



NEWS RELEASE

**XSTRATA COAL LAUNCHES ITS 2005
CORPORATE SOCIAL INVOLVEMENT PROGRAMME**

Wednesday 20 April 2005, Sydney

Xstrata Coal today launched its 2005 Corporate Social Involvement Programme contributing AUD1.3 million towards social initiatives in both New South Wales and Queensland, particularly in the company's local communities.

The official launch was held in Sydney and attended by representatives of the Programme's partners, as well as members of the business community, government and employees.

The Xstrata Coal Corporate Social Involvement Programme is structured around six key areas, namely: arts and culture; education, enterprise and job creation; environment; health; and social and community. These key areas reflect Xstrata's Corporate Social Involvement policy which sets out a commitment to support initiatives that benefit the communities that host our operations, employees and their families.

Xstrata Coal has identified ten partners to work with across these six key areas:

Arts & Culture	QLD Art Gallery
Education / Enterprise & Job Creation	University of NSW University of QLD NSW Premier's Teacher Scholarships
Environment	Conservation Volunteers Australia
Health & Safety	Capricorn Helicopter Rescue Service (QLD) Central QLD Helicopter Rescue Service Royal Flying Doctor Service Humpty Dumpty Foundation
Social & Community	NSW Singleton Shire Youth Centre

Peter Coates, Chief Executive Xstrata Coal, said, "I am delighted to launch this exciting initiative on behalf of Xstrata Coal. In developing this Programme, we have focused on identifying areas of need in the communities where our people live and work thereby reflecting our inherent belief that our operations should deliver benefits to our communities, both in the short and long-term."

"We are committed to ensuring a sustainable future for our people and communities and have selected partners who can help us fulfill this commitment. We have received an overwhelmingly positive response from these partners and we look forward to working with them to the benefit of our communities."



This Programme forms part of the Xstrata Group's broad commitment to Corporate Social Involvement. Xstrata plc sets aside one percent of its pre-tax profit to fund social involvement, primarily to support communities associated with its operations across the world. In 2004 Xstrata spent USD10.5 million (AUD13.8 million) on Corporate Social Involvement.

Today's AUD1.3 million programme complements Xstrata Coal's existing Corporate Social Involvement initiatives which in 2004 totalled AUD 2.2 million in Australia (AUD1.0 million) and South Africa (AUD1.2 million). In addition, a further AUD1.5 million has been committed to Australia by other Xstrata Group structures in 2005.

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INFORMATION ABOUT OUR PARTNERS & THE PROGRAMME

Queensland Art Gallery – Partnering in Arts & Culture

One of Australia's premier galleries recognised for its core philosophy of connecting art and people. The Gallery is committed to profiling the work of Indigenous artists and strengthening relationships with Indigenous communities.

AUD130,000 has been allocated to establish the Xstrata Coal Emerging Indigenous Art Award and Art Collection at the Queensland Art Gallery. This is the first of a three-year commitment totalling AUD390,000.

This inaugural national award (by invitation) for emerging indigenous artists has been established to encourage support for emerging Aboriginal and Torres Strait Island artists, with the dual purpose of assisting the Queensland Art Gallery develop its Indigenous art collection. Funding is as follows:

- Major National Annual Acquisitive Art Award of AUD30,000 for an emerging Aboriginal and Torres Strait Island artist selected from the Award exhibition, titled Xstrata Coal Emerging Indigenous Art Award.
- AUD50,000 grant to the Queensland Art Gallery for the acquisition of works of art by emerging Aboriginal and Torres Strait Island artists.
- Remaining funds directed towards Award establishment (AUD 20,000) and artist support (AUD 30,000).

Mr Doug Hall, Director Queensland Art Gallery, said, "The Gallery has a proud record of achievement in collecting and displaying contemporary Indigenous art, and working with Indigenous communities and artists. This new partnership will enable the Gallery to build on its commitment to providing opportunities for Indigenous artists and arts workers, and will also offer considerable collection development opportunities."



University of New South Wales, School of Mining Engineering – Partnering in Education/ Enterprise & Job Creation

UNSW is one of the leading teaching and research universities in Australia and Mining Engineering is one of its three foundation disciplines. Over 30% of Australia's mining engineers in the past three decades have been produced by UNSW

The School of Mining Engineering at UNSW received AUD130,000 for its UNSW Co-op Programme; a scholarship program set up by mining industry and UNSW to provide industry training for selected undergraduate students in the disciplines of Commerce, Science and Engineering.

Xstrata Coal has been a strong supporter of the UNSW Co-op Program in Mining Engineering since 2002, sponsoring seven scholarships in the past four years. Funds provided by Xstrata Coal will support two new UNSW Co-op Program scholarships, two rural scholarships, provide funds for student trips to mining operations, and support for developing School recruitment resources and new initiatives.

Professor Bruce Hebblewhite, Head of Mining Engineering School & Research Director, said, "The School of Mining Engineering at UNSW greatly appreciates the generous contribution by Xstrata Coal in 2005. These funds will provide valuable student scholarships; in addition to assisting with marketing of our Mining Program and recruitment initiatives amongst high school students."

University of Queensland – Partnering in Education / Enterprise & Job Creation

The University of Queensland (UQ) is one of Australia's premier learning and research institutions and is the largest and oldest university in Queensland.

The Division of Mining and Minerals Process Engineering of the University of Queensland received AUD130,000 to fund six Mining Engineering Scholarships and four Mechanical/Electrical scholarships, the latter at either the University of Queensland or other Queensland universities.

