodities whilst helping resource holding countries create value from their natural endowments."

It is expected that the Scheme Document, containing further information about the Merger and notices of the Court Meeting and Xstrata General Meeting, together with the Forms of Proxy, will be posted to Xstrata Shareholders in April 2012, after the publication of the 2011 annual reports of each of Xstrata and Glencore. It is also expected that the Scheme will then become effective in the third quarter of 2012, subject to the satisfaction of the Conditions and certain further terms set out in Appendix 1 to this announcement.

It is also expected that the Glencore Prospectus, containing information about the New Glencore Shares, will be published at the same time as the Scheme Document is posted to Xstrata Shareholders.

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

This summary should be read in conjunction with, and is subject to, the full text of the following announcement (including its Appendices). The Merger will be subject to the Conditions and certain further terms set out in Appendix 1 and to the full terms and conditions to be set out in the Scheme Document and the Forms of Proxy. Appendix 2 contains the sources and bases of certain information contained in this summary and the following announcement. Appendix 3 contains details of the irrevocable undertakings received by Xstrata and Glencore. Appendix 4 contains the Glencore Trading Update and Glencore Profit Estimate and also the Glencore Financial Advisers' and Deloitte LLP's reports on the Glencore Profit Estimate. Appendix 5 contains the definitions of certain terms used in this summary and the following announcement.

There will be an investor and analysts' presentation which will start promptly at 8.30 a.m. (London time) at the Media & Business Complex, London Stock Exchange, 10 Paternoster Square, London EC4M 7LS (use entrance at 20 Newgate Street).

The presentation will be available as a live webcast from www.xstrata.com.

An audio dial in facility is also available (listen only) from the following dial in numbers:

UK (toll-free)	0800 279 4977
USA (toll-free)	1877 280 1254

Switzerland (toll-free)	0800 345 602
Australia (toll-free)	1800 027 830
ROW	+44 (0) 20 7784 1036

There will be a replay facility available for two days:

Switzerland	+41 22 592 7553
USA	+1 347 366 9565
Australia	+61 (0) 2 8014 7928
UK and ROW	+44 (0) 20 7111 1244

Replay Access code: 4484522#

US investors

There will be a conference call for US investors at 2.30 p.m. (London time), 9.30 a.m. EST on Tuesday 7 February 2012.

Participant dial-in details are as follows:

Dial-in details:

USA Toll:	+1 646 254 3361
USA Toll Free:	1877 249 9037
Confirmation Code:	4604672

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Further information

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

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

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

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

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

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

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

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

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

Notice to US holders of Xstrata Shares

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

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

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

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

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

Overseas jurisdictions

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

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

Unless otherwise determined by Glencore or required by the Code, and permitted by applicable law and regulation, the Merger will not be made, directly or indirectly, in, into or from any Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Merger by any such use, means, instrumentality or form within a Restricted Jurisdiction. Accordingly, copies of this announcement and formal documentation relating to the Merger will not be and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving this announcement and all documents relating to the Merger (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

Forward-looking statements

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

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

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

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

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

No profit forecasts

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

The Glencore Profit Estimate is a profit forecast for the purposes of Rule 28 of the Code. As such it is a requirement under the Code that the Glencore Profit Estimate be reported on by Glencore's reporting accountants and financial advisers. The bases and assumptions behind the Glencore Profit Estimate and the reports of the Glencore Financial Advisers and Deloitte LLP are set out in Appendix 4 to this announcement. The Glencore Financial Advisers and Deloitte LLP have given and not withdrawn their consent to publication of their reports in the form and context in which they are included. In accordance with Rule 28.8 of the Code your attention is drawn to the announcement issued by Glencore on 25 August 2011 containing the unaudited results of Glencore for the six months ended 30 June 2011.

Glencore Directors' responsibility statement

The Glencore Directors accept sole responsibility for the Glencore Trading Update which includes the Glencore Profit Estimate.

Disclosure requirements of the Code

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

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

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

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

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

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

Publication on website

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

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

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

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7 February 2012

RECOMMENDED ALL-SHARE MERGER OF EQUALS of GLENCORE INTERNATIONAL PLC and XSTRATA PLC TO CREATE UNIQUE $90 BILLION NATURAL RESOURCES GROUP

The Glencore Directors and the Independent Xstrata Directors have reached agreement on 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 Xstrata Share held. The Merger will be effected by way of a Court sanctioned scheme of arrangement of Xstrata under Part 26 of the UK Companies Act, pursuant to which Glencore will acquire the entire issued and to be issued ordinary share capital of Xstrata not already owned by the Glencore Group.

1. The Merger

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

for each Scheme Share	2.8 New Glencore Shares

On the basis of Glencore's closing share price of 460.75 pence on 6 February 2012, the Merger values each Xstrata Share at 1,290.10 pence and the entire issued and to be issued share capital of Xstrata at approximately £39.1 billion ($61.9 billion). This represents a premium of:

- approximately 15.2 per cent. to Xstrata's closing share price of 1,119.50 pence on 1 February 2012, being the last business day prior to the announcement by Xstrata that it was in discussions with Glencore; and

- approximately 27.9 per cent. to Xstrata's volume weighted average closing share price of 1,008.91 pence for the three-month period ended 1 February 2012, being the last business day prior to the announcement by Xstrata that it was in discussions with Glencore.

2. Recommendation

The Independent Xstrata Directors, who have been so advised by each of the Xstrata Financial Advisers, consider the terms of the Merger to be fair and reasonable. Accordingly, the Independent Xstrata Directors intend unanimously to recommend Xstrata Shareholders to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Xstrata General Meeting as the

Independent Xstrata Directors who hold or are beneficially entitled to Xstrata Shares have irrevocably undertaken to do in respect of their own Xstrata Shares (representing approximately 0.1 per cent. of the issued ordinary share capital of Xstrata). In providing its advice, each of the Xstrata Financial Advisers has taken into account the commercial assessments of the Independent Xstrata Directors.

The Glencore Directors consider the Merger to be in the best interests of Glencore Shareholders taken as a whole. Accordingly, the Glencore Directors intend unanimously to recommend Glencore Shareholders to vote in favour of the resolution to be proposed at the Glencore General Meeting to approve the Merger and related resolutions as the Glencore Directors who hold or are beneficially entitled to Glencore Shares have irrevocably undertaken to do in respect of their own Glencore Shares (representing approximately 16.8 per cent. of the issued ordinary share capital of Glencore).

3. Background to and reasons for the Merger

Logical next step that transforms both businesses into a natural resources super-major

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:

- Xstrata has delivered total shareholder returns of over 370 per cent. since IPO in March 2002 and has grown from an equity value of approximately $500 million at creation in 2001 to a market value of approximately $59 billion as at 6 February 2012; and
- Glencore has grown from an equity value of approximately $1.2 billion at its management buy-out in 1994 to a market value (including the Glencore Group's 34.08 per cent. holding in Xstrata) of approximately $50 billion as at 6 February 2012.

The Combined Group will benefit from enhanced scale and diversity in the global resources industry:

- Fourth largest global diversified natural resource company;
- Major producer and marketer of 18 commodities:
    - global leader in export thermal coal, ferrochrome and integrated zinc production;
    - third largest producer of copper growing into the largest independent producer within four years; and
    - fourth largest producer of nickel;
- Operations and projects in 33 countries with 101 mines and over 50 metallurgical facilities and offices in 40 countries with approximately 130,000 employees;
- Presence at each stage of the commodities chain providing superior market insight and access to opportunities, particularly in emerging pinch points in the new commodities chain;
- Established footprint in emerging regions for natural resources investment, including the African copper-belt, Kazakhstan and South America, as both an operator as well as a provider of marketing and logistics services to new producers; and

- Substantial new optionality and greater strategic flexibility.

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

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

The Combined Group will benefit from superior growth from 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 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.

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, proven cost improvement track record and leading sustainability framework;
- Scale and diversity and organic growth options;
- Appropriate financial strategy, strongly positioned for continuous access to equity and bond markets;
- Access to a fleet of over 200 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 from 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 a social licence to operate and ongoing 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's Board will comprise eleven directors, including nine non-executive directors. A majority of the Combined Group's Board

will be independent non-executive directors. The Combined Group's Board will be led by non-executive Chairman, Sir John Bond, currently the Xstrata Chairman, who will have the casting vote on all matters before the Combined Group's Board. Current Xstrata CEO, Mick Davis, will be CEO of the Combined Group, Ivan Glasenberg, current Glencore CEO, will be Deputy CEO and President, Trevor Reid, current Xstrata CFO, will be CFO and Steven Kalmin, current Glencore CFO, will be Deputy CFO.

