



NEWS RELEASE

WANDOAN COAL PROJECT GAINS QUEENSLAND ENVIRONMENTAL APPROVAL

Sydney, 12 November 2010

Xstrata Coal's Wandoan Coal Project has received environmental approval from the Queensland Government in accordance with the conditions in the Coordinator General's Report for the project, released today.

The Wandoan Coal Project is a proposed 30 million tonne per annum (run-of-mine) open-cut thermal coal mine in Queensland's Surat Basin.

Xstrata Coal Chief Executive Peter Freyberg said gaining the Coordinator General's approval was another significant milestone for the development of the project.

"The Wandoan Coal Project is an important part of Xstrata Coal's organic growth strategy with the potential to deliver transformational volume growth. Together with proposed rail and port developments, the project would open up the Surat Basin as an internationally competitive coal export region, creating jobs and opportunities for Queensland."

Executive General Manager for the Wandoan Coal Project, Stephen Bridger, said Xstrata Coal acknowledged the conditions contained in the Coordinator General's report.

"Many of the conditions in the report are measures proposed by Xstrata Coal to mitigate the potential impacts of the project and further Xstrata Coal's ongoing commitment to social, environmental and economic sustainability within the Wandoan region."

The environmental approval follows the Queensland Coordinator General's review of the Project's Environmental Impact Statement (released in December 2008) and Supplementary Environmental Impact Statement (released in November 2009). As part of the coordinated approvals process, the State approval now enables the Federal approval process to be finalised and proceed with the final stage of the Mining Lease application.



The Wandoan Coal Project is being delivered by Xstrata Coal Queensland and funded through a joint venture between Xstrata Coal Queensland (75% ownership), ICRA (Itochu) Pty Ltd (12.5% ownership) and Sumisho Coal Australia (12.5% ownership).

Ends

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