



ORE RESERVES & MINERAL RESOURCES

December 2007

Australian Mineral Resources and Ore Reserves in this report are reported in accordance with the 2004 Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the JORC Code), December 2004. South African and Colombian Mineral Resources and Ore Reserves have been estimated and reported in accordance with the South African Code for Reporting of Mineral Resources and Mineral Reserves (SAMREC Code), this being similar to the JORC Code with only minor variations. Canadian Mineral Resources and Ore Reserves have been prepared in accordance with the Canadian Securities Administrators National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101). The term 'Ore Reserves' as defined in the JORC Code has the same meaning as 'Mineral Reserves' as defined in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards on Mineral Resources and Mineral Reserves with reference to Paper 88-21 Guidelines.

The Coal Resource and Coal Reserve Statement at 30th of June 2007 is consistent with these Codes and is based on the Xstrata Coal Resource and Reserve Estimation and Reporting Standard, Version 30/06/2007.

Coal Resource and Coal Reserve information in the tables below is based on information compiled by Competent Persons (as defined by the JORC & SAMREC Codes) and Qualified Persons (as defined by NI 43-101).

Each of the Competent Persons has the appropriate professional membership and the relevant experience in relation to the Mineral Resources and/or Ore Reserves being reported by them to qualify as a Competent Person as defined in the relevant Code. The Competent Persons have consented to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The Mineral Resources and Ore Reserves figures in the following tables are as at 30 June 2007.

Metric units are used throughout. All data is presented on a 100% basis. All tonnage information has been rounded to reflect the relative uncertainty in the estimates; there may therefore be small differences in the totals. Mineral Resources are reported inclusive of those Mineral Resources modified to produce Ore Reserves.

Commodity prices and exchange rates used to estimate the economic viability of Ore Reserves are based on long term forecasts applied at the time the estimate was calculated.

Resource and Reserve statements have been reviewed and the relevant data extracted and compiled by Malcolm Cox, Xstrata Coal (FAusIMM).

Definitions

The following definitions (as per the JORC Code 2004) or similar, have been applied in estimating and reporting the Ore Reserves and Mineral Resources position of the Xstrata Coal disclosed within this document. The terms 'Coal Resources' and 'Coal Reserves' have been substituted in the tables for the terms 'Mineral Resources' and 'Ore Reserves', the subdivisions of which are consistent.

Mineral Resource: a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

Inferred Mineral Resource: that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.

Indicated Mineral Resource: that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

Measured Mineral Resource: that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.

Ore Reserve: the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves.

Probable Ore Reserve: the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

Proved Ore Reserve: the economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