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

Each committee of the Combined Group's Board will comprise three non-executive directors: one Xstrata-nominated non-executive director and one Glencore-nominated non-executive director (in the case of the Nominations Committee, both of whom are acceptable to Glencore) and the Chair of the Committee. Sir John Bond will Chair the Nominations Committee. An Xstrata-nominated non-executive director will chair the Health, Safety, Environment and Community committee while Glencore-nominated non-executive directors will chair the Audit & Risk and Remuneration committees.

The organisation structure is designed to optimise the application of Glencore and Xstrata's capabilities and leverage their respective strengths. Under 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. 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 segmental business heads, reporting to Ivan Glasenberg, Deputy CEO and President.

In addition, Ivan Glasenberg has irrevocably undertaken in his personal capacity and in respect of his shareholding of approximately 8.8 per cent. of the Combined Entity's enlarged issued share capital not to use his voting rights or other influence to depart from the agreed governance principles for the Combined Group referred to above for a period of not less than two years following the Scheme becoming effective. In addition, Steven Kalmin and each of the Principal Shareholders, who in aggregate will hold approximately 12.8 per cent. of the Combined Entity's enlarged issued share capital, have indicated their support for the governance principles referred to above.

4. 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 3,153,387 Xstrata Shares, representing in aggregate approximately 0.1 per cent. of Xstrata's existing issued share capital.

In aggregate, Xstrata and Glencore have received irrevocable undertakings from those of the Glencore Directors who hold or are beneficially entitled to Glencore Shares and also from the Principal Shareholders to vote in favour of the resolutions to be proposed at the Glencore General Meeting to approve the Merger and

related resolutions in respect of 2,574,072,797 Glencore Shares, representing in aggregate approximately 37.2 per cent. of Glencore's existing issued share capital.

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

5. Information relating to 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 on a global scale, marketing and distributing physical commodities sourced from third party producers and 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 are 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 M&A, joint ventures or otherwise. Glencore will continue to pursue these opportunities between the date of this announcement and the Effective Date.

Glencore will announce its preliminary results for the financial year ended 31 December 2011 on 5 March 2012. See Appendix 4 for the Glencore Trading Update, which includes the Glencore Profit Estimate for the financial year ended on 31 December 2011.

6. Information relating to Xstrata

Xstrata is the fifth largest diversified mining group in the world, with top five industry positions in copper, export thermal coal, export coking coal, ferrochrome, zinc and nickel, meaningful positions in vanadium and additional exposure to gold, cobalt, lead and silver. Xstrata also includes a growing platinum group metals business, iron ore projects, recycling facilities and a suite of global technology products, many of which are industry leaders.

Xstrata'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.

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

Xstrata Copper: Xstrata is an 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 world-class portfolio of seven copper development projects, located in Peru, the Philippines, Chile, Argentina and Papua New Guinea.

Xstrata Coal: On a managed basis, Xstrata is the world's largest exporter of bituminous thermal coal 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 and exploration projects in Nova Scotia and British Columbia, Canada. Xstrata Coal has world-class coal development projects in Australia and also manages Xstrata's growing iron ore business.

Xstrata Nickel: Xstrata is the fifth 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 world-class development projects in Canada, Tanzania and New Caledonia.

Xstrata Zinc: Xstrata is one of the world's largest miners and producers of zinc. Operations span Spain, Germany, Australia, the UK and Canada, with an interest in the Antamina copper/zinc mine in Peru.

Xstrata Alloys: Xstrata is one of the world's largest and amongst the world's lowest cost integrated ferrochrome producers (through 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, Xstrata also operates Xstrata Process Support and Xstrata Technology, mining and processing technology businesses with operations in Australia, Canada, Chile and South Africa.

Xstrata Shares are traded on the London Stock Exchange and the SIX Swiss Exchange. Xstrata is a member of the FTSE 100 index.

Xstrata today announced its preliminary results for the financial year ended 31 December 2011. A copy of that announcement is available from the Xstrata website at www.xstrata.com.

7. Synergies and earnings

The combination of Xstrata and Glencore will deliver estimated annual EBITDA synergies of at least $500 million in the first full year of the Combined Group, which are predominantly marketing related. The combination is expected to be earnings per share accretive to Xstrata Shareholders.*

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

8. Dividends

Concurrent with the release of its annual results on 5 March 2012, Glencore intends to announce a final dividend of $0.10 per Glencore Share for the financial year ended 31 December 2011, which is subject to the approval of the Glencore Directors and Glencore Shareholders and will be paid in accordance with Glencore's normal timetable. Further, Glencore also intends to pay an interim dividend for the year ending 31 December 2012, which will be in an amount in the normal and regular course.

Xstrata expects to pay the Xstrata 2011 Final Dividend of $0.27 per Xstrata Share on 23 May 2012 and, if the Effective Date falls after the record date for the Glencore 2012 Interim Dividend, Xstrata will also pay an interim dividend for the year ending 31 December 2012, which will be in an amount in the normal and regular course.

Glencore and Xstrata will work together so that both sets of shareholders have the opportunity to receive a 2012 interim dividend, if one is paid.

9. Management and employees

Key elements of the post-merger organisation and joint integration approach have been agreed. The proposed management structure for the Combined Group will ensure that the benefits of Xstrata's devolved organisational model are maintained and that the Combined Group benefits fully from complementary skills of the two companies. The new business model resulting from the merger of these companies relies on the ability to retain key personnel. In this regard, existing contractual arrangements will be preserved and appropriate remuneration arrangements will be offered to key personnel to ensure that they transition into the Combined Group and are motivated to remain in position and contribute to the execution of the Combined Group's business strategy. All of the remuneration arrangements being offered will have conditions attached.

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

Details of these arrangements will be set out in the Scheme Document and some elements of these arrangements will require the consent of the Xstrata Independent Shareholders.

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

10. Xstrata Share Schemes

Details of the proposals to be put to participants in the Xstrata Share Schemes will be set out in the Scheme Document and in separate letters to be sent to participants in the Xstrata Share Schemes.

11. Offer-related arrangements

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

Glencore and Xstrata also entered into a reverse break fee agreement on 7 February 2012 (the "Break Fee Agreement") pursuant to which Glencore 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 Glencore's 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.

12. Structure of the Merger

It is intended that the Merger will be implemented by way of a Court sanctioned scheme of arrangement between Xstrata and the Scheme Shareholders, under Part 26 of the UK Companies Act.

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 New Glencore Shares to Scheme Shareholders on the register of members at the Scheme Record Time on the basis set out in paragraph 1 of this announcement.

The Scheme will include a reorganisation of the share capital of Xstrata whereby, in accordance with the terms of the Scheme, the Excluded Shares will be reclassified into A ordinary shares and the Scheme Shares will be reclassified into B ordinary shares. The share capital reorganisation will only take place at the time at which the Scheme Court Order is delivered to the Registrar of Companies, at which point the B ordinary shares will carry the right to receive New Glencore Shares on the basis set out in paragraph 1 of this announcement. The A ordinary shares will not participate in the Scheme and Glencore will procure that the holders of the Excluded Shares consent to the Scheme. The B ordinary shares will be cancelled and holders will receive New Glencore Shares as described above. No temporary documents of title will be issued to Xstrata Shareholders in respect of the A ordinary shares or B ordinary shares.

If for any reason the Scheme does not become effective, the share capital reorganisation described above will not take effect (or will be reversed) and Xstrata Shareholders will retain their current holdings of Xstrata Shares.

The Merger is subject to the Conditions and certain further terms referred to in Appendix 1 to this announcement and to be set out in the Scheme Document and the Forms of Proxy, 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:

- 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 Court Meeting, either in person or by proxy, representing three-quarters or more in value of the Scheme Shares held by those Scheme Shareholders. For the avoidance of doubt, Glencore is not a Scheme Shareholder and therefore is not entitled to vote on any resolution at the Court Meeting;

- the Special Resolution necessary to implement the Scheme and to sanction the related Capital Reduction is passed by the requisite majority of Xstrata Shareholders at the Xstrata General Meeting;

- the Scheme is sanctioned (with or without modification, on terms agreed by Glencore and Xstrata) and the related Capital Reduction confirmed by the Court;

- office 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;

- anti-trust and regulatory approvals in certain jurisdictions are obtained;

- a resolution to approve the Management Incentive Arrangements, inter-conditional with the other resolutions referred to above, is passed by the Xstrata Independent Shareholders; and

- the resolutions 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 Glencore Directors to allot the New Glencore Shares are passed by the requisite majority of Glencore Shareholders, but, for the avoidance of doubt, not the resolution relating to Glencore's proposed change of name

following the Merger becoming effective (which shall not be a condition to the Merger).

