

## SECOND SUPPLEMENTARY PROSPECTUS DATED 7 AUGUST 2012

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

This document, which comprises a supplementary prospectus relating to the New Glencore Shares prepared in accordance with the Prospectus Rules of the UK Listing Authority made under Section 73A of FSMA, has been approved by the Financial Services Authority in accordance with Section 85 of FSMA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

Glencore Shares are currently listed on the premium segment of the Official List maintained by the FSA and traded on the London Stock Exchange's main market for listed securities. In addition, Glencore Shares are the subject of a secondary listing on the Hong Kong Stock Exchange. Applications will be made to the UK Listing Authority and to the London Stock Exchange for the New Glencore Shares to be admitted to the premium listing segment of the Official List of the UK Listing Authority and to trading on the main market for listed securities of the London Stock Exchange, respectively. Application will also be made to the Hong Kong Stock Exchange for the listing of, and for permission to deal in, the New Glencore Shares on the Main Board of the Hong Kong Stock Exchange. It is expected that Admission will become effective, and that dealings on the London Stock Exchange in the New Glencore Shares will commence, on the Effective Date. Hong Kong Admission is expected to occur on the next day following Admission that the Hong Kong Stock Exchange is open for trading in Hong Kong.

# GLENCORE

INTERNATIONAL plc

## Glencore International plc

**(proposed to be renamed Glencore Xstrata plc)**

*(incorporated in Jersey under the Companies (Jersey) Law 1991 with registered number 107710)*

### **Proposed issue of up to 5,727,752,170 new ordinary shares in Glencore International plc in connection with its proposed merger with Xstrata plc and application for admission of up to 5,727,752,170 new ordinary shares in Glencore International plc to the Premium Listing segment of the Official List and to trading on the London Stock Exchange**

This document is supplemental to and must be read in conjunction with the prospectus dated 31 May 2012 (the "**Original Prospectus**"), as supplemented by the supplementary prospectus dated 12 July 2012, relating to the Amended Management Incentive Arrangements (the "**First Supplementary Prospectus**"). You should read the whole of this document, the Original Prospectus, the First Supplementary Prospectus, and any documents incorporated therein by reference. In particular, your attention is drawn to the section of the Original Prospectus headed "Risk Factors".

A copy of this document has been delivered to the Jersey registrar of companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and the Jersey registrar of companies has given, and has not withdrawn, consent to its circulation. The Jersey Financial Services Commission has given, and has not withdrawn, its consent under Article 2 of the Control of Borrowing (Jersey) Order 1958 to the issue of Glencore Shares by Glencore. It must be clearly understood that, in giving these consents, neither the Jersey registrar of companies nor the Jersey Financial Services Commission takes any responsibility for the financial soundness of Glencore or for the correctness of any statements made, or opinions expressed, with regard to it. The Jersey Financial Services Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against any liability arising from the discharge of its functions under that law.

Nothing in this document or anything communicated to the holders or potential holders of the New Glencore Shares by or on behalf of Glencore is intended to constitute, or should be construed as, advice on the merits of the subscription for or purchase of the New Glencore Shares or the exercise of any rights attached thereto for the purposes of the Financial Services (Jersey) Law 1998.

Investors should only rely on the information contained in this document, the Original Prospectus, as supplemented by the First Supplementary Prospectus, and any documents incorporated herein and therein by reference. No person has been authorised to give any information or make any representations other than those contained in this document, the Original Prospectus, as supplemented by the First Supplementary Prospectus, and the documents incorporated herein and therein by reference and, if given or made, such information or representation must not be relied upon as having been so authorised. Glencore will comply with its obligations to publish a supplementary prospectus containing further updated information required by law or by any regulatory authority, but assumes no further obligation to publish additional information.

Citigroup Global Markets Limited, which is authorised and regulated in the UK by the FSA, is acting as Joint Sponsor to Glencore and no one else in connection with the Merger and Admission. Morgan Stanley & Co. Limited is acting as Joint Sponsor to Glencore and no one else in connection with the Merger and Admission. Apart from the responsibilities and liabilities, if any, which may be imposed on the Joint Sponsors by FSMA or the regulatory regime established thereunder, the Joint Sponsors will not be responsible to any person other than Glencore for providing the protections afforded to the clients of the Joint Sponsors nor for giving advice in relation to the Merger or Admission, the contents of this document or any transaction or other matter referred to in this document.

