



CUSTOMER ANNOUNCEMENT

KAZZINC SELECTS XSTRATA TECHNOLOGY FOR TWO NEW ISASMELT PLANTS

October 2006

In mid 2006, Xstrata Technology was selected by Kazzinc to install two new ISASMELT™ plants at its metallurgical complex at Ust-Kamenogorsk, Kazakhstan. The installation is a key component of a major modernisation project and will establish Kazzinc as a copper producer, significantly improve the environmental performance of its lead smelter and contribute to an increase in the economic value of Kazzinc's product lines and a decrease in operations costs.

"Kazzinc needed creative metallurgical solutions to modernise our smelting and refining complex at Ust-Kamenogorsk. Xstrata Technology are providing the solutions we need in terms of a copper ISASMELT™ plant, a lead ISASMELT™ plant and an IsaProcess™ copper refinery. Kazzinc chose Xstrata Technology based on its record of successful technology transfer that will result in minimal technical risk for our operations while maximising returns on investment through rapid ramp up times. We are glad to be working together on these exciting projects that will transform our operations." said Nick Popovic, President, Kazzinc

The Ust-Kamenogorsk New Metallurgy project will add a new lead smelter, a copper smelter and a copper refinery to the complex.

Kazzinc is Eastern Kazakhstan's largest industrial producer and are constantly seeking improvements to their environmental performance. This project will notably contribute to Kazzinc's goal of reducing all dust and gas emissions from its metallurgical operations.

Additionally, the new copper smelter and refinery will allow Kazzinc to produce value added refined copper, rather than exporting copper concentrate and blister copper. These new products will improve the economic value of Kazzinc's product line and reduce transport overheads.

Xstrata Technology expects to commission the new plants in 2009.

For further information please [click here](#) or contact:

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Kazzinc. Kazzinc is a major fully integrated Zinc producer with considerable Copper, precious metals and Lead credits. All the company's operations are in Kazakhstan, spread over six towns. The Ust-Kamenogorsk metallurgical complex consists of a 180,000 tonne per year (tpy) Zinc refinery, a 140,000 tpy Lead smelter and a precious metals refinery. It employs some 22,000 people in mining, mineral processing, metallurgy and power generation.

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