Coal

Coal Australia

30 June 2007 (Total Mine Basis)

Name of Operation	Ownership	Mining Method	Commodity	Coal Reserves				Coal Resources			Competent Person (m)
				Recoverable		Marketable		Measured (Mt)	Indicated (Mt)	Inferred (Mt)	
				Proved (Mt)	Probable (Mt)	Proved (Mt)	Probable (Mt)				
Coal - June 2007											
Oakbridge Group			Thermal Coal	222.5	35.2	157.2	25.4	790.7	427.9	616	
Bulga OC	68.3%	OC	Thermal Coal	66.2	-	44.8	-	199.7	59.0	7	PG/NB
Bellana	68.3%	UG	Thermal Coal	156.2	35.2	112.3	25.4	550.0	329.3	538	PG/NB
Baal Bone OC	74.1%	OC	Thermal Coal	0.1	-	0.1	-	3.5	-	-	JMB/NB
Baal Bone UG	74.1%	UG	Thermal Coal	-	-	-	-	9.2	17.5	9	JMB/NB
Running Stream OC	78.0%	OC	Thermal Coal	-	-	-	-	28.2	7.4	17	JHB
Running Stream UG	78.0%	UG	Thermal Coal	-	-	-	-	-	14.7	45	JHB
Maquarie Coal Joint Venture	80.0%		Thermal Coal	28.5	23.4	20.4	14.2	75.1	263.1	182	
West Wallsend		UG	Thermal Coal	25.1	23.4	17.0	14.2	68.7	54.6	-	CFRP/NB
Westside (a)		OC	Thermal Coal	3.4	-	3.4	-	4.3	-	-	CFRP/NB
Cardiff Borehole		UG	Thermal Coal	-	-	-	-	-	12.4	22	CFRP
Mitchells Flat		OC/UG	Thermal Coal	-	-	-	-	-	112.5	160	CFRP
Teralba		UG	Thermal Coal	-	-	-	-	2.1	83.6	-	CFRP
Liddell Group	67.5%		Thermal Coal	46.9	53.0	31.9	33.7	83.1	229.8	300	
Liddell OC		OC	Thermal Coal	46.9	53.0	31.9	33.7	83.1	208.7	37	RWD/NB
Liddell UG		UG	Thermal Coal	-	-	-	-	-	21.1	263	RWD
Cumnock (b)	84.0%		Thermal Coal	1.7	-	1.2	-	291.0	157.9	-	
Opencut Stage 3		OC	Thermal Coal	1.7	-	1.2	-	2.5	-	-	CFRP/NB
Opencut Other (c)		OC	Thermal Coal	-	-	-	-	284.6	112.2	-	CFRP
Underground		UG	Thermal Coal	-	-	-	-	4.0	45.7	-	CFRP
Mount Owen Complex	100.0%		Thermal Coal	130.1	28.7	86.9	17.4	207.6	91.4	129	
Mount Owen (d)		OC/UG	Thermal Coal	62.9	26.1	38.8	15.8	69.1	43.4	52	SJH/NB
Ravensworth East (e)		OC	Thermal Coal	19.4	0.7	15.1	0.4	60.5	10.2	2	SJH/NB
Glendell		OC	Thermal Coal	47.8	1.9	33.0	1.2	78.0	37.8	75	SJH/NB
United	95.0%	UG	Thermal Coal	9.3	-	6.9	-	51.0	36.1	20	RMD/NB
Ulan	90.0%		Thermal Coal	39.4	157.4	37.7	142.1	118.5	663.2	16	
Ulan OC		OC	Thermal Coal	-	3.7	-	2.4	50.2	27.0	11	RMD/NB
Ulan UG #3 (f)		UG	Thermal Coal	22.6	72.3	21.5	63.8	50.0	297.8	-	RMD/NB
Ulan UG West		UG	Thermal Coal	16.8	81.4	16.2	75.9	18.3	338.4	5	RMD/NB
Ravensworth Group			Thermal Coal	13.1	-	13.1	-	81.2	-	-	
Narama (g)	50.0%	OC	Thermal Coal	9.0	-	9.0	-	12.3	-	-	JHB/NB
Ravensworth West	100.0%	OC	Thermal Coal	4.1	-	4.1	-	68.9	-	-	JHB/NB
Subtotal - New South Wales				491.5	297.7	355.3	232.8	1,698.1	1,869.4	1,263	
Oaky Creek	55.0%		Coking	73.3	124.1	45.6	77.2	134.8	208.8	172	
Oaky Creek OC		OC	Coking	-	-	-	-	23.5	28.9	25	PAP/JR
Oaky No. 1 (h)		UG	Coking	29.8	12.9	18.2	7.7	42.2	29.5	7	PAP/JR
Oaky North (i)		UG	Coking	43.5	111.2	27.4	69.5	69.1	121.5	22	PAP/JR
Other		UG	Coking	-	-	-	-	-	28.8	119	PAP
NCA	55.0%		Coking/Thermal	105.1	123.1	80.0	82.4	313.7	582.4	410	
Newlands OC		OC	Thermal	34.3	32.9	24.8	19.7	87.9	71.7	77	TH/WH
		OC	Coking	16.0	18.9	11.1	11.8	22.8	26.1	20	TH/WH
Newlands Northern UG		UG	Thermal	28.4	-	21.6	-	70.0	-	-	TH/WH
Newlands Southern UG		UG	Thermal	-	-	-	-	2.2	-	-	TH/WH
Newlands Sutor Ck UG (j)		UG	Thermal	-	59.9	-	41.1	-	128.3	-	TH/WH
Newlands Other		OC/UG	Thermal	-	-	-	-	78.1	115.3	135	TH
		OC/UG	Coking	-	-	-	-	5.1	81.5	124	TH
Collinsville OC (k)		OC	Thermal	17.9	8.6	16.6	7.8	29.4	14.4	11	MB/WH
		OC	Coking	8.5	2.8	5.9	2.0	17.7	19.1	7	MB/WH
Collinsville UG		UG	Thermal	-	-	-	-	0.1	73.0	21	MB
		UG	Coking	-	-	-	-	0.4	53.0	15	MB
Cook (l)	95.0%	UG	Coking/Thermal	-	-	-	-	-	144.0	800	ABP
Rolleston	75.0%	OC	Thermal	58.1	85.6	58.1	85.6	68.4	116.3	490	
Rolleston ML	75.0%	OC	Thermal	58.1	85.6	58.1	85.6	68.4	102.6	68	PS/PP
Rolleston MDL & EPCs	75.0%	OC	Thermal	-	-	-	-	-	13.7	422	PS
Togara North	33.3%		Thermal Coal	-	-	-	-	305.5	376.8	460	
Togara North OC		OC	Thermal Coal	-	-	-	-	36.9	22.2	30	KJW
Togara North UG		UG	Thermal Coal	-	-	-	-	268.6	354.6	430	KJW
Wandoan	75.0%	OC	Thermal	-	-	-	-	-	522.3	607	GJ
Subtotal - Queensland				236.5	332.8	183.7	245.2	822.4	1,950.6	2,939	
Subtotal - Coal Australia				728.0	630.5	539.0	478.0	2,520.5	3,820.0	4,203	

