



Media Release

XSTRATA COAL SUSPENDS OPERATIONS AT OAKY CREEK No1 MINE

16 December 2008

Sydney - Xstrata Coal today announces the suspension of longwall operations at Oaky No1 underground coking coal mine, part of the Oaky Creek Coal (OCC) complex in Central Queensland.

The suspension of longwall operations will result in an immediate reduction of approximately 190 contractors for the OCC complex. About 40 permanent positions will be made redundant.

"Our priority is to assist those employees and members of the Tieri community most impacted by the suspension of operations at Oaky No1," said Ian Cribb, Chief Operating Officer, Xstrata Coal Queensland.

"Where possible, vacancies at the neighbouring Oaky North mine will be filled using Oaky No1 employees. All benefits will be paid to affected employees and we will be providing employment assistance, relocation and counselling services as required."

The suspension of longwall operations is in response to reduced market demand and sales for hard coking coal, resulting from the continuing global economic crisis and downturn in the steel and manufacturing industries.

"We are taking decisive action in the face of weaker demand for coking coal," said Mr Cribb.

"We remain committed to meeting our customer needs from stockpiles and through the continued operation of the Oaky North longwall. We will also continue to invest in Oaky No1 via the implementation of a development unit to ensure we are well-positioned to respond quickly when demand improves."

END

Notes to editors

Situated in Central Queensland, the Oaky Creek Coal complex produces more than 11 million run of mine (ROM) tonnes (approximately 7.9 million saleable) per year. Oaky No 1 mine produced approximately 6.2 million ROM tonnes in 2007.

Further media information:

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