



CLIMATE CHANGE POSITION STATEMENT

Coal has long played a leading role in helping meet global energy needs. Given the ever increasing demand for energy in both the developed and developing world and international concerns about energy security and cost of power, coal will continue to be an integral part of the energy mix well into the future.

Xstrata Coal believes access to an affordable, reliable and secure energy supply is fundamental to economic and social development but, at the same time, fully recognises its role and responsibility to help address climate change. The company believes that emission reductions resulting from the use of coal are both required and achievable. Increased energy efficiencies within the built environment, industrial and power generation sectors, together with carbon capture and storage and other low emission power generation technologies, will enable the deep cuts in greenhouse emissions to be realised.

Xstrata Coal is committed to the highest standards of health, safety and environmental performance, community cooperation and to the principles of sustainable development. Through its approach to climate change, Xstrata Coal:

- is committed to playing its part in the international collaborative effort to implement solutions to the challenge of climate change;
- recognises the future will be a carbon constrained world and is working with governments, researchers and industry around the world to develop a portfolio of options for reducing greenhouse gas emissions from the use of coal in power generation;
- is a major contributor to the A\$1 billion COAL 21 Fund, through the imposition of a voluntary levy on its production. The Fund will financially support the research, development and deployment of low emission power generation technologies in Australia;
- collaborates in research and development programs and provides both technical and financial support to dedicated Cooperative Research Centres focused on near zero emission technologies;
- supports additional research into CO₂ capture and storage to enable this technology to be commercialised worldwide as rapidly as possible;
- works continually for the more efficient use of energy and reduction of greenhouse gas emissions through a dedicated energy efficiency programme at all operations;
- looks to collaborate with its customers, both domestic and international, towards the sustainable use of coal through new power generation technologies;
- seeks to effectively reduce fugitive emissions from its operations through the capture and use methane wherever possible from coal seams to generate electricity; and
- contributes to the development of effective public climate change policy.

A handwritten signature in black ink, appearing to read "Peter Freyberg".

Peter Freyberg
Chief Executive