The contents of this document, the Original Prospectus, as supplemented by the First Supplementary Prospectus, and the information incorporated herein and therein by reference should not be construed as legal, business or tax advice. Each prospective investor should consult his, her or its own legal adviser, financial adviser or tax adviser for advice.

The section headed "Important Information" contains important information which you should read.

## TABLE OF CONTENTS

	<b>Page</b>
SUMMARY INFORMATION .....	1
REVISED TIMETABLE OF PRINCIPAL EVENTS.....	2
INDICATIVE MERGER STATISTICS .....	3
IMPORTANT INFORMATION.....	4
PART I SUPPLEMENTARY INFORMATION .....	7
PART II ADDITIONAL INFORMATION.....	8

## SUMMARY INFORMATION

*This document is supplemental to, and should be read in conjunction with, the Original Prospectus, as supplemented by the First Supplementary Prospectus. The following summary information should be read as an introduction to this document. Any decision to invest in Glencore Shares should be based on consideration of this document, the Original Prospectus, as supplemented by the First Supplementary Prospectus, and the information incorporated by reference herein and therein as a whole, and not solely on this summary information. Where a claim relating to the information contained in this document is brought before a court in a member state of the EEA, the claimant may, under the national legislation of the member state where the claim is brought, be required to bear the costs of translating this document before legal proceedings are initiated if the state has implemented the relevant provisions of the Prospectus Directive (Directive 2003/71/EC). Civil liability attaches to those persons who are responsible for this summary, including any translations of this summary, but only if this summary is misleading, inaccurate or inconsistent when read together with other parts of this document.*

The summary below supplements paragraph 9 (Current trends, trading and prospects) of the summary in the Original Prospectus.

### **9 Current trends, trading and prospects**

#### ***Glencore***

On 9 May 2012 Glencore released its interim management statement for the first quarter of 2012. Since this date, concerns in respect of Eurozone sovereign debt have intensified and global economic growth expectations have also decreased. Both factors have led to a deterioration in overall financial market sentiment with a consequential reduction in commodity prices. The S&P GSCI Industrial Metals Index fell 17 per cent. from 470 to 390 based on average commodity prices in the first half of 2011 compared with the same period in 2012 tempering the performance of Glencore's industrial assets. Glencore's marketing operations meanwhile continue to perform well with physical demand remaining generally healthy. In addition, Glencore continues to be encouraged by its progress in developing the growth projects within its industrial asset base. Glencore's growth is brownfield with attendant short lead times and low levels of capital intensity.

Despite the continued global economic uncertainty and the resultant negative sentiment, it remains Glencore's view that commodity inventories are generally low, both on exchanges and within supply chains. Glencore continues to see strong underlying long-term fundamentals for the major commodities that would be produced and marketed by the Combined Group.

Glencore expects to announce its half-year results (for the 6 months ended 30 June 2012) on 21 August 2012.

#### ***Xstrata***

On 7 August 2012 Xstrata published its half-year results (for the 6 months ended 30 June 2012).

## REVISED TIMETABLE OF PRINCIPAL EVENTS

The dates and times given in the table below in connection with the Merger are indicative only and are based on Glencore's current expectations and may be subject to change (including as a result of changes to Court times, the regulatory timetable and/or the process for implementation of the Merger).

If any of the times and/or dates below change, the revised times and/or dates will be notified by Glencore to Glencore Shareholders through a Regulatory Information Service.

All references in this document to times and dates are to London times and dates unless otherwise stated.

