



XSTRATA COAL ACQUIRES MAJORITY SHAREHOLDING IN AUSTRAL COAL

Sydney, 30 October 2007

Xstrata Coal Pty Limited ("Xstrata Coal") today announces the successful acquisition of a majority shareholding of 85.85% in Austral Coal Limited ("Austral"), via its subsidiary Helios Australia Pty Ltd ("Helios"), following Centennial Coal Company Limited's ("Centennial Coal") acceptance of its cash offer of A\$1.83 per share, valuing Austral at approximately A\$557M on a fully diluted basis (US\$510M).

This acceptance means that Xstrata Coal's bid condition of a minimum 80% acceptance has now been met and Xstrata Coal now assumes management control of Austral's Tahmoor underground mine.

Xstrata Coal's offer is now unconditional and remains open for acceptances by other shareholders until 20 November.

Austral's Tahmoor mine is an underground longwall hard coking coal operation in the southern coalfields of NSW, producing approximately 2.3Mt (ROM) in the last financial year. Tahmoor exports via Port Kembla, near Wollongong.

ENDS

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