Dr Dominic Howarth, said, "The contribution by Xstrata Coal to the Mining and Minerals Processing programs is gratefully acknowledged. The funds will be used for undergraduate teaching activities and the support of disadvantaged students through a scholarship scheme."

NSW Premier's Teacher Scholarships – Partnering in Education

A programme established by the Hon. Bob Carr, Premier of NSW, to assist teachers undertake research in their chosen field for the ultimate benefit of the youth of NSW.

NSW Premier's Teacher Scholarships received \$60,000 for the Xstrata Coal Rural and Remote Education Scholarships. This is the second of a three-year commitment, which will see Xstrata Coal commit a total of AUD180,000 to this initiative.

Four annual scholarships, at a value of AUD15,000 each, have been established to champion education in the NSW communities in which Xstrata Coal operates, including the Hunter Valley and Central West.



The Hon. Bob Carr, Premier of NSW, said, "Xstrata Coal's commitment to the teacher's scholarships is an outstanding example of good corporate citizenship in action. They have provided teachers with valuable new experiences to strengthen their professional knowledge and teaching ability. This is a direct contribution to the well being of the community in which they operate. This means teachers in NSW can be equipped with new skills that will touch the lives of hundreds of their students down the years."

Conservation Volunteers Australia - Partnering in the Environment

Australia's leading practical conservation organisation established 22 years ago to manage volunteers committed to creating a better earth. Last year Conservation Volunteers Australia (CVA) involved more than 10,000 volunteers in hands on conservation projects.

CVA received AUD100,000 to assist Xstrata Coal to implement its Biodiversity Strategy across its Australian operations via a 'Better Earth weeks' programme. With the support of Xstrata Coal, CVA will coordinate managed teams of volunteers in a number of regions of New South Wales, and Queensland to increase regional biodiversity, help control salinity, and assist in the control of invasive weeds in bushland. CVA and Xstrata Coal will also explore the opportunities for an environmental education day at two nominated schools, one in each of Xstrata Coal's areas of operations in NSW and Queensland.

Ms Sam Robinson, National Partnerships Manager, Conservation Volunteers Australia, said, "CVA is committed to long term partnerships with local communities, industry and government, that have made a commitment to restoring our environment. CVA values the generous support of Xstrata Coal."

Royal Flying Doctor Service – Partnering in Health & Safety

The world's first and leading aero medical organisation

The Royal Flying Doctor Service received AUD200,000 to help fund the new Flying Doctor's aircraft, MVJ. The aircraft is being used in the Outback for Royal Flying Doctor Service emergency flights, and to transport doctors and nurses to health clinics at remote locations.

Mr John Milhinch, President of Royal Flying Doctor Service South Eastern Section, said, "I would like to thank Xstrata Coal for being such a responsible corporate citizen by showing its support for the Royal Flying Doctor Service."

Central Queensland Helicopter Rescue Service – Partnering in Health & Safety

Averages 320 rescue missions each year throughout Central Queensland, 43% of these missions are to Queensland's Bowen Coal Basin to assist miners, their families and supporting infrastructure of the mining sector.

Central Queensland Helicopter Rescue Service received AUD125,000 to assist in the funding of two flight nurses. Dedicated flight nurses will enable the rescue service to respond faster and more often to the community, especially rural and remote Queensland.



Mr Phillip Dowler, General Manager RACQ CQ RESQ, said, "Xstrata Coal's support will see CQ RESQ be the first helicopter rescue service in Australia to employ its own flight nurses similar to the Royal Flying Doctor Service."

Capricorn Helicopter Rescue Service – Partnering in Health & Safety

Provides a dedicated emergency and rescue helicopter service to the Central Queensland region

Capricorn Helicopter Rescue Service, based in Rockhampton, received AUD125,000 which will be used to purchase, upgrade and update medical and rescue equipment.

Ms Kay Becker, Executive Office Capricorn Helicopter Rescue Service, said, "The Capricorn Helicopter Rescue Service sincerely thanks Xstrata Coal for their donation to our service. Donations like these allow us to continue to operate the service as a free service and also allow us to purchase and upgrade medical and rescue equipment as required. On behalf of the Central Queensland community we thank Xstrata Coal for their generosity."

Humpty Dumpty Foundation – Partnering in Health & Safety

For the children of Royal North Shore hospital

The Humpty Dumpty Foundation received AUD50,000 for medical equipment for the Royal North Shore Hospital children's ward.

Paul Francis, Chairman of Humpty Dumpty Foundation, said, "The Humpty Dumpty Foundation is there to help ensure a future for our sick and injured kids and to do this we require donations to help this dream remain a reality.

"Xstrata Coal is also interested in Australia's future and we see a great fit between our respective organisations. With this in mind Humpty Dumpty would like to thank Xstrata Coal for their generosity and spirit in the donation they have given and we look forward to keeping them informed as to the difference they have made in the lives of the families they have touched."

Singleton Shire Council - Partnering in Social & Community

A progressive community of excellence and sustainability

Singleton Shire Council received AUD250,000 for the construction of a new Youth Centre to provide a range of social, recreational and educational activities that will assist in the development of young people aged 12 – 18 in the Singleton Shire.

Mayor Fred Harvison, said, "Xstrata Coal's generous donation is an expression of its continuing commitment to the community of Singleton and a belief that the youth of today are the leaders of tomorrow. We have been in discussion with Xstrata Coal for some time about our plans for the Youth Centre, so it is very exciting to receive confirmation of their support."

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