Adjourned Glencore General Meeting <sup>(1)</sup>	9.00 a.m. Zug time 7 September 2012
Adjourned Xstrata Court Meeting <sup>(2)</sup>	11.00 a.m. Zug time 7 September 2012
New Xstrata General Meeting <sup>(3), (4)</sup>	11.15 a.m. Zug time 7 September 2012
Scheme Court Hearing to sanction the Scheme <sup>(5)</sup>	A date expected to be in the fourth quarter of 2012 ("D")
Reduction Court Hearing to confirm the Reduction of Capital <sup>(5)</sup>	D+2
Scheme Record Time <sup>(5)</sup>	6.00 p.m. on D+2
Effective Date <sup>(5)</sup>	D+3
Delisting of Xstrata Shares <sup>(5)</sup>	D+4
Issue and listing of the New Glencore Shares (and crediting of the New Glencore Shares in uncertificated form to CREST accounts) <sup>(5)</sup>	8.00 a.m. on D+4
Admission and commencement of dealings on the London Stock Exchange of the New Glencore Shares <sup>(5)(6)</sup>	by 8.00 a.m. on D+4
Posting of share certificates for the New Glencore Shares (where applicable) <sup>(5)</sup>	by no later than D+17

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Notes:

- (1) On 11 July 2012, the Glencore General Meeting, was adjourned to a time, date and place to be fixed by the Glencore Directors and notified to members. In accordance with Glencore's Articles, notice of the adjourned meeting will be given at least seven clear days in advance. Glencore expects to hold the adjourned Glencore General Meeting at 9.00 a.m. Zug time on 7 September 2012 at Theater-Casino, Artherstrasse 2-4, Zug, Switzerland.
- (2) On 12 July 2012, the Xstrata Court Meeting was adjourned to the date of the new Xstrata General Meeting and is expected to be held at 11.00 a.m. Zug time on 7 September 2012.
- (3) On 12 July 2012, the Xstrata General Meeting was adjourned *sine die* and a new Xstrata general meeting is expected to be convened for 11.15 a.m. Zug time on 7 September 2012.
- (4) Or as soon thereafter as the adjourned Xstrata Court Meeting shall have concluded or been adjourned.
- (5) These times and dates are indicative only and will depend, amongst other things, on the date upon which (a) the Conditions are satisfied or (if capable of waiver) waived, (b) the Court sanctions the Scheme and confirms the associated Reduction of Capital, and (c) a copy of the Reduction Court Order has been delivered to the Registrar of Companies and, if the Court so orders for the Reduction of Capital to take effect, the Reduction Court Order and the Statement of Capital have been registered by the Registrar of Companies, following the prior delivery of the Scheme Court Order to the Registrar of Companies.
- (6) Hong Kong Admission is expected to occur on the next day following Admission that the Hong Kong Stock Exchange is open for trading in Hong Kong.

## INDICATIVE MERGER STATISTICS

Number of Glencore Shares in issue on 6 August 2012 <sup>(1)</sup>	6,922,713,511
Number of the New Glencore Shares to be issued pursuant to the Merger <sup>(2)</sup>	5,727,752,170
Number of Glencore Shares in issue upon the Merger becoming Effective <sup>(2), (3)</sup>	12,650,465,681
The New Glencore Shares as a percentage of the Combined Group Ordinary Share Capital <sup>(2), (3)</sup>	45.3 %

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Notes:

- (1) Being the latest practicable date prior to the publication of this document.
- (2) Based on the number of Xstrata Shares in issue as at 6 August 2012, being the latest practicable date prior to the publication of this document and assuming (a) that the Xstrata Employee Benefit Trust will be issued with new Xstrata Shares such that it holds sufficient Xstrata Shares at the Scheme Record Time to satisfy (i) all share options outstanding under the Xstrata Shares Schemes and (ii) the maximum retention share awards that could be granted under the New Xstrata 2012 Plan, and (b) vesting of all share awards held under the Xstrata Share Schemes and such Xstrata Shares being acquired by Glencore.
- (3) Assuming none of the outstanding Glencore Convertible Bonds are converted.

## **IMPORTANT INFORMATION**

### **General**

The contents of this document are not to be construed as legal, business or tax advice. Each prospective investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice.