Upon the Scheme becoming effective: (i) it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the Xstrata General Meeting (and if they attended and voted, whether or not they voted in favour); and (ii) 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. The New Glencore Shares issued to Scheme Shareholders pursuant to the Scheme will rank pari passu in all respects with existing Glencore Shares.

If the Scheme 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 will include full details of the Scheme, together with notices of the Court Meeting and the Xstrata General Meeting. The Scheme Document will also contain the expected timetable for the Merger, and will specify the necessary actions to be taken by Xstrata Shareholders. It is expected that the Scheme Document will be posted to Xstrata Shareholders and, for information only, to persons with information rights and to holders of options granted under the Xstrata Share Schemes in April 2012, after the publication of the 2011 annual reports of each of Xstrata and Glencore. For the purposes of Appendix 7 to the Code and with the agreement of Xstrata, the Panel has consented to these arrangements. Subject, amongst other things, to the satisfaction or waiver of the Conditions, it is expected that the Scheme will become effective in the third quarter of 2012.

It is also expected that the Glencore Prospectus, containing information about the New Glencore Shares, will be published at the same time as the Scheme Document is posted to Xstrata Shareholders.

The Glencore Circular will include full details of the Merger, together with notice of the Xstrata General Meeting of Glencore at which the relevant resolutions will be proposed for the approval of the Merger by Glencore Shareholders as a "Class 1" transaction under the Listing Rules, to grant authority to the Glencore Directors to allot the New Glencore Shares and to approve Glencore's proposed change of name. The Glencore Circular is expected to be posted to Glencore Shareholders at the same time as the Scheme Document is posted to Xstrata Shareholders.

13. Listing, dealings and settlement

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

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

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

14. Delisting and re-registration

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

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

15. Glencore Shareholder approval

As a result of the size of the transaction, the Merger constitutes a Class 1 transaction (as defined in the Listing Rules) for Glencore. Accordingly, Glencore will be required to seek the approval of Glencore Shareholders for the Merger at the Glencore General Meeting. Glencore is required to prepare and send to Glencore Shareholders a circular summarising the background to and reasons for the Merger (which will include a notice convening the Glencore General Meeting). The Merger is conditional on, amongst other things, the resolutions to approve the Merger as a "Class 1" transaction and to grant authority to the Glencore Directors to allot the New Glencore Shares (but not, for the avoidance of doubt, the resolution to approve the proposed change of Glencore's name following the Merger becoming effective) being passed by Glencore Shareholders at the Glencore General Meeting.

The Glencore Circular containing the notice of the Glencore General Meeting will be sent to Glencore Shareholders at or around the same time as the posting of the Scheme Document to Xstrata Shareholders, which is expected to be in April 2012, after the publication of the 2011 annual reports of each of Xstrata and Glencore.

Glencore will also be required to make the Glencore Prospectus to be prepared in connection with the issue of the New Glencore Shares available to the public in accordance with the Prospectus Rules. The Glencore Prospectus will contain information relating to the Combined Group and the New Glencore Shares. It is expected that the Glencore Prospectus will be published at the same time as the Scheme Document is posted to Xstrata Shareholders.

16. Disclosure of interests in relevant securities

Glencore confirms that it has made an Opening Position Disclosure, setting out the details required to be disclosed by it under Rule 8.1(a) of the Code.

In the interests of maintaining secrecy prior to the announcements made on 2 February 2012, Glencore has not yet completed enquiries in respect of the matters referred to in this paragraph of certain parties who may be deemed by the Panel to

be acting in concert with Glencore for the purposes of the Merger. Enquiries of such parties will be completed as soon as practicable following the date of this announcement and, in accordance with Note 2(a)(i) to Rule 8 of the Code, further disclosures, if any, required in respect of such parties will be made as soon as possible and in any event by no later than 12 noon (London time) on 16 February 2012.

17. Overseas shareholders

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

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

18. Documents on display

Copies of the following documents will, by no later than 12 noon (London time) on 8 February 2012, be published on Xstrata's website at www.xstrata.com and Glencore's website at www.glencore.com until the Effective Date:

- the irrevocable undertakings referred to in paragraph 4 above and summarised in Appendix 3 to this announcement;
- the Break Fee Agreement; and
- the Confidentiality Agreement.

19. General

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

The Scheme will be governed by English law and will be subject to the jurisdiction of the courts of England and Wales. The Scheme will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange and the FSA.

The bases and sources of certain financial information contained in this announcement are set out in Appendix 2. Certain terms used in this announcement are defined in Appendix 5.

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Further information

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

distributed to Glencore Shareholders. Glencore urges Glencore Shareholders to read the Glencore Circular when it becomes available because it will contain important information in relation to the Merger. Any vote in respect of the Scheme or other response in relation to the Merger should be made only on the basis on the information contained in the Scheme Document.

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

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

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

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

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

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

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

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

Notice to US holders of Xstrata Shares

The Merger will involve an exchange of the securities of a UK company for the securities of a Jersey company and will be subject to Jersey and UK disclosure requirements, which are different from those of the United States. The financial information included in this

announcement has been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

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

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

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

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

Overseas jurisdictions

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

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

Unless otherwise determined by Glencore or required by the Code, and permitted by applicable law and regulation, the Merger will not be made, directly or indirectly, in, into or from any Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Merger by any such use, means, instrumentality or form within a Restricted Jurisdiction. Accordingly, copies of this announcement and formal documentation relating to the Merger will not be and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving this announcement and all documents relating to the Merger (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

Forward-looking statements

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

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

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

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

No profit forecasts

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

The Glencore Profit Estimate is a profit forecast for the purposes of Rule 28 of the Code. As such it is a requirement under the Code that the Glencore Profit Estimate be reported on by Glencore's reporting accountants and financial advisers. The bases and assumptions behind the Glencore Profit Estimate and the reports of the Glencore Financial Advisers and Deloitte LLP are set out in Appendix 4 to this announcement. The Glencore Financial Advisers and Deloitte LLP have given and not withdrawn their consent to publication of their reports in the form and context in which they are included. In accordance with Rule 28.8 of the Code your attention is drawn to the announcement issued by Glencore on 25 August 2011 containing the unaudited results of Glencore for the six months ended 30 June 2011.

Glencore Directors' responsibility statement

The Glencore Directors accept sole responsibility for the Glencore Trading Update which includes the Glencore Profit Estimate.

Disclosure requirements of the Code

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

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

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing

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

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

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

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

Publication on website

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

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

APPENDIX 1

CONDITIONS AND CERTAIN FURTHER TERMS

OF THE SCHEME AND THE MERGER

A. CONDITIONS TO THE SCHEME AND MERGER

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

2 The Scheme will be subject to the following conditions:

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

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

2.3 a resolution to approve the Management Incentive Arrangements being duly passed by way of a poll by the Xstrata Independent Shareholders representing more than 50 per cent. of the votes cast on the resolution; and

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

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

Approval of Glencore Shareholders

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

Admission of the New Glencore Shares

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

EU merger control

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

(d) in so far as the Merger or any matter arising from the Scheme or Merger does not constitute a concentration with a Community dimension within the scope of the Regulation:

a. the German Federal Cartel Office (the "Bundeskartellamt"):

i. notifying the parties within one month of receipt of the complete notification that the conditions for a prohibition under Section 36 (1) of the German Act Against Restrictions of Competition ("GWB") are not satisfied; or

ii. not informing the parties within one month from the receipt of the complete notification that it has opened an in-depth investigation (Hauptprüfverfahren) (Section 40 (1) GWB); or

iii. having entered into in-depth investigations pursuant to Section 40 (1) and (2) GWB, clearing the notified concentration by a formal decision on terms reasonably satisfactory to Glencore (Verfügung); or

iv. having entered into in-depth investigations pursuant to Section 40 (1) and (2) GWB, not prohibiting the transaction by decision (i) within four months of receipt of the complete notification or (ii) if the parties have agreed to an extension of the deadline pursuant to Section 40(2)(4)No. 1 GWB, until the date agreed upon by the parties;

b. in so far as the Merger creates a relevant merger situation within the meaning of section 23 of the Enterprise Act 2002, the Office of Fair Trading ("OFT") indicating in terms reasonably satisfactory to Glencore that it does not intend to refer the Merger or any part of it to the Competition Commission;