Definitions

OC = opencut; UG = Underground

Notes:

- The estimates of Coal Resources and Reserves presented in this table have been carried out in accordance with the "2004 Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (The JORC Code)" prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.
- Reserves are a subset of resources and are included in the resource estimate. Reserves are NOT to be deducted from Resources.
- The Resource and Reserve figures tabulated have been stated on a total mine basis as at 30 June 2007.
- Resources and Reserves stated on a total mine basis include interests in Resources and Reserves attributable to minority interests in controlled entities and the interests of joint venture partners.
- Figures are subject to rounding and therefore totals may not add up.
- Unless otherwise stated, the product yields used to estimate Marketable reserves were derived from the "Resource Master" software developed by A&B Mylec. Inputs to this model are coal ply thickness and dilution. The model includes adjustments for plant efficiencies to calculate practical yields. The model is calibrated to historical plant performance and includes the closest large diameter borehole data to each mining block.
- Coal Resources are contained within the Sydney Basin (New South Wales), the Bowen Basin (Queensland) and the Surat Basin (Wandoan, Queensland).
- Coal Resources have been estimated for potentially mineable seams within mining or exploration leases and are limited by major cadastral, geological and economic boundaries.
- Coal Resources are also constrained by the occurrence and quality of geological information.
- Coal Resources exclude areas where the seam has been affected by igneous bodies, extracted by mining and areas where coal has been sterilised by mining to 30 June 2007.
- Coal Resources are reported for the full coal seam thickness to a minimum thickness of typically 0.3m to 0.5m for open cut resources, and 1.5m to 2m for underground resources.
- Resources do not include out-of-seam dilution. Underground resources are typically reported on a full seam or working section basis, and may contain a small amount of interseam dilution.
- Resource tonnes have been reported using an appropriate in situ moisture basis for each deposit, ranging from 3% to 10% moisture excluding Rolleston which is reported at an in situ moisture of around 16%.
- Coal Resources have been re-estimated for inclusion in this summary table.
- Revision of the totals include changes to classifications of Resource status due to exploration, geological reinterpretation and remodelling and changes to lease holdings.
- Adherence to the 2003 Australian Guidelines for Estimating and Reporting of Inventory Coal, Coal Resources and Coal Reserves has resulted in some Measured Resources being classified as Indicated and some Indicated Resources being reclassified as Inferred. Coal tonnages for Mitchells Flat, Teralba and Cardiff Borehole were estimated prior to publishing of the 2004 JORC Code. The Resource categories were re-classified for this table, pursuant to the 2003 Guidelines.
- Other changes and notes relevant to the estimation of Resources and Reserves are listed below for specific projects.

(a) Westside

Resources reported for the Great Northern Seam exclude areas where this seam has been previously extracted by bord and pillar methods. Details of this extraction have been obtained from historical mine records.

(b) Cumnock

Ownership of Cumnock increased to 100% effective 10th September 2007

(c) Cumnock Opencut Other

In an area where leases overlap, Coal Resources have been classified as having potential for open cut extraction as Ravensworth West will first mine several overlying seams.

(d) Mount Owen

Resources in an area of high geological complexity have been classified as Indicated, although it may appear as if sufficient information exists for classification as Measured status.