The contents of Glencore's website ([www.glencore.com](http://www.glencore.com)) and Xstrata's website ([www.xstrata.com](http://www.xstrata.com)) do not form part of this document and prospective investors should not rely on them. Furthermore, Glencore does not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, or the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding the Merger or Glencore. Glencore makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

Without prejudice to any obligation on Glencore to publish a supplementary prospectus pursuant to section 87G of FSMA and PR 3.4.1 of the Prospectus Rules, neither the publication of this document nor any issue of Glencore Shares made under this document and the Original Prospectus, as supplemented by the First Supplementary Prospectus, shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Glencore Group taken as a whole since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

### **Notice to Glencore Shareholders and potential investors**

#### **United States**

This document does not constitute or form part of any offer or invitation to sell or issue, or the solicitation to purchase or subscribe for, the New Glencore Shares in any jurisdiction. The New Glencore Shares have not been, and will not be, registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Glencore Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States absent registration under the US Securities Act or an exemption therefrom. The New Glencore Shares issued to existing Xstrata Shareholders pursuant to the Scheme are expected to be issued in reliance upon an exemption from the registration requirements of the US Securities Act afforded by Section 3(a)(10) thereof. Xstrata Shareholders who were affiliates of Glencore or Xstrata prior to the Effective Date will be subject to certain US transfer restrictions relating to the New Glencore Shares received pursuant to the Scheme.

None of the securities referred to in this document have been approved or disapproved by the SEC, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

The distribution of this document into jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, subject to certain exceptions, this document should not be distributed in, forwarded to or transmitted in or into the United States or any Restricted Jurisdiction.

#### **Other jurisdictions**

This document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or the solicitation of an offer to subscribe for or buy any New Glencore Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation or would impose any unfulfilled registration, publication or approval requirements on Glencore or the

Joint Sponsors. No action has been taken nor will be taken in any jurisdiction by Glencore or the Joint Sponsors that would permit a public offering of the New Glencore Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this document other than in any jurisdiction where action of that purpose is required. Glencore and the Joint Sponsors do not accept any responsibility for any violation of any restrictions by any other person.

The New Glencore Shares have not been and will not be registered or qualified by a prospectus under applicable securities laws of any jurisdiction other than the United Kingdom. Accordingly, the New Glencore Shares may not be offered, sold, reoffered, resold, pledged or otherwise transferred in or into any jurisdiction where such an offer or sale would violate the relevant securities laws of such jurisdiction.

None of Glencore, the Joint Sponsors and their respective representatives is making any representation to any offeree or purchaser of the New Glencore Shares offered hereby regarding the legality of investment by such offeree or purchaser under appropriate investment or similar laws. Each prospective investor should consult with his, her or its own advisers as to the legal, tax, business, financial and related aspects of purchase of or subscription for the New Glencore Shares.

### **Forward looking statements**

This document 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 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, 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, Xstrata or the Combined Group 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, Xstrata or the Combined Group to differ materially from the expectations of Glencore, Xstrata or the Combined Group, as applicable, include, among other things, general business and economic conditions globally, commodity price volatility, industry trends, competition, changes in government and other regulations, 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, the inability of the Combined Group to integrate successfully Glencore’s and Xstrata’s operations and programmes, or the Combined Group incurring and/or experiencing unanticipated costs and/or delays or difficulties relating to the Merger, in each case when the Merger becomes Effective. Such forward looking statements should therefore be construed in light of such factors.

Neither Glencore nor any of its 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 document will actually occur. These forward looking statements speak only as at the date of this document.

Investors should specifically consider the factors identified in this document and the Original Prospectus, as supplemented by the First Supplementary Prospectus, which could cause actual results to differ before making an investment decision. Such risks, uncertainties and other factors are set out more fully in the section of the Original Prospectus headed “Risk Factors”. To the extent required by the Listing Rules, the Prospectus Rules and the Disclosure and Transparency Rules of the FSA, the London Stock Exchange, the Securities and Futures Commission of Hong Kong, the Hong Kong Stock Exchange or applicable law, Glencore will update or revise the information in this document. Otherwise, Glencore expressly disclaims any obligations or undertakings to release publicly any updates or revisions to any forward looking statements contained in this document to reflect any change in the expectations of Glencore, Xstrata or the Combined Group with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

No statement in this document is intended to constitute a profit forecast or profit estimate for any period, nor should any statement be interpreted to mean that earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for either Glencore or Xstrata as appropriate.

### **Definitions and Interpretation**

Words or expressions defined in the Original Prospectus, as supplemented by the First Supplementary Prospectus, have the same meaning when used in this document unless otherwise defined.

Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Unless otherwise stated, all times and dates referred to in this document are references to London times and dates.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

For the purpose of this document, “subsidiary”, “subsidiary undertaking” and “undertaking” have the meanings given by the UK Companies Act.

**PART I**  
**SUPPLEMENTARY INFORMATION**

**1 Background**

Following the publication by Glencore of the Original Prospectus dated 31 May 2012 and the First Supplementary Prospectus dated 12 July 2012, Xstrata announced its half-yearly results for the 6 months ended 30 June 2012 on 7 August 2012 (the “**Xstrata Half-Yearly Results**”).

Glencore considers the information in the Xstrata Half-Yearly Results to be a significant new factor relating to the information contained in the Original Prospectus and, accordingly, this document has been prepared in accordance with Section 87G of FSMA and the Prospectus Rules.

**2 Xstrata Half-Yearly Results**

The table below sets out the sections of the Xstrata Half-Yearly Results which are incorporated by reference into, and form part of, this document, and only the parts of the Xstrata Half-Yearly Results identified in the table below are incorporated into, and form part of, this document. The parts of the Xstrata Half-Yearly Results which are not incorporated by reference are either not relevant for the investor or are covered elsewhere in this document. To the extent that any part of any information referred to below itself contains information which is incorporated by reference, such information shall not form part of this document.

<b>Information incorporated by reference into this document</b>	<b>Reference document</b>	<b>Page number(s) in reference document</b>
<b>For the 6 months ended 30 June 2012</b>		
Chief Executive Officer’s Report	Xstrata Half-Yearly Results	2 - 6
Financial Review	Xstrata Half-Yearly Results	7 - 15
Projects	Xstrata Half-Yearly Results	16 - 19
Markets	Xstrata Half-Yearly Results	20 - 51
Operations data	Xstrata Half-Yearly Results	52 - 56
Independent Review Report to Xstrata plc by Ernst & Young LLP dated 7 August 2012	Xstrata Half-Yearly Results	59 - 60
Condensed Interim Consolidated Financial Statements for the 6 months ended 30 June 2012 (unaudited)	Xstrata Half-Yearly Results	61 - 66
Notes to the Condensed Interim Consolidated Financial Statements (unaudited)	Xstrata Half-Yearly Results	67 - 78

**PART II**  
**ADDITIONAL INFORMATION**

**1 Responsibility**

Glencore, the Directors and the Proposed Directors, whose names appear below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of Glencore, the Directors and the Proposed Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

**Directors**

<b>Name</b>	<b>Current Position</b>
Simon Murray.....	Independent Non-Executive Chairman
Ivan Glasenberg.....	Chief Executive Officer
Steven Kalmin .....	Chief Financial Officer
Peter Coates.....	Independent Non-Executive Director
Leonhard Fischer.....	Independent Non-Executive Director
Anthony Hayward .....	Senior Independent Non-Executive Director
William Macaulay .....	Independent Non-Executive Director
Li Ning .....	Independent Non-Executive Director

**Proposed Directors**

<b>Name</b>	<b>Current Position at Xstrata</b>
Sir John Bond.....	Independent Non-Executive Chairman
Mick Davis .....	Chief Executive Officer
Con Fauconnier .....	Independent Non-Executive Director
Peter Hooley.....	Independent Non-Executive Director
Sir Steve Robson CB.....	Independent Non-Executive Director
Ian Strachan.....	Independent Non-Executive Director

**2 Share capital**

The issued and fully paid share capital of the Company immediately following completion of the Merger is expected to be as follows (assuming (a) that the Xstrata Employee Benefit Trust will be issued with new Xstrata Shares such that it holds sufficient Xstrata Shares at the Scheme Record Time to satisfy (i) all share options outstanding under the Xstrata Shares Schemes and (ii) the maximum retention share awards that could be granted under the New Xstrata 2012 Plan, (b) vesting of all share awards held under the Xstrata Share Schemes and such Xstrata Shares being acquired by Glencore, and (c) none of the outstanding Glencore Convertible Bonds are converted):

<b>Class of shares</b>	<b>Nominal Value</b>	<b>Number</b>	<b>Amount</b>
Glencore Shares .....	US\$0.01	12,650,465,681	US\$126,504,656.81

As set out in paragraph 3.6(b) of Part XI (Additional Information) of the Original Prospectus, Resolution 1(b) proposed at the Glencore General Meeting, if passed, would give the Directors the authority to allot up to an aggregate nominal amount of US\$56,603,171 (the “**Merger Allotment Authority Amount**”).

