

## **News Release**

26 February 2010

### **Kumba Iron Ore statement**

Anglo American plc wishes to draw attention to an announcement by Kumba Iron Ore Limited ("Kumba") in relation to the Sishen Supply Agreement. The text of that announcement is copied below:

Sishen Iron Ore Company (Pty) Ltd ("SIOC"), a subsidiary of Kumba, notified ArcelorMittal South Africa Limited ("Mittal") on 5 February 2010 that, with effect from 1 March 2010, SIOC would no longer supply iron ore from the Sishen Mine to Mittal at a cost plus 3% price, but has tendered to sell iron ore to Mittal on commercial terms.

In terms of the Sishen Supply Agreement, which has been in effect since 2001, SIOC has, by virtue of Mittal's ownership of a 21.4% undivided share of the mineral rights to the Sishen Mine, acted to contract mine at the Sishen Mine on behalf of Mittal, and to supply 6.25 million tonnes of iron ore per annum, representing Mittal's share of production from that mine.

As a result of Mittal having failed to convert its old order mining right in respect of its 21.4% undivided share of the mineral rights to iron ore at Sishen Mine, as required in terms of the Mineral and Petroleum Resources Development Act, SIOC notified Mittal that it was no longer obliged to supply the iron ore at cost plus 3%. SIOC has offered to sell an equivalent amount of iron ore to Mittal from the Sishen Mine on commercial terms.

SIOC received no communication from Mittal until 26 February 2010, when Mittal advised SIOC *inter alia* that it had declared a dispute in response to SIOC's notification.

SIOC denies that it has repudiated the agreement and will respond in due course to the undertakings sought by Mittal.

The effect of these developments cannot be quantified with certainty at present, but may have a material impact on Kumba's share price.

- End of Kumba announcement.

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**Notes to Editors:**

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