



XSTRATA COAL PROPOSAL APPROVED

Sydney, 24 August 2007

Xstrata Coal announces that the shareholders of Cumnock Coal Limited ("Cumnock") at a General Meeting held today approved a proposal to reduce Cumnock's share capital whereby it will become a wholly owned subsidiary of Helios Australia Pty Limited, a related body corporate of Xstrata Coal Pty Limited.

Xstrata Coal Chief Executive, Peter Coates, said, "We are pleased with today's result and believe it mutually beneficial to all Cumnock shareholders."

"Besides rewarding Cumnock's shareholders, today's vote will enable Xstrata Coal to continue to consolidate its operations in the Hunter Valley while removing the administrative costs associated with managing a small publicly listed entity."

END

Further media information

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