Minor change to pit shell due to economics

(e) Ravensworth East

Minor change to pit shell due to economics

(f) Ulan #3 Underground

The Ulan underground mine currently extracts the basal 3m of the 6-7m thick Ulan Seam. Coal plies above the underground mining section have been reported and included in the total Resource. Cutting height increased to include D-Tops for LW, minor shortening and lengthening of LW panels.

(g) Narama

Xstrata ownership of Narama will change to 100% effective 15 January 2008.

(h) Oaky Creek No. 1 Underground

Layout change to avoid faulted areas -7.0Mt

(i) Oaky Creek North Underground

Yield change to recognise increased dilution assumptions -10.3Mt Marketable Reserves

(j) Newlands Suttor Creek Underground

Layout change to avoid faulted areas -12.6Mt

(k) Collinsville Opencut

Updated economics and interpretation of intrusions reduced Reserves by 6.2Mt

(l) Cook

Southern part of Cook Colliery holdings transferred to Caledon Resources effective 14 December 2006. Resources reduced by 250Mt, Additional drilling which led to a model upgrade and reclassification of Resources increased Resources by 250 Mt

(m) Competent Person for Coal Resource / Competent Person for Coal Reserve.

Competent Persons

ABP = Andrew Paul, Senior Geologist, McElroy Bryan Geological Services Pty Ltd, Consulting Geologists (AusIMM)

CFRP = Charles Parbury, Director, McElroy Bryan Geological Services Pty Ltd, Consulting Geologists (AusIMM)

GJ = Greg Jones, JB Mining Services Pty Ltd, (AusIMM)

JHB = John Bryan, Director, McElroy Bryan Geological Services Pty Ltd, Consulting Geologists (AusIMM)

JMB = Janet Bartolo, Senior Geologist, McElroy Bryan Geological Services Pty Ltd

JR = Jon Romcke, Business Development Manager, Xstrata Coal Queensland (AusIMM)

KJW = Kerry Whitby, Managing Director, McElroy Bryan Geological Services Pty Ltd, Consulting Geologists (AusIMM)

MB = Mal Blaik, Principal Consultant, JB Mining Services Pty Ltd, (AusIMM)

NB = Nicole Brook, Business Development Manager, Xstrata Coal NSW (AusIMM)

PG = Peter Graham, Senior Geologist, Bulga Coal (AusIMM)

PS = Phil Sides, Senior Geologist, JB Mining Services Pty Ltd, (AIG)

PAP = Paul Penner, Reconciliation Superintendent, Oaky Creek Coal Pty Ltd, (AusIMM, SACNASP)

PP = Phil Price, Technical Services Manager, Rolleston Coal (AusIMM)

RMD = Robert Dyson, Senior Geologist, McElroy Bryan Geological Services Pty Ltd, Consulting Geologists (AusIMM)

RWD = Rod Davis, Principal Consultant, Mining & Exploration Geology Services Pty Limited, Consulting Geologists (AusIMM)

SJH = Sandra Harris, Senior Geologist, McElroy Bryan Geological Services Pty Ltd, Consulting Geologists (AusIMM)

TH = Todd Harrington, Principal Geologist - Operations, Xstrata Coal Queensland (AusIMM)

WH = Warren Hughes, Principal Mining Engineer, Xstrata Coal Queensland (AusIMM)

Coal South Africa
30 June 2007 (total mine basis)

Name of Operation	Ownership	Mining Method	Commodity	Coal Reserves				Coal Resources				
				Recoverable		Marketable		Competent Person	Measured (Mt)	Indicated (Mt)	Inferred (Mt)	Competent Person
				Proved (Mt)	Probable (Mt)	Proved (Mt)	Probable (Mt)					
Coal												
Tweefontein Division				166.8	9.3	91.1	4.5	RK*	517	66	33	MS*
Tweefontein (a)	79.8%	UG/OC	Thermal Coal	166.8	9.3	91.1	4.5		517	66	33	
Southstock Division				88.7	4.8	47.5	2.5	RK*	265.0	19.0	18.1	MS*
South Witbank (b)	79.8%	UG/OC	Thermal Coal	66.6	4.8	37.2	2.5		168	12	9	
Tavistock (c)	79.8%	UG/OC	Thermal Coal	22.1	0.0	10.3	0.0		97	7	9	
Goedgevonden Division (d)				368.8	0.0	198.4	0.0	RK*	523	28	68	MS*
Impunzi Division				95.6	0.0	58.0	0.0	RK*	265	6	6	MS*
Phoenix (e)	79.8%	UG/OC	Thermal Coal	8.6	0.0	5.0	0.0		94	5	6	
ATC (f)	79.8%	UG/OC	Thermal Coal	13.8	0.0	9.0	0.0		35	0	0	
ATCOM (g)	79.8%	OC/UG	Thermal Coal	73.2	0.0	44.0	0.0		137	1	0	
Mpumalanga Division				36.7	0.0	24.0	0.0	RK*	217	0	21	MS*
Tselentis	79.8%	UG/OC	Thermal Coal	18.5	0.0	11.9	0.0		61	0	0	
Spitzkop	79.8%	UG/OC	Thermal Coal	18.2	0.0	12.1	0.0		157	0	21	
Mines operated by Ingwe				192.3	110.6	136.8	98.7	JM*	971	141	70	JM*
DTJV (h)	12.8%	OC/UG	Thermal Coal	192.3	110.6	136.8	98.7		971	141	70	
Undeveloped (i)				0.0	0.0	0.0	0.0		123	855	1,723	MS*
Subtotal - South Africa				949	125	556	106		2,882	1,114	1,939	