As described in the First Supplementary Prospectus, in connection with the amendments to the retention award element of the Management Incentive Arrangements, it is proposed that the maximum number of Xstrata Shares needed to satisfy the retention share awards (not exceeding 24,490,347 Xstrata Shares) will be issued to the Xstrata Employee Benefit Trust and will be subject to the terms of the Scheme. In addition, following the Original Prospectus and the First Supplementary Prospectus, certain options pursuant to the Xstrata Share Schemes have lapsed and the number of the Xstrata Shares held by the Xstrata Employee Benefit Trust has changed as a result of options pursuant to the Xstrata Share Schemes being exercised. Accordingly, the number of new Xstrata Shares to be issued to the Xstrata Employee Benefit Trust at the Scheme Record Time in order for it to hold sufficient Xstrata Shares to satisfy all share options outstanding under the Xstrata Shares Schemes and the maximum retention share awards that could be granted under the New Xstrata 2012 Plan has changed.

As a result of the changes described above Glencore may need to issue up to an additional 67,435,110 New Glencore Shares on the Effective Date with an aggregate nominal amount of US\$674,351.10 over and above the Merger Allotment Authority Amount. The Directors intend to use the general authority conferred on them at the Company’s AGM and as set out in paragraph 3.5(a) of Part XI (Additional Information) of the Original Prospectus to allot any additional New Glencore Shares over and above the Merger Allotment Authority Amount.

### **3 Glencore current trading and prospects**

On 9 May 2012 Glencore released its interim management statement for the first quarter of 2012. Since this date, concerns in respect of Eurozone sovereign debt have intensified and global economic growth expectations have also decreased. Both factors have led to a deterioration in overall financial market sentiment with a consequential reduction in commodity prices. The S&P GSCI Industrial Metals Index fell 17 per cent. from 470 to 390 based on average commodity prices in the first half of 2011 compared with the same period in 2012 tempering the performance of Glencore’s industrial assets. Glencore’s marketing operations meanwhile continue to perform well with physical demand remaining generally healthy. In addition, Glencore continues to be encouraged by its progress in developing the growth projects within its industrial asset base. Glencore’s growth is brownfield with attendant short lead times and low levels of capital intensity.

Despite the continued global economic uncertainty and the resultant negative sentiment, it remains Glencore’s view that commodity inventories are generally low, both on exchanges and within supply chains. Glencore continues to see strong underlying long-term fundamentals for the major commodities that would be produced and marketed by the Combined Group.

Glencore expects to announce its half-year results (for the 6 months ended 30 June 2012) on 21 August 2012.

### **4 Post Original Prospectus events**

By way of update since the publication of the Original Prospectus:

#### ***Glencore***

- 4.1** On 2 August 2012, Glencore entered into an agreement to sell Viterra’s minority interest in a nitrogen facility located in Medicine Hat, Alberta, Canada to CF Industries Holdings, Inc. (“CF”), an entity nominated by Agrium as the buyer for the facility under the support and purchase agreement dated 19 March 2012 between Glencore and Agrium, under which the purchase price payable by CF would be applied. The acquisition by CF is conditional upon Glencore’s completion of the acquisition of Viterra, receipt by CF of Canadian regulatory approvals and satisfaction of other customary closing conditions.
- 4.2** On 11 July 2012, Glencore announced that it had, through subsidiaries, entered into a share purchase agreement to acquire Vale’s European manganese ferroalloys operations for a cash consideration of

US\$160 million. Completion is subject to certain conditions precedent. The operations currently have the capacity to produce approximately 260,000 tonnes of manganese ferroalloys per annum.