US merger control

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

South African merger control

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

China merger control

(g) in so far as Glencore established on reasonable grounds that the Merger triggers a mandatory filing requirement, a filing having been made to and accepted by the Ministry of Commerce of the People's Republic of China ("MOFCOM") pursuant to the Anti-Monopoly Law of the People's Republic of China (the "Anti-Monopoly Law") and MOFCOM having cleared the Merger on terms reasonably satisfactory to Glencore of all applicable waiting periods under the Anti-Monopoly Law in respect of the review of the Merger have expired;

Australian foreign investment approval

(h) one of the following having occurred:

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

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

Notifications, waiting periods and authorisations

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

General antitrust and regulatory

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

which would or might reasonably be expected to (in any case which is material in the context of the Merger):

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

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

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

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

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

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

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

(viii) impose any material limitation on the ability of any member of the Wider Glencore Group or any member of the Wider Xstrata Group to conduct, integrate or co-ordinate all or any part of its business with all or any part of the business of any other member of the Wider Glencore Group and/or the Wider Xstrata Group,

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

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

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

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

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

(iii) any such arrangement, agreement, lease, licence, franchise, permit or other instrument being terminated or the rights, liabilities,

obligations or interests of any member of the Wider Xstrata Group being adversely modified or adversely affected or any obligation or liability arising or any adverse action being taken or arising thereunder;

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

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

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

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

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

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

Certain events occurring since 31 December 2011

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

(i) issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue, of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or

acquire, any such shares, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of Xstrata Shares out of treasury (except, where relevant, as between Xstrata and wholly owned subsidiaries of Xstrata or between the wholly owned subsidiaries of Xstrata and except for the issue or transfer out of treasury of Xstrata Shares on the exercise of employee share options or vesting of employee share awards in the ordinary course under the Xstrata Share Schemes);

(ii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than (a) the Xstrata 2011 Final Dividend, (b) if the Effective Date falls after the record date for the Glencore 2012 Interim Dividend, an interim dividend in an amount in the normal and regular course per Xstrata Share and (c) dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly owned subsidiary of Xstrata to Xstrata or any of its wholly owned subsidiaries;

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

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

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

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

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

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

(viii) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any employee of the Wider Xstrata Group save as agreed by Glencore;

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

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

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

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

(xiii) made or agreed or consented to any change to the terms of the trust deeds and rules constituting the pension scheme(s) established for its directors, employees or their dependants or any material change to the benefits which accrue, or to the pensions which are payable, thereunder, or to the basis on which qualification for, or

accrual or entitlement to, such benefits or pensions are calculated or determined or to the basis upon which the liabilities (including pensions) of such pension schemes are funded or made, or agreed or consented to, in each case which is material in the context of the Wider Xstrata Group taken as a whole;

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

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

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

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

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

No adverse change, litigation, regulatory enquiry or similar

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

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

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

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

(iv) no contingent or other liability having arisen or become apparent to Glencore or increased other than in the ordinary course of business which would or might reasonably be expected to adversely affect the business, assets, financial or trading position or profits or prospects of any member of the Wider Xstrata Group to an extent which is material in the context of the Wider Xstrata Group taken as a whole or in the context of the Merger; and

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

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

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

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

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

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

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

(v) that there is or is reasonably likely to be any obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or any

controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Xstrata Group (or on its behalf), or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, common law, regulation, notice, circular, Authorisation or order of any Third Party in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto which in any case is material in the context of the Wider Xstrata Group taken as a whole; or

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

B. CERTAIN FURTHER TERMS OF THE SCHEME AND THE MERGER

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

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

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

The Scheme will be governed by the law of England and Wales. The Merger will be on and subject to the conditions and further terms set in this Appendix 1 and to be set out in the Scheme Document. The Scheme will be subject to applicable

requirements of the Code, the Panel, the London Stock Exchange, the FSA and the UK Listing Authority.

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

Glencore reserves the right to elect, with the consent of the Panel (where necessary) and with Xstrata's prior written consent, to implement the Merger by way of a Merger Offer. In such event, the acquisition will be implemented on substantially the same terms subject to appropriate amendments, so far as applicable, as those which would apply to the Scheme.

The Merger will lapse if:

(a) in so far as the Merger or any matter arising from the Scheme or Merger constitutes a concentration with a Community dimension within the scope of the Regulation, the European Commission either initiates proceedings under Article 6(1)(c) of the Regulation or makes a referral to a competent authority of the United Kingdom under Article 9(1) of the Regulation and there is then a reference to the Competition Commission; or

(b) in so far as the Merger or any matter arising from the Scheme or Merger does not constitute a concentration with a Community dimension with the scope of the Regulation, the OFT refers the Merger or any part of it to the Competition Commission,

in each case before the date of the Court Meeting.

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

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

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

paragraphs 1, 2 and 3(a), (c) and (d)b. of Part A are not subject to this provision of the Code.

The Merger is governed by the law of England and Wales and is subject to the jurisdiction of the English courts and to the Conditions and further terms set out in this Appendix 1 and to be set out in the Scheme Document.

APPENDIX 2

BASES AND SOURCES

(a) For the purposes of the financial comparisons contained in this announcement, no account has been taken of any liability to taxation or the treatment of fractions under the Merger.

(b) Unless otherwise stated, the financial information on Glencore is extracted (without material adjustment) from the Glencore Trading Update.

(c) Unless otherwise stated, the financial information on Xstrata is extracted (without material adjustment) from Xstrata's preliminary statement of annual results for the year ended 31 December 2011.

(d) The market prices of the Glencore Shares and Xstrata Shares are the closing middle market quotations as derived from the Daily Official List.

(e) The exchange rate of 1.58 $/£ used in this announcement is the Bloomberg rate as at 5.00 p.m. London time on 6 February 2012 (being the last practicable date prior to the date of this announcement).

(f) As at the close of business on 6 February 2012 (being the last practicable date prior to the date of this announcement) there were 6,922,713,511 Glencore Shares in issue. The International Securities Identification Number for Glencore Shares is JE00B4T3BW64.

(g) As at the close of business on 6 February 2012 (being the last practicable date prior to the date of this announcement) there were 2,964,692,076 Xstrata Shares in issue. Of this number, 1,010,403,999 Xstrata Shares are owned by the Glencore Group. The International Securities Identification Number for Xstrata Shares is GB0031411001 and the Swiss Security Number is 1386 215.

(h) The value of 1,290.10 pence per Xstrata Share implied by the terms of the Merger is calculated based on the exchange ratio of 2.8 New Glencore Shares for each Xstrata Share held and the closing price per Glencore Share of 460.75 pence on 6 February 2012 (being the last practicable date prior to the date of this announcement).

(i) The value of £39.1 billion for Xstrata's issued and to be issued share capital implied by the terms of the Merger is calculated on the basis of the value placed on each Xstrata Share referred to in paragraph (h) above multiplied by the fully diluted number of Xstrata Shares referred to in paragraph (j) below.

(j) The combined equity market value of Glencore and Xstrata of $90 billion has been calculated on the basis of:

(i) the number of Glencore Shares in issue referred to in paragraph (f) above multiplied by the closing price per Glencore Share of 460.75 pence on 6 February 2012 (being the last practicable date prior to the date of this announcement); plus

(ii) the number of Xstrata Shares in issue of 2,964,692,076 less 1,010,403,999 Xstrata Shares owned by the Glencore Group, as both referred to in paragraph (g) above, multiplied by the closing price per Xstrata Share of 1,261.50 pence on 6 February 2012 (being the last practicable date prior to the date of this announcement).

(k) The fully diluted number of Xstrata Shares is calculated on the basis of:

(i) the number of issued Xstrata Shares referred to in paragraph (g) above; and

(ii) the maximum number of Xstrata Shares which could be issued on or after the date of this announcement on the vesting of awards under the Xstrata Share Schemes, including only those options over Xstrata Shares which have exercise prices of less than the value placed on each Xstrata Share referred to in paragraph (h) above, and Xstrata Shares to be issued pursuant to deferred bonus schemes amounting in aggregate to 66,257,054 Xstrata Shares.

(l) Earnings per share figures are stated exclusive of exceptional and extraordinary items where these have been disclosed.

(m) Synergy numbers are unaudited and are based on analysis by Glencore's and Xstrata's management and on Xstrata's unaudited results for the year ended 31 December 2011 and Glencore's internal records.

(n) The price 1,008.91 pence per Xstrata Share, being the volume weighted average closing price over the three months from 2 November 2011 until 1 February 2012, being the last business day prior to the announcement by Xstrata that it was in discussions with Glencore (both dates are inclusive), derived from data provided by Bloomberg.

APPENDIX 3

DETAILS OF IRREVOCABLE UNDERTAKINGS

Irrevocable undertakings in respect of Xstrata Shares

The following persons have given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Xstrata General Meeting in relation to the following Xstrata Shares:

Name	Number of Xstrata Shares	Percentage of issued ordinary share capital of Xstrata (per cent.)
Sir John Bond	1,000	0.000034
Mick Davis	2,517,549	0.084918
Trevor Reid	539,491	0.018197
Claude Lamoureux	27,000	0.000911
David Rough	25,249	0.000852
Ian Strachan	43,098	0.001454

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

Irrevocable undertakings in respect of Glencore Shares

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

Name	Number of Glencore Shares	Percentage of issued ordinary share capital of Glencore (per cent.)
Ivan Glasenberg	1,093,418,752	15.794656
Steven Kalmin	70,523,154	1.018721
Peter Coates	82,700	0.001195

Li Ning	62,000	0.000896
Daniel Francisco Maté Badenes	417,468,330	6.030415
Aristotelis Mistakidis	411,730,597	5.947532
Tor Peterson*	260,526,854	3.763363
Alex Beard	320,260,410	4.626227

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

* Tor Peterson is also beneficially interested in, but does not control the voting rights in respect of, a further 105,548,031 Glencore Shares. Tor Peterson has undertaken to recommend to the person holding such shares on his behalf that it vote in favour of the resolution to be proposed at the Glencore General Meeting on substantially the same terms as described above.

APPENDIX 4

GLENCORE TRADING UPDATE AND GLENCORE PROFIT ESTIMATE

Trading Update for 31 December 2011 Results

KEY HIGHLIGHTS

- Net income, pre-exceptionals, up 7%* to $ 4.1 billion*.
- Strong underlying profitability in marketing business[1] against a generally challenging market backdrop.
- Significant new principal and agency marketing agreements in key commodities including coal and aluminium.
- Key industrial growth projects remain overall on track and within budget.
- Increased own production volumes: thermal coal up 18%, copper up 35% and gold and equivalents up 26% year on year.
- Aseng oil field commenced production on 6 November 2011, ahead of original production target, schedule and budget.
- Announcement of a number of bolt-on acquisitions, including Umcebo, Optimum and Rosh Pinah Zinc; completion of takeover offer for minorities of Minara and increased stake-building in Chemoil and likely Mutanda.
- Robust balance sheet with close to $ 7 billion of committed liquidity headroom as at 31 December 2011.
- The Glencore Directors currently intend to declare a final dividend of $ 0.10 a share for 2011, concurrent with the release of the annual results on 5 March 2012.

[1] excluding cotton losses

Glencore's Chief Executive Officer, Ivan Glasenberg, commented:

"Glencore's diverse commodity portfolio enabled us to deliver a solid performance in 2011, despite many challenging economic conditions and markets. Looking forward, 2012 has started well across all areas of our business. Much of the market weakness experienced towards the end of the year has reversed and market volumes remain healthy. The strength of our organic growth prospects, alongside continued demand across most markets in which we operate, gives us confidence that we will deliver considerable growth in the next 12 months even absent an improvement in the economic environment."

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*This statement includes a profit estimate that has been reported on for the purpose of the Code (see Part A for further details)

Financial Highlights

US $ million	2011	2010	Change
Key income and cash flow statement highlights:			
Revenues	186 152	144 978	28%
Adjusted EBITDA	6 464*	6 201	4%*
Adjusted EBIT	5 398*	5 290	2%*
Glencore net income – pre other significant items	4 060*	3 799	7%*
Funds from operations (FFO)	3 522	3 333	6%

US $ million	31.12.2011	31.12.2010	Change
Key financial position highlights:			
Total assets	86 165	79 787	8%
Glencore shareholders' funds	29 265	19 613	49%
Available committed liquidity	6 831	4 220	62%
Net debt	12 938	14 756	– 12%
Ratios:			
Adjusted current ratio	1.53x	1.26x	21%
FFO to Net debt	27.2%	22.6%	20%
Net debt to Adjusted EBITDA	2.00x	2.38x	– 16%

Adjusted EBIT by business segment is as follows:

US $ million	Marketing activities	Industrial activities	2011 Adjusted EBIT		Marketing activities	Industrial activities	2010 Adjusted EBIT	
Metals and minerals	1 242*	1 357*	2 599*	48%*	1 401	1 160	2 561	48%
Energy products	697*	375*	1 072*	20%*	450	235	685	13%
Agricultural products	– 8*	– 39*	– 47*	– 1%*	659	58	717	14%
Corporate and other [1]	– 20*	1 794*	1 774*	33%*	– 173	1 500	1 327	25%
Total	**1 911***	**3 487***	**5 398***	**100%**	**2 337**	**2 953**	**5 290**	**100%**

[1] Corporate industrial activities include $ 1,893 million (2010: $ 1,729 million) of Glencore's equity accounted share of Xstrata's income.

HIGHLIGHTS

• Industrial activities Adjusted EBIT up 18%* compared to 2010, benefiting from generally stronger commodity prices and increased production at many operations.
• Marketing Adjusted EBIT, excluding agricultural products which was adversely impacted by the unprecedented volatility and disruption in the cotton market described below, was more than 10% higher than 2010.
• 2011 saw some $ 3.7 billion of long term investments made (primarily capital expenditure and acquisitions) as well as a working capital outflow of some $ 3.2 billion. The latter included $ 2.4 billion in December alone

as we were presented with highly attractive 'funded' commodity sourcing opportunities. Most of this working capital investment is temporary in nature and is expected to reverse during H1 2012.
• Strong and improving cashflow coverage ratios with FFO to Net debt improving by 20% to 27.2% and Net debt to Adjusted EBITDA falling to 2.

*This statement includes a profit estimate that has been reported on for the purpose of the Code (see Part A for further details).

Metals and Minerals

US $ million	Marketing activities	Industrial activities	2011	Marketing activities	Industrial activities	2010
Revenue	43 317	8 667	51 984	37 889	7 322	45 211
Adjusted EBITDA	1 247*	2 122*	3 369*	1 401	1 868	3 269
Adjusted EBIT	1 242*	1 357*	2 599*	1 401	1 160	2 561
Adjusted EBITDA margin (%)	3%	24%	–	4%	26%	–

HIGHLIGHTS

• Metals and minerals' marketing activities delivered consistent results over the course of 2011 generating Adjusted EBIT of $ 1.2 billion* in 2011, 11%* lower than in the prior year. Overall firm physical premia and volumes were sustained during the year.
• Metals and minerals' industrial activities Adjusted EBIT performance increased by 17%* compared to 2010, driven by higher average prices in 2011 (partially offset by higher operating costs) and increased production at many of our operations, including Kazzinc, Katanga and Mutanda, as they progress their ongoing expansionary plans.