Definitions

OC = open-cut; UG = underground

Notes

- The Coal Resource and Coal Reserve figures tabulated have been stated on a total mine basis as at 30 June 2007.
 - The estimates of Coal Resources and Coal Reserves presented in this table have been estimated according to the SAMREC Code (South African Code for Reporting of Coal Resources and Coal Reserves) and are also JORC (Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) compliant.
 - Coal Resources and Coal Reserves stated on a total mine basis include interests in Coal Resources and Coal Reserves attributable to minority interests in controlled entities and the interests of joint venture partners. Figures are subject to rounding and therefore totals may not add up.
 - Coal Resources and Recoverable Coal Reserves are quoted on an air dried moisture basis.
 - Marketable Coal Reserves are quoted on an as-received moisture basis, with the exception of Ingwe managed mines which are quoted on air dried basis.
 - Marketable Coal Reserves for managed operations are based on theoretical yields for a 27.5MJ/kg export quality product, adjusted by practical plant factors based on current operational performance.
 - Marketable Coal Reserves for Tavistock are based on a 27.5MJ/kg primary wash, plus a 25MJ/kg wash of the primary rejects.
 - Marketable Coal Reserves for Waterpan, Boschmans, Witcons and Goedgevonden are based on a 27.5MJ/kg primary wash for the select seams and a 22MJ/kg (domestic power generation product) primary wash for the Upper Seams.
 - Marketable Coal Reserves for Ingwe managed mines are as received from Ingwe, based on a mix of export and domestic products.
 - Coal Resources and Coal Reserves for operations are contained within fully permitted areas, with the exception of those stated under individual operations.
 - The undeveloped Coal Resources are not fully permitted.
 - Xstrata ownership of South African coal assets changed on 6 July 2006 as a result of a BEE deal with ARM Coal.
- (a) Tweefontein: ROM Reserve - 7.1 Mt mined from July 06 to June 07. 5.7Mt decrease in both 2 and 4 seam pillar extraction reserves due to geological features and rock engineering recommendations. Resource - 8.5 Mt mined from July 06 to June 07.
- (b) South Witbank: ROM Reserve - 3.67 Mt mined from July 06 to June 07. An increase of 7.4 Mt in Resources due to opencast mining of the 4 Upper seam in the Klippoorjie area.
- (c) Tavistock: ROM Reserve - 3.6 Mt mined from July 06 to June 07.
- (d) Goedgevonden: ROM Reserve -1.0 Mt mined from Jul 06 to June 07, 12.5Mt added in new LOM layout, Resources - 1.2 Mt mined from Jul 06 to June 07, 11.6 Mt decrease in 2 Seam from sub outcrop drilling and re-modelling.
- (e) Phoenix :The 4 seam reserves have increased due to LOM optimization.The 1 and 2 seam reserves reclassified back to resources due to geotechnical considerations.
- (f) ATC: A reduction of 2s resources in the Northern side of ATC due to drilling. The Impunzi Offices 4s resources also decreases due to infill drilling. Primary mining blocks of Tavistock Colliery have been allocated to ATC and also decrease 4s reserves for stooping. An decrease in 2s reserves for primary stooping due to geotechnical considerations.
- (g) ATCOM: The 2 seam and 4 reserves in South Pit increased due to LOM optimization, acquisition of the Bronkhorst Farm maximises 4 and 2 seam reserves. Additional 1 seam reserves in the North and South Pit also reported.
- (h) DTJV: Middleburg - The reduction in coal resources (61Mt) is the result of production depletion, structural changes due to additional drilling as well as a revised volatile matter cut-off. The quality of the remaining resources is of such a nature that the inclusion of low volatile resources will adversely affect the capability of the mine to meet the quality specifications of Duvha power station. The Reserve gain at Middleburg Mines (29Mt) is the result of production depletion being offset by revised quality cut-offs. This was made possible by the additional middlings coal beneficiation capacity as a result of the commissioning of the new plant. Douglas - A 55 Mt increase in the coal resources is a result of the inclusion of a previously believed uneconomical coal seam, which recent studies have shown to be economical mainly due to the increased middlings beneficiation capacity at Middleburg Mines with the new plant.
- (i) Undeveloped Resources: Due to the promulgation of the new Mineral and Petroleum Resources Development ACT, 2002 (Act No. 28 of 2002) all valid prospecting permits reverted back to Un-used Old Order Rights. Xstrata Coal South Africa has applied for New Order Prospecting rights over all the undeveloped Resource areas. New Order Prospecting rights were issued over most of the undeveloped Resource areas since July 2006 and work has commenced on these projects. The resources reported as at 30 June 2007 are identical to those reported as at 30 June 2006.

Competent Persons:

Coal Reserves:

RK* Rowan Karstel, Xstrata Coal (SAIMM,AusIMM)
JM* Jannie Marais, BHP Billiton Energy Coal (SACNASP)

Coal Resources:

MS Marius Smith, Xstrata Coal (SACNASP)
JM* Jannie Marais, BHP Billiton Energy Coal (SACNASP)

Coal Americas
30 June 2007 (total mine basis)

Name of Operation	Ownership	Mining Method	Commodity	Coal Reserves (a)				Coal Resources				Competent Person
				Recoverable		Marketable (b)		Measured (Mt)	Indicated (Mt)	Inferred (Mt)		
				Proved (Mt)	Probable (Mt)	Proved (Mt)	Probable (Mt)					
Coal - June 2006												
Carbones del Cerrejon			Thermal Coal	665.3	211.2	677.8	215.4	904.5	1,214.3	58		
Cerrejon Mine (c)	33.3%	OC	Thermal Coal	665.3	211.2	677.8	215.4	904.5	1,214.3	58	GH	
Donkin Mine Alliance				-	-	-	-	-	227	254		
Donkin Coal Mine (d)	75% (e)	UG	Thermal/Coking Coal	-	-	-	-	-	227	254	KW	
Subtotal - Coal Americas				665.3	211.2	677.8	215.4	904.5	1,441	312		

Definitions

OC = opencut; UG = Underground

Notes:

- (a) Reserves are ROM (Run of Mine) Reserves - as mined reserves taking into account geological losses, mining losses, contamination and as mined moisture adjustments. Reserves are reported on a ROM moisture basis. Reserves are included in the Resources within the mine plan. Resources are reported on an in situ moisture basis. Resources within the mine plan include Reserves.
- (b) Saleable Reserves: As sold basis are reserves adjusted for yield losses in the preparation plant (if applicable) and converted to a saleable moisture basis. The Coal Resource and Coal Reserve estimates tabulated above are stated on a total mine basis as at 30 June 2006.
- (c) Cerrejon Resources are Gross Tons in Situ Resources (GTIS). The Coal Resources include coal for which the continuity, quality and mineability are established but are outside the current life of mine plan. These resources comply with current and foreseen mining and marketing criteria and have economic potential. The estimates of Coal Resources and Coal Reserves presented in this table for Cerrejon have been prepared in accordance with the SAMREC Code (South African Code for Reporting of Coal Resources and Coal Reserves).
- (d) Resources for the Donkin Coal Mine are reported in accordance with the CIM Definition Standards on Mineral Resources and Mineral Reserves with reference to Paper 88-21 guidelines.
- (e) Xstrata ownership of Donkin Coal Mine Project increased to 75% effective 31st October 2006.

Competent Person for Resources and Reserves

GH = German Hernandez, APS Geology Superintendent, Carbones del Cerrejon (GSSA)
 KW = Kerry Whitby, Managing Director, McElroy Bryan Geological Services Pty Ltd, Consulting Geologists (AusIMM)