



Media Release

XSTRATA COAL ANNOUNCES PURCHASE OF ANVIL HILL

Sydney, 17 September 2007

Xstrata Coal ("Xstrata") today announced it had signed an Asset Sale Deed with Centennial Coal Company Limited ("Centennial") to purchase the Anvil Hill Project for A\$425M*.

The Anvil Hill coal project is located in the Upper Hunter Valley, New South Wales (NSW), with the mine plan envisaging production of up to 10.5Mt of both domestic and export grade thermal coal annually over a 20 year period.

Xstrata Coal Chief Executive, Peter Coates, said, "The acquisition of Anvil Hill will add significantly to Xstrata Coal's NSW thermal portfolio and help to provide continued economic benefits and employment opportunities for the Hunter region throughout its construction and operation.

"Xstrata Coal is an industry leader with the business principles, experience and capacity to develop the Anvil Hill site in accordance with global environmental and safety standards. We also have a proven commitment to working with the communities which neighbour our operations."

Xstrata Coal will consult with landowners and other affected stakeholders following completion of the purchase.

Completion, together with management responsibility for Anvil Hill is expected to occur within 30 days, following Ministerial approval and the resolution of conditions precedent.

*subject to certain adjustments

END

Further media information:

James Rickards
Communications Manager
Phone: +61 2 9253 6789
Mobile: +61 419 731 371
Email: jrickards@xstratacoal.com

Xstrata Coal Pty Limited ABN 18 082 271 930

PO Box R1543 Royal Exchange Sydney NSW 1225 Australia
Level 38 Gateway 1 Macquarie Place Sydney NSW 2000 Australia

Tel +61 2 9253 6700 Fax +61 2 9241 6898 www.xstrata.com