Financial information (Industrial activities)

US $ million	2011	2010	Change
Revenue			
Zinc	3 291	2 756	19%
Copper	4 176	3 431	22%
Alumina/Aluminium	520	422	23%
Ferroalloys/Nickel/Cobalt/Iron ore	680	713	– 5%
Total	**8 667**	**7 322**	**18%**
Adjusted EBITDA			
Zinc	1 159	1 040	11%
Copper	745	600	24%
Alumina/Aluminium	60	– 9	n.m.
Ferroalloys/Nickel/Cobalt/Iron ore	83	189	– 56%
Share of income from associates and dividends (includes Mutanda)	75	48	56%
Total	**2 122***	**1 868**	**14%***
Adjusted EBITDA margin (%)	24%	26%	–
Adjusted EBIT			
Zinc	752	694	8%
Copper	509	356	43%

Alumina/Aluminium	50	– 17	n.m.
Ferroalloys/Nickel/Cobalt/Iron ore	– 29	79	– 137%
Share of income from associates and dividends (includes Mutanda)	75	48	56%
Total	**1 357***	**1 160**	**17%***
Capex			
Zinc	570	460	–
Copper	604	443	–
Alumina/Aluminium	20	31	–
Ferroalloys/Nickel/Cobalt/Iron ore	76	67	–
Total	**1 270**	**1 001**	**–**

Production data

thousand [1]		Using feed from own sources	Using feed from third party sources	2011 Total	Using feed from own sources	Using feed from third party sources	2010 Total	Own feed change
Total Zinc contained	MT	563.1	178.0	741.1	514.3	178.4	692.7	9%
Total Copper contained	MT	362.6	268.9	631.5	268.6	280.9	549.5	35%
Total Lead contained	MT	82.5	66.2	148.7	77.8	67.6	145.4	6%
Total Tin contained	MT	2.2	–	2.2	1.9	–	1.9	16%
Gold (incl. Gold equivalents) [2, 3]	TOZ	706	164	870	562	47	609	26%
Total Alumina	MT	–	1 460	1 460	–	1 259	1 259	n.m.
Total Nickel	MT	28.5	1.5	30.0	27.7	0.7	28.4	3%
Total Cobalt contained	MT	12.8	0.7	13.5	15.0	0.4	15.4	– 15%

[1] Controlled industrial assets only, with the exception of Mutanda (40% owned) where Glencore has operational control. All production numbers are on a 100% basis.
[2] Gold/Silver conversion ratio of 1/44.53 and 1/60.63 for 2011 and 2010 respectively based on average prices.
[3] Kazzinc's production using feed from own sources in 2011 was 487 ktoz, up 18%, plus 164ktoz using feed from third party sources totalling 651 ktoz.

*This statement includes a profit estimate that has been reported on for the purpose of the Code (see Part A for further details)

Energy Products

US $ million	Marketing activities	Industrial activities	2011	Marketing activities	Industrial activities	2010
Revenue	114 756	2 309	117 065	87 850	1 499	89 349
Adjusted EBITDA	724*	571*	1 295*	470	359	829
Adjusted EBIT	697*	375*	1 072*	450	235	685
Adjusted EBITDA margin (%)	1%	25%	–	1%	24%	–

HIGHLIGHTS

• Energy products' marketing activities reported Adjusted EBIT of $ 697 million* in 2011, a 55%* increase on 2010. This improvement was driven, in particular, by stronger oil market fundamentals during H1 2011. H2 2011 performance was impacted by lower wet freight rates (given our long, but continuously reducing exposure to time charters) and a more challenging oil market environment which provided fewer opportunities.
• Our coal mining and infrastructure expansion in Colombia is progressing well with Puerto Nuevo more than 50% complete and expected to be commissioned in Q4 2012.
• The Aseng oil field in Block I started production in November 2011, well ahead of its initial estimated timeline, with a total production of 2.7 million bbls by year-end, in excess of 50,000 bbls per day.

Financial information (Industrial activities)

US $ million	2011	2010	Change
Revenue			
Coal	1 667	1 246	34%
Oil	642	253	154%
Total	**2 309**	**1 499**	**54%**
Adjusted EBITDA			
Coal	493	325	52%
Oil	23	– 12	n.m.
Share of income from associates and dividends	55	46	20%
Total	**571***	**359**	**59%***
Adjusted EBITDA margin (%)	25%	24%	–
Adjusted EBIT			
Coal	330	213	55%
Oil	– 10	– 24	58%
Share of income from associates and dividends	55	46	20%
Total	**375***	**235**	**60%***
Capex			

Coal	539	304	–
Oil	706	514	–
Total	**1 245**	**818**	**–**

Production data

thousand MT [1]	Own	Buy-in Coal	2011 Total	Own	Buy-in Coal	2010 Total	Own production change
Colombian Coal [2]	14 586	195	14 781	10 042	230	10 272	45%
South African Coal (export) [3]	498	0	498	385	0	385	29%
South African Coal (domestic) [3]	5 422	802	6 224	7 006	497	7 503	– 23%
Total Coal	**20 506**	**997**	**21 503**	**17 433**	**727**	**18 160**	**18%**

[1] Controlled industrial assets only. Production is on a 100% basis.
[2] As of 31 December 2011, 27 million tonnes had been sold forward at an average price of $ 94 per tonne.
[3] Shanduka production for 2010 restated to a saleable basis, previously reported on a 'ROM' (Run of Mine) basis.

The average Colombian realised sales price for 2011 was $ 95 per tonne compared to $ 82 per tonne in 2010; the average South African Coal realised export and domestic price in 2011 were $ 108 per tonne and $ 43 per tonne respectively, compared to $ 96 per tonne and $ 35 per tonne in 2010.

thousand bbls	2011 Total	2010 Total	Change
Oil[1]	2 785	–	n.m.

[1] On a 100% basis. Glencore's ownership interest in the Aseng field is 23.75%.

*This statement includes a profit estimate that has been reported on for the purpose of the Code (see Part A for further details)

Agricultural Products

US $ million	Marketing activities	Industrial activities	2011	Marketing activities	Industrial activities	2010
Revenue	13 744	3 359	17 103	8 238	2 180	10 418
Adjusted EBITDA	– 8*	23*	15*	659	107	766
Adjusted EBIT	– 8*	– 39*	– 47*	659	58	717
Adjusted EBITDA margin (%)	n.m.	1%	–	8%	5%	–

HIGHLIGHTS

• Grain and oilseeds marketing reported solid results for 2011. Overall agricultural products marketing results were significantly impacted by the unprecedented cotton market environment. The extreme volatility produced an outcome of ineffective hedging and high levels of physical contractual non-performance by suppliers and customers. Events in the cotton market accounted for a majority of the year-on-year reduction in agricultural products marketing Adjusted EBIT.
• Our asset portfolio is currently in a phase of substantial targeted expansion and development, which is expected to translate into enhanced scale and profitability going forward. The 2011 performance, in large part, reflects the current negative biodiesel production margin environment in Europe.

Financial information (Industrial activities)

US $ million	2011	2010	Change
Revenue	3 359	2 180	54%
Adjusted EBITDA [1]	23*	107	– 79%*
Adjusted EBIT [1]	– 39*	58	– 167%*
Adjusted EBITDA margin (%)	1%	5%	–
CAPEX	221	71	–

[1] Includes share of income from associates and dividends of $ 18 million (2010: $ 19 million).

Production data

thousand MT [1]	2011	2010	Change
Total agricultural production	6 563	4 312	52%

[1] Controlled industrial assets only. Production is on a 100% basis.

*This statement includes a profit estimate that has been reported on for the purpose of the Code (see Part A for further details)

Part A – Glencore Profit Estimate

INTRODUCTION

The Glencore profit estimate comprises the statements made by Glencore marked by an asterisk in Glencore's trading update for 31 December 2011 (the "Glencore Profit Estimate").

This trading update does not constitute or include Glencore's preliminary statement of annual results (for the purpose of the Listing Rules) or statutory accounts for the financial year ended 31 December 2011.

As the Glencore Profit Estimate is treated as a profit forecast for the purposes of the Code, the Code requires that the Glencore Profit Estimate be reported on by Glencore's reporting accountants and financial advisers in accordance with Rule 28 of the Code. The bases and assumptions behind the Glencore Profit Estimate and the reports of the Glencore Financial Advisers and Deloitte LLP are set out below. Each of the Glencore Financial Advisers and Deloitte LLP have given and not withdrawn their consent to publication of their reports in the form and context in which they are included.

The Glencore Profit Estimate is for the full year to 31 December 2011. In accordance with Rule 28.8 of the Code, your attention is drawn to the announcement issued by Glencore on 25 August 2011 containing the unaudited results of Glencore for the six month period ended 30 June 2011.

RESPONSIBILITY

The Glencore Directors accept responsibility for the information contained in the Glencore Profit Estimate and the Glencore Directors confirm that to the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in the Glencore Profit Estimate for which they are responsible is in accordance with the facts and, where appropriate, does not omit anything likely to affect the import of such information.

