

Xstrata Copper announces definitive estimate for its world class Las Bambas copper project

Brisbane, 25 January 2013

Xstrata Copper announces a definitive estimate of US\$5.2 billion for the Las Bambas project in southern Peru reconfirming the updated estimate reported in August 2012¹ and the project's status as a world class, Tier 1 copper asset that will deliver substantial value. Las Bambas is now in full construction phase and is set to produce 400,000 tonnes of copper per annum from 2015 for at least the first five years, with a very competitive capital intensity of \$13,000 per annual tonne of copper, first quartile cash costs and a mine life of more than 20 years from at least three open pit mines. The project delivers robust financials, earning Xstrata's cost of capital at a life of mine flat copper price of US\$1.89 per pound. The highly prospective Las Bambas Mineral District provides significant further brownfield growth potential.

Xstrata Copper Chief Executive, Charlie Sartain, said: "Las Bambas represents the next major stage in Xstrata Copper's Peruvian development plans that will result in combined annual production levels in the country of around 700,000 tonnes of high margin copper from 2015. Following the successful commissioning of five projects in just over a year, including our new US\$1.5 billion Antapaccay mine and the major plant expansion at our Antamina joint venture also in Peru, this latest review of Las Bambas confirms the progressive realisation of Xstrata Copper's ambitious organic growth strategy.

"Antamina has consistently surpassed nameplate throughput capacity of 130,000 tonnes per day since it completed plant commissioning in March 2012. At Antapaccay we are already achieving throughput rates of over 60,000 tonnes per day through the concentrator and expect to ramp up to design capacity of 70,000 tonnes per day in the first half of 2013. "Las Bambas will benefit from synergies and the experience derived from our Antapaccay project development and operations and will consolidate Xstrata Copper's position as a leading producer of copper concentrates and one of the world's largest copper producers." Las Bambas continued to make significant progress during 2012 with over 90% of engineering works and 80% of procurement and contracts completed by the end of the year. Construction advanced on both the main project site and the re-settlement townsite of Nueva Fuerabamba

and all major process plant equipment is committed and either in-country or in transit from global suppliers. As of December 2012, almost 65% of the project's construction capital cost had been committed including process plant equipment, bulk materials, mining fleet, EPC/CM services as well as third party engineering and site construction contracts. The project is expected to commence commissioning at the end of 2014 with production ramp-up occurring during 2015.

Almost 14,000 people are currently employed on the project in construction and operational roles, with 100% of unskilled labour positions being filled from local communities. Importantly, Las Bambas achieved almost 20 million man-hours without a Lost Time Incident (LTI) by the end of 2012, exceeding all previous LTI injury-free records in Peru across all industries.

Photos and further information about our Las Bambas project in Peru are available on the web-based version of this press release on Xstrata Copper's website: www.xstratacopper.com

¹ [Xstrata Half-Yearly Report 2012](#)

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Neither the content of the company's website nor the content of any other website accessible from hyperlinks on the company's website is incorporated into, or forms part of, this announcement

Xstrata Copper contacts:

Emily Russell			Alison Flynn
Telephone	+56 2 478 2204	Telephone	+44 20 7968 2838
Mobile	+56 9 9443 3571	Mobile	+44 7769 314 374
Email	erussell@xstratacopper.com	Email	aflynn@xstrata.com
www.xstratacopper.com			

Notes to editors

About Xstrata plc

We are a major producer of a range of vital commodities used in everything from constructing buildings and delivering electricity, to developing jet engines and mobile phones. We are one of the top five global producers of copper, thermal and metallurgical coal, ferrochrome, zinc and nickel and we also produce silver, lead, platinum, gold, cobalt and vanadium.

Founded in 2002 and headquartered in Switzerland, we operate in over 20 countries and employ over 70,000 people at more than 100 operations and projects around the world. We work in a responsible and sustainable way, with an entrepreneurial spirit and dynamic approach. For more information, visit www.xstrata.com

About Xstrata Copper

We are the fourth largest global copper producer and one of the world's largest producers of smelter, refined and recycled copper, including from third party materials. The copper we produce is essential to our modern society, being used extensively in electronic, consumer and building products, and with its use in green-technologies, anti-microbial applications and ability to be recycled, it is playing a vital role in our sustainable future.

Headquartered in Brisbane, Australia, we have operations and projects in eight countries and employ over 20,000 people. We play an essential role in the communities in which we live and work, by providing jobs, training, infrastructure, income for suppliers and support for social development. For more information, visit www.xstratacopper.com

About Las Bambas

In August 2004, Xstrata was awarded the right to explore and the option to develop Las Bambas following a competitive international bid process conducted by Peru's investment promotion agency ProInversión. The project sits at an elevation of 3,700 to 4,650 metres above sea level and is located in the provinces of Cotabambas and Grau in the Region of Apurímac, 75 kilometres southwest of the city of Cusco. The Las Bambas mining project extends over 35,000 hectares and includes the Ferrobamba, Chalcobamba, Sulfobamba and Charcas mining concessions.

In December 2011, Xstrata Copper announced a 10% increase to the Las Bambas Mineral Resource to 1.71 billion tonnes at a grade of 0.60% copper using a 0.2% cut-off grade.