

NEWS RELEASE

Xstrata Coal and JX Nippon Oil & Energy Announce Creation of a Canadian Metallurgical Coal Joint Venture

Sydney, 13 March 2012

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

§ First Coal Corporation ("First Coal") tenements, acquired by Xstrata Coal in August 2011, representing over 100,000 hectares of contiguous coal licenses and applications;

§ The Lossan coal deposit acquired by Xstrata Coal in October 2011; and

§ The Sukunka coal deposit, the acquisition of which was announced on 8 March 2012 and which completed today.

Xstrata Coal has retained a 75% interest in XCBC and will develop, operate and manage the assets on behalf of the joint venture. Together with its 25% interest in XCBC through JX Australia, JX will be the exclusive marketing agent for First Coal and Sukunka coal sold into Japan.

Technical studies indicate that the two most advanced XCBC projects, Sukunka and Suska, have the potential to produce up to approximately 9.5 million tonnes per annum. The majority of this production is expected to comprise hard coking coal with the balance expected to be PCI coal.

Xstrata Coal has combined the project formerly known as Lossan with neighbouring First Coal tenements to create an expanded open cut coal project, now known as the Suska Coal Project ("Suska"), of significantly larger scale.

Sukunka has an NI 43-101 compliant coal resource of 236 million tonnes in the Measured and Indicated categories. Norwest Corporation has completed a pre-feasibility study for a longwall mine producing hard coking coal. Xstrata Coal's technical studies indicate the potential to realise further value from the resource.

Both historical exploration reports and recent studies highlight the prospectivity of the First Coal tenements for significant deposits of export quality metallurgical coals. An exploration programme is on track to commence in 2012 following receipt of approvals.

Yasushi Kimura, President of JX Nippon Oil & Energy, commented:

"JX and Xstrata Coal have built a strong relationship over the years via our Oakbridge joint venture. This opportunity has great significance for JX as it marks our entry into the hard coking coal market.

Our existing coal business focuses on the supply of thermal coal to utility companies, and this joint venture enables a full-scale expansion of our business into hard coking coal, which is essential for steel manufacturing.

Xstrata Coal has a strong track record of developing projects and extracting maximum value from coal assets, which will prove invaluable as we build a significant new business that will contribute to the long term stable supply of hard coking coal."

Peter Freyberg, Xstrata Coal Chief Executive, commented:

"JX and Xstrata Coal have had a strong and successful partnership for many years through the Oakbridge joint venture in Australia. We are pleased to work with JX again as our long term partner in building a substantial metallurgical coal business in Western Canada.

Our consolidation of the First Coal, Lossan and Sukunka assets since August 2011 will enable Xstrata Coal to increase our exposure to metallurgical coal further. There are meaningful synergies between these assets, creating the opportunity to develop a substantial and efficient complex of mining assets, unlocking significant value for our shareholders and other stakeholders in our operations."

The parties have entered into a joint venture relationship agreement for the XCBC assets.

J.P.Morgan acted as financial adviser to JX, while JT Boyd acted as technical adviser and Norton Rose acted as legal adviser. Bennett Jones and King & Wood Mallesons acted as legal advisers to Xstrata Coal.

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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

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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 Coal

We are the world's largest exporter of high energy thermal coal used to generate electricity and one of the largest producers of coal used to make steel. Headquartered in Sydney, Australia, we have interests in over 30 operating coal mines in Australia, South Africa and Colombia, as well as development projects in Canada. For the fifth consecutive year, Xstrata retains its position as Mining Sector Leader in the annual Dow Jones Sustainability Index review 2011/12.

For more information on Xstrata Coal, visit www.xstratacoal.com.

About JX

JX Nippon Oil & Energy is a diversified energy company that is a wholly owned subsidiary of JX Holdings and a core operating company of the JX Group. JX Nippon Oil & Energy's main business activities include refining and marketing of petroleum and petrochemical products, importing and selling of gas and coal, supply of electricity and developing, manufacturing and marketing of fuel cells. JX Holdings is listed on the Tokyo Stock Exchange under the ticker 5020. For more information, visit <http://www.noe.jx-group.co.jp/english/>.