BASES AND ASSUMPTIONS

The Glencore Profit Estimate has been prepared on a basis consistent with the accounting policies that are expected to be used in the Glencore Group's consolidated financial statements for the year ended 31 December 2011. These policies are consistent with those set out on pages 199 to 207 of Glencore's IPO prospectus published on 4 May 2011, as updated by note 2 of Glencore's interim results for the six months ended 30 June 2011. References in Glencore's trading update to 2011, Adjusted EBITDA, Adjusted EBIT, Glencore net income pre other significant items, Funds from operations, Available committed liquidity and Net Debt are defined on a basis consistent with the definitions set out in Glencore's interim results for the six months ended 30 June 2011. Other significant items includes exceptional and other significant items of income and expense incurred during 2011 which, due to their financial impact and nature or the expected infrequency of the events giving rise to them, are separated for internal reporting and analysis of Glencore's results to provide a better understanding and comparative basis of the underlying financial performance and includes predominantly tax benefits and listing expenses arising on the listing of Glencore, impairments of non-current assets and fair value adjustments outside the normal course of business.

The Glencore Profit Estimate is based on the results included in the unaudited management accounts for the twelve months ended 31 December 2011.

The Glencore Profit Estimate has been prepared on the assumption that:

1. No events will arise between 7 February 2012 and the date on which Glencore announces its audited results for 2011 which would require incorporation in the 2011 results in accordance with the Group's accounting policies under IFRS; and
2. There will be no retrospective change in legislation or regulatory requirements that will have a material impact on the Group's operations.

DELOITTE REPORT

Deloitte LLP
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EC4A 3BQ

The Board of Directors
on behalf of Glencore International plc
Queensway House
Hilgrove Street
St. Helier
Jersey JE1 1ES

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
London E14 5LB

Morgan Stanley & Co. Limited
25 Cabot Square
London E14 4QA

7 February 2012

Dear Sirs

Glencore International plc (the "Company")

We report on the profit estimate comprising the statements made by the Company marked by an asterisk in the Company's Trading Update for 31 December 2011 Results. Such profit estimate statements relate to the estimated Adjusted EBITDA and Adjusted EBIT by business segment, Adjusted EBITDA, Adjusted EBIT and Glencore net income pre-other significant items of the Company and its subsidiaries (together "the Group") for the year ended 31 December 2011 (the "Profit Estimate"). The Profit Estimate, and the basis and assumptions on which it is prepared, are set out in Appendix 4 of the announcement of the proposed merger of the Company and Xstrata plc issued by the Company and Xstrata plc dated 7 February 2012 (the "Announcement"). This report is required by Rule 28.3(b) of the City Code on Takeovers and Mergers issued by The Panel on Takeovers and Mergers ("the Takeover Code") and is given for the purpose of complying with that rule and for no other purpose. No party other than the addressees of this report can rely on the contents of this report.

Responsibilities
It is the responsibility of the directors of the Company (the "Directors") to prepare the Profit Estimate in accordance with the requirements of the Takeover Code. In preparing the Profit Estimate, the Directors are responsible for correcting errors that they have identified which may have arisen in unaudited financial results and unaudited management accounts used as the basis of preparation for the Profit Estimate.

It is our responsibility to form an opinion as required by the Takeover Code as to the proper compilation of the Profit Estimate and to report that opinion to you.

Save for any responsibility under Rule 28.3(b) of the Takeover Code to any person as and to the extent there provided, 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 Rule 28.4 of the Takeover Code.

Basis of Preparation of the Profit Estimate
The Profit Estimate has been prepared on the basis and assumptions stated in Part A of Appendix 4 of the Announcement and is based on the unaudited management accounts for the 12 months ended 31 December 2011. The Profit Estimate is required to be presented on a basis consistent with the accounting policies of the Group.

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. Our work included evaluating the basis on which the historical financial information for the 12 months ended 31 December 2011 has been prepared and considering whether the Profit Estimate has been accurately computed using that information and whether it is consistent with the accounting policies of the Group.

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 Profit Estimate has been properly compiled on the basis stated.

However, the Profit Estimate has not been audited. The actual results reported may be affected by required revisions to accounting estimates due to changes in circumstances or the impact of unforeseen events and consequently we can express no opinion as to whether the actual results achieved will correspond to those shown in the Profit Estimate and differences may be material.

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 and practices.

Opinion
In our opinion, the Profit Estimate has been properly compiled on the basis and assumptions stated and the basis of accounting used is consistent with the accounting policies of the Group.

Yours faithfully

Deloitte LLP
Chartered Accountants

Citigroup Global Markets Limited
Citigroup Centre,
Canada Square,
London
E14 5LB

Morgan Stanley & Co. Limited
25 Cabot Square
Canary Wharf
London
E14 4QA

The Board of Directors
Glencore International plc
Queensway House
Hilgrove Street
St. Helier
Jersey JE1 1ES

7 February 2012

Dear Sirs

Report in connection with for the profit estimate of Glencore International plc

We refer to the statements comprising the estimated Adjusted EBITDA and Adjusted EBIT by business segment, Adjusted EBITDA, Adjusted EBIT and Glencore net income pre-other significant items of Glencore International plc (the "Company") and its subsidiaries (together "the Group") for the year ended 31 December 2011 (the "Profit Estimate"). The Profit Estimate, and the basis on which it is prepared, are set out in Appendix 4 of the announcement of the proposed merger of the Company and Xstrata plc issued by the Company and Xstrata plc dated 7 February 2012 (the "Announcement"). The Profit Estimate has been prepared on the basis stated in Part A of Appendix 4 of the Announcement and is based on the unaudited management accounts for the 12 months ended 31 December 2011. The Profit Estimate is required to be presented on a basis consistent with the accounting policies of the Group.

We have discussed the Profit Estimate, together with the bases and assumptions upon which it has been made, with you and Deloitte LLP, the Company's reporting accountants. We have also discussed the accounting policies and bases of calculation for the Profit Estimate with you and Deloitte LLP and have considered the letter of today's date addressed to you and to us from Deloitte LLP on these matters. We have relied upon the accuracy and completeness of all the financial and other information provided to us by the Company, or otherwise discussed with us, and we have assumed such accuracy and completeness for the purposes of providing this letter.

On the basis of the foregoing, we consider that the Profit Estimate, for which you, as directors of the Company are solely responsible, has been made with due care and consideration.

This report is provided to you solely in connection with Rules 28.3(b) and 28.4 of the City Code on Takeovers and Mergers and for no other purpose. No person other than the directors of the Company can rely on the contents of this letter and to the fullest extent permitted by law, we exclude all liability to any other person, in respect of this letter or the work undertaken in connection with this letter.

Yours faithfully

Citigroup Global Markets Limited
Morgan Stanley & Co. Limited

GLENCORE TRADING UPDATE AND PROFIT ESTIMATE DISCLAIMER

This trading update does not constitute or form part of any offer or invitation to sell or issue, or any solicitation or any offer to purchase or subscribe for any securities. The making of this trading update does not constitute a recommendation regarding any securities.

This trading update may include statements that are, or may be deemed to be, "forward looking statements", beliefs or opinions, including statements with respect to the business, financial condition, results of operations, prospects, strategies and plans of Glencore. These forward looking statements involve known and unknown risks and uncertainties, many of which are beyond Glencore's control and all of which are based on the Glencore board of directors' current beliefs and expectations about future events. These forward looking statements may be identified by the use of forward looking terminology, including the terms "believes", "estimates", "plans", "projects", "targets", "anticipates", "expects", "will", "could", or "should" or in each case, their negative or other variations thereon or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward looking statements include all matters that are not historical facts.

Forward looking statements may and often do differ materially from actual results. Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules and the Disclosure and Transparency Rules of the Financial Services Authority and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited), Glencore is not under any obligation and Glencore and its affiliates expressly disclaim any intention or obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing Glencore. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward looking statements. Forward looking statements speak only as of the date of this announcement.

Nothing in this trading update (other than the Glencore Profit Estimate is intended to be a profit forecast or a profit estimate and no statement in this trading update should be interpreted to mean that the earnings per Glencore Share for the current or future financial periods will necessarily be greater than those for the relevant preceding financial period. The Glencore Profit Estimate is a profit forecast for the purposes of Rule 28 of the Code. As such it is a requirement under the Code that the Glencore Profit Estimate be reported on by Glencore's reporting accountants and financial advisers. The bases and assumptions behind the Glencore Profit Estimate and the reports of the Glencore Financial Advisers and Deloitte LLP are set out in Part A. Each of the Glencore Financial Advisers and Deloitte LLP have given and not withdrawn their consent to publication of their reports in the form and context in which they are included.

APPENDIX 5

DEFINITIONS

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

"$" or "cents"	the lawful currency of the US
"£", "Sterling", "pence" or "p"	the lawful currency of the UK
"Admission"	the New Glencore Shares being admitted to the Official List and to trading on the London Stock Exchange's market for listed securities
"Australia"	the Commonwealth of Australia, its territories and possessions
"Authorisations"	material authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licenses, permissions and approvals
"Break Fee Agreement"	the reverse break fee agreement entered into by Glencore and Xstrata on 7 February 2012
"Canada"	Canada, its provinces and territories and all areas under its jurisdiction and political sub-divisions thereof
"Capital Reduction"	the proposed reduction of Xstrata's share capital under Chapter 10 of Part 17 of the UK Companies Act, associated with the Scheme
"Code"	the City Code on Takeovers and Mergers
"Combined Group"	the combined group following the Merger, comprising the Glencore Group and the Xstrata Group
"Combined Entity"	the ultimate parent company of the Combined Group
"Conditions"	the conditions to the implementation of the Merger (including the Scheme) as set out in Appendix 1 to this announcement and to be set out in the Scheme Document
"Confidentiality Agreement"	the mutual confidentiality agreement entered into by Glencore and Xstrata on 12 December 2011
"Court"	the High Court of Justice of England and Wales

"Court Meeting"	the meeting(s) of the Scheme Shareholders to be convened by order of the Court pursuant to section 896 of the UK Companies Act, notice of which will be set out in the Scheme Document, for the purpose of approving the Scheme, including any adjournment thereof
"CREST"	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755)) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form
"Daily Official List"	the daily official list of the London Stock Exchange
"Dealing Disclosure"	an announcement pursuant to Rule 8 of the Code containing details of dealings in interests in relevant securities of a party to an offer
"Disclosed"	(i) fairly disclosed in the preliminary results for Xstrata for the year ended 31 December 2011, (ii) Publicly Announced, or (iii) fairly disclosed to Glencore or its financial, legal or accounting advisers (specifically in their capacity as Glencore's advisers in relation to the Merger) by or on behalf of Xstrata prior to the date of this announcement
"EBIT"	earnings before interest and tax
"EBITDA"	earnings before interest, tax, depreciation and amortisation
"Effective Date"	the date upon which the Scheme becomes effective in accordance with its terms
"Excluded Shares"	(i) any Xstrata Shares beneficially owned by Glencore or any other member of the Glencore Group; (ii) any Xstrata Shares held in treasury by Xstrata; and (iii) any other Xstrata Shares which Glencore and Xstrata agree will not be subject to the Scheme
"Forms of Proxy"	the form of proxy in connection with each of the Court Meeting and the Xstrata General Meeting, which shall accompany the Scheme Document
"FSA"	the Financial Services Authority
"Glencore"	Glencore International plc
"Glencore 2012 Interim Dividend"	the Glencore interim dividend in respect of the 2012 financial year

"Glencore Circular"	the circular to be sent to Glencore Shareholders in connection with the Merger
"Glencore Directors"	the board of directors of Glencore at the date of this announcement
"Glencore Financial Advisers"	Citigroup Global Markets Limited and Morgan Stanley & Co. Limited
"Glencore General Meeting"	the general meeting of Glencore to be convened in connection with the Merger, notice of which will be set out in the Glencore Circular, including any adjournment thereof
"Glencore Group"	Glencore and its subsidiary undertakings
"Glencore Nominee Directors"	Ivan Glasenberg, Aristotelis Mistakidis and Tor Peterson, the Xstrata Directors nominated by Glencore
"Glencore Profit Estimate"	those statements made by Glencore marked with an asterisk in Appendix 4, as reported on by Deloitte LLP and the Glencore Financial Advisers in Appendix 4 of this announcement and as otherwise referred to or reproduced elsewhere in this announcement
"Glencore Prospectus"	the document published in connection with the issue of the New Glencore Shares
"Glencore Shareholders"	holders of Glencore Shares
"Glencore Shares"	fully paid up ordinary shares of $0.01 each in the capital of Glencore
"Glencore Trading Update"	Glencore's trading update for the financial year ended 31 December 2011 set out in Appendix 4
"Independent Xstrata Directors"	the directors of Xstrata other than the Glencore Nominee Directors
"Japan"	Japan, its cities, prefectures, territories and possessions
"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
"Merger"	the direct or indirect acquisition of the entire issued and to be issued share capital of Xstrata by Glencore (other than Xstrata Shares already held by Glencore) to be implemented by way of the 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
"New Glencore Shares"	the New Glencore Shares to be issued and credited to Xstrata Shareholders pursuant to the Merger
"Official List"	the official list of the UK Listing Authority
"Opening Position Disclosure"	an announcement pursuant to Rule 8 of the Code containing details of certain persons' interests in relevant securities of a party to an offer
"Panel"	the Panel on Takeovers and Mergers
"Principal Shareholders"	Daniel Francisco Maté Badenes, Aristotelis Mistakidis, Tor Peterson and Alex Beard
"Publicly Announced"	fairly disclosed in any public announcement by Xstrata to any Regulatory Information Service
"Reduction Court Hearing"	the hearing by the Court of the application to confirm the Capital Reduction
"Reduction Court Order"	the order of the Court, to be granted at the Reduction Court Hearing, confirming the Capital Reduction
"Reduction Record Time"	6.00 p.m. on the business day immediately prior to the date on which the Court confirms the Capital Reduction
"Registrar of Companies"	the Registrar of Companies in England and Wales
"Restricted Jurisdiction"	any such jurisdiction where local laws or regulations may result in significant risk civil, regulatory or criminal exposure if information concerning the Merger is sent or made available to Xstrata Shareholders in that jurisdiction (in accordance with Rule 30.3 of the Code)
"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 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 Court Meeting and Xstrata General Meeting
"Scheme Record Time"	the time and date specified in the Scheme Document, expected to be 6.00 p.m. on the business day immediately prior to the Effective Date
"Scheme Shareholders"	holders of Scheme Shares
"Scheme Shares"	Xstrata Shares: (a) in issue as at the date of the Scheme Document; (b) (if any) issued after the date of the Scheme Document and prior to the Scheme Voting Record Time; and (c) (if any) issued on or after the Scheme Voting Record Time and at or prior to the Reduction Record Time either on terms that the original or any subsequent holders thereof shall 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
"Scheme Voting Record Time"	the time and date specified in the Scheme Document by reference to which entitlement to vote on the Scheme will be determined
"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
"Third Party"	a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, professional association, institution, employee representative body or any other such body or person whatsoever in any jurisdiction
"treasury shares"	any Xstrata Shares held by Xstrata as treasury shares
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"UK Companies Act"	the UK Companies Act 2006, as amended from time to time
"UK Listing Authority"	the FSA acting in its capacity as the competent authority for listing under the Financial Services and Markets Act 2000
"United States of America", "United States" or "US"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
"US Exchange Act"	the United States Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder
"US Securities Act"	the United States Securities Act of 1933 and the rules and regulations promulgated thereunder (as amended)
"Wider Glencore Group"	Glencore and its subsidiaries, subsidiary undertakings and associated undertakings and any other body corporate, partnership, joint venture or person in which Glencore and such undertakings (aggregating their interests) have a direct or indirect interest of 20 per cent. or more of the voting or equity capital or the equivalent
"Wider Xstrata Group"	Xstrata, its subsidiaries, subsidiary undertakings and associated undertakings and any other body corporate, partnership, joint venture or person in which Xstrata and such undertakings (aggregating their interests) have a direct or indirect interest of 20 per cent. or more of the voting or equity capital or the equivalent
"Xstrata"	Xstrata plc
"Xstrata 2011 Final Dividend"	the Xstrata final dividend in respect of the 2011 financial year of $0.27 per Xstrata Share announced

	by Xstrata's Board today
"Xstrata Financial Advisers"	Deutsche Bank AG, London Branch, Goldman Sachs International, J.P. Morgan Limited and Nomura International plc
"Xstrata General Meeting"	the general meeting of Xstrata to be convened in connection with the Scheme and the Capital Reduction, notice of which will be set out in the Scheme Document, including any adjournment thereof
"Xstrata Group"	Xstrata and its 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 $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

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

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