- 4.3 On 28 June 2012, Glencore announced that it had, through a subsidiary, completed the transaction disclosed on page 71 of the Original Prospectus, pursuant to which it has disposed of a 20 per cent. interest in Shanduka Coal to Shanduka Resources, a wholly owned subsidiary of Shanduka Group, its South African black economic empowerment partner, in exchange for a cash payment and the transfer by Shanduka Resources to Shanduka Coal of its 30 per cent shareholding in Kangra Coal.
- 4.4 As disclosed in the Original Prospectus, Glencore Grain Rotterdam BV, a subsidiary of Glencore, had certain charges brought against it in connection with an ongoing criminal investigation in Belgium. On 27 June 2012 the Brussels Court found Glencore Grain Rotterdam BV guilty and imposed a fine of Euro 500,000.00. The Court also ordered Glencore Grain Rotterdam BV to pay compensation to one civil party in the total amount of Euro 1.00. Glencore Grain Rotterdam BV and both civil parties have filed an appeal.
- 4.5 On 22 June 2012, Glencore announced that it had received a signed Supreme Decree from the Government of Bolivia, nationalising the Colquiri mine in the Bolivian province of La Paz, with immediate effect. Glencore strongly protested the action taken by the Government of Bolivia and reserved its right to seek fair compensation pursuant to all available domestic and international remedies.
- 4.6 On 11 June 2012, Glencore announced that it had, through a subsidiary, completed the acquisition disclosed on page 133 of the Original Prospectus of an 80.08 per cent. interest in Rosh Pinah Corporation (Proprietary) Limited, a zinc mining business in Namibia. Rosh Pinah operates an underground zinc/lead mine in south-western Namibia. The mine produced 89,000 tonnes of zinc concentrate and 16,000 tons of lead concentrate in 2011. Intensive on-mine exploration is underway to add to the total mineral resource base of 8 million tonnes.

#### *Xstrata*

- 4.7 On 31 July 2012, Xstrata published its production report for the 6 months ended 30 June 2012.
- 4.8 On 20 July 2012, Xstrata announced that Peet Nienaber, Chief Executive, Xstrata Alloys and a member of Xstrata's Management, had decided to retire for personal and family reasons at the end of September 2012. Consequently, Peet Nienaber will not be entitled to receive any element of the Amended Management Incentive Arrangements. Therefore, the aggregate amounts payable to Xstrata's Management in respect of the Amended Management Incentive Arrangements will be reduced accordingly. Loutjie Smit will become Acting Chief Executive, Xstrata Alloys on an interim basis. Loutjie Smit is a non-executive director of Xstrata South Africa and chairman of the Audit Committees of Xstrata Nickel and Xstrata Alloys.
- 4.9 As disclosed in paragraph 15.2.7 of Part XI (Additional Information) of the Original Prospectus, Xstrata was a party to proceedings in the Ontario Superior Court issued by Barrick against New Gold and Gold Corp following completion of the sale of El Morro to the New Gold group. The decision of the Ontario Superior Court was issued on 26 June 2012. Barrick's claims against each of the defendants has been dismissed in their entirety. As at 6 August 2012, being the latest practicable date prior to the publication of this document, the Ontario Supreme Court's decision has not been appealed and the appeal period has now expired

## **5 Significant change**

- 5.1** There has been no significant change in the financial or trading position of the Glencore Group since 31 December 2011, the date to which Glencore's last published audited financial information was prepared.
- 5.2** There has been no significant change in the financial or trading position of the Xstrata Group since 30 June 2012, the date to which Xstrata's last published unaudited half yearly financial information was prepared.

## **6 Consents**

Each of Citigroup Global Markets Limited, whose address is Citigroup Centre, Canada Square, London E14 5LB, and Morgan Stanley & Co. Limited, whose address is 25 Cabot Square, Canary Wharf, London E14 4QA, has given and has not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.

## **7 Documents available for inspection**

In addition to those documents set out in paragraph 22 entitled "Documents available for inspection" in Part XI (Additional Information) of the Original Prospectus and in paragraph 4 entitled "Documents available for inspection" in Part II (Additional Information) of the First Supplementary Prospectus, copies of:

- (a) this document;
- (b) the Xstrata Half-Yearly Results; and
- (c) the consent letters referred to in paragraph 6 above,

are available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period from the date of publication of this document until Admission at the registered office of the Company, Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES.