No. 2

EXPORTER OF METALLURGICAL COAL FROM AUSTRALIA

25%

IMPROVEMENT IN LONGWALL CUTTING HOURS AS A RESULT OF THE LW108 PROJECT

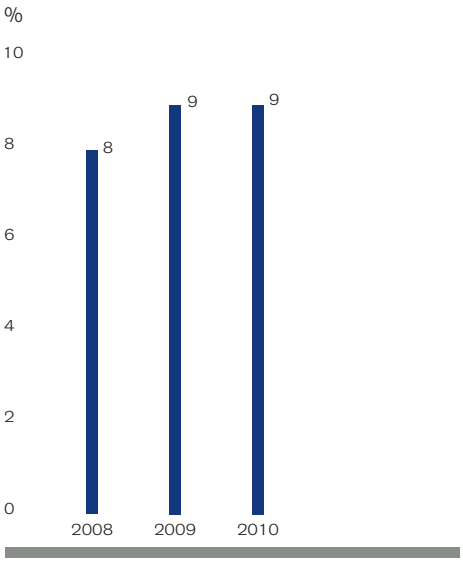
Foxleigh – A Terrex RH340 excavator in action in the Far South pit at Foxleigh Mine in Queensland Australia.

METALLURGICAL COAL

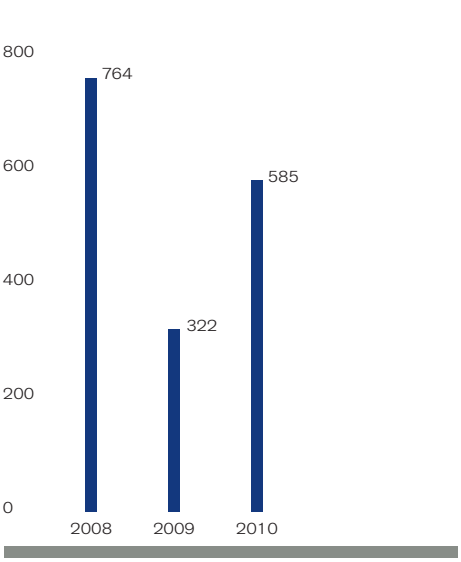
Our metallurgical coal business is Australia's fourth biggest producer of coal and its number two exporter of metallurgical coal. We are active partners in diverse clean coal energy initiatives.

FINANCIAL HIGHLIGHTS

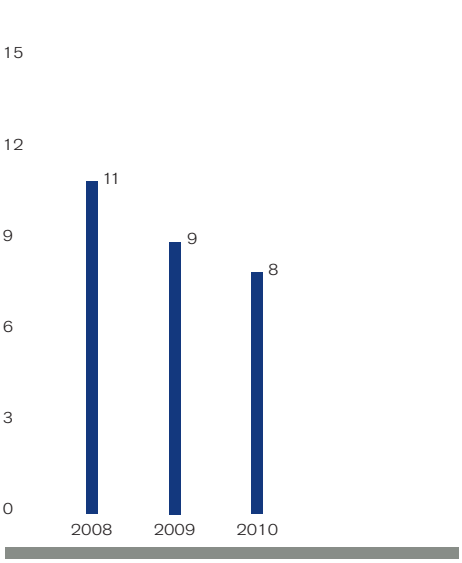
SHARE OF GROUP NET OPERATING ASSETS



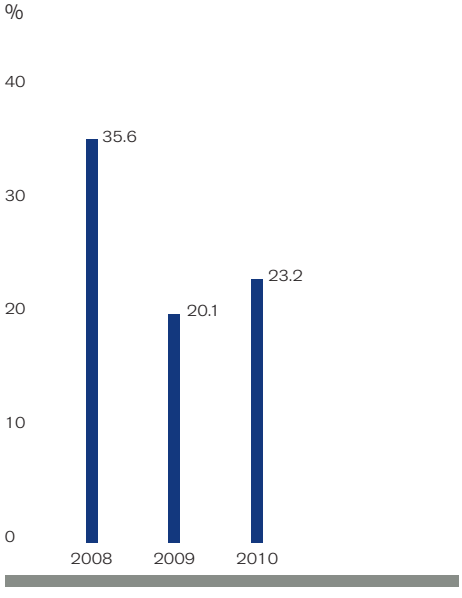
UNDERLYING EARNINGS



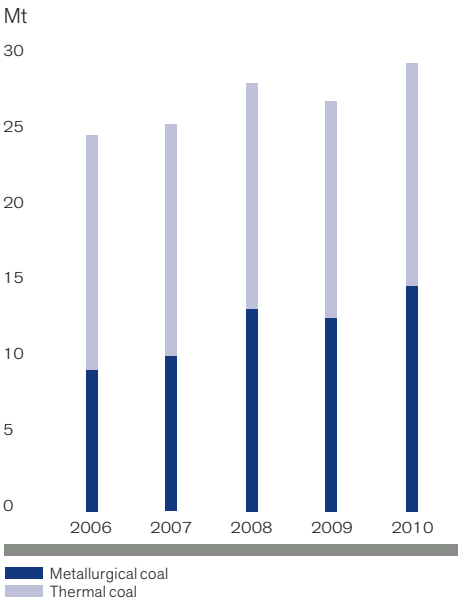
SHARE OF GROUP OPERATING PROFIT



OPERATING MARGIN



ANGLO AMERICAN COAL PRODUCTION FROM METALLURGICAL COAL



FINANCIAL DATA

$m	2010	2009	2008
Turnover			
Subsidiaries/Joint Ventures	**3,119**	2,075	2,949
Associates	**258**	164	170
Total turnover	**3,377**	**2,239**	**3,119**
Of which:			
Australia	**3,377**	2,239	3,119
Projects and corporate	**–**	–	–
EBITDA	**1,116**	**706**	**1,319**
Of which:			
Australia	**1,147**	729	1,353
Projects and corporate	**(31)**	(23)	(34)
Depreciation and amortisation	**333**	**255**	**209**
Operating profit before special items and remeasurements	**783**	**451**	**1,110**
Of which:			
Australia	**814**	474	1,144
Projects and corporate	**(31)**	(23)	(34)
Operating special items and remeasurements	**23**	(28)	(22)
Operating profit after special items and remeasurements	**806**	423	**1,088**
Net interest, tax and minority interests	**(198)**	(129)	**(346)**
Underlying earnings	**585**	**322**	**764**
Of which:			
Australia	**616**	345	797
Projects and corporate	**(31)**	(23)	(33)
Net operating assets	**3,918**	**3,407**	**2,669**
Capital expenditure	**217**	**96**	**467**

Dragline operator Kane Powling in the cab of the Bucyrus 8750 Dragline at Lake Lindsay open cast mine in Queensland Australia.

BUSINESS OVERVIEW

METALLURGICAL COAL'S RESOURCE BASE

3.4 billion tonnes

2010 EXPORT METALLURGICAL COAL PRODUCTION

14.7 Mt

PROJECTED OUTPUT OF METALLURGICAL COAL FROM GROSVENOR PROJECT

4.3 Mtpa

FINANCIAL HIGHLIGHTS	2010	2009
$ million (unless otherwise stated)		
Operating profit	**783**	451
EBITDA	**1,116**	706
Net operating assets	**3,918**	3,407
Capital expenditure	**217**	96
Share of Group operating profit	**8%**	9%
Share of Group net operating assets	**9%**	9%

BUSINESS OVERVIEW

Through our Metallurgical Coal business unit, we are Australia's fourth biggest coal producer and in 2010 we became the country's number two exporter of metallurgical coal.

Our coal operations in Australia are based on the east coast, from where Metallurgical Coal serves a range of customers throughout Asia and the Indian subcontinent, and as far afield as Europe and South America.

Metallurgical Coal operates six mines, one wholly owned and five in which it has a controlling interest. Five of the mines are located in Queensland's Bowen Basin: Moranbah North (metallurgical coal), Capcoal (metallurgical and thermal coal), Foxleigh (metallurgical coal), Dawson (metallurgical and thermal coal) and Callide (thermal coal). Drayton mine (thermal coal) is in the Hunter Valley in New South Wales.

All of the mines are in well established locations and have direct access to rail and port facilities at Dalrymple Bay and Gladstone in Queensland or Newcastle in New South Wales.

Moranbah North is an underground longwall mining operation with a mining lease covering 100 square kilometres. Coal is mined from the Goonyella Middle Seam, approximately 200 metres below the surface. The mine produces around 3.9 Mt (attributable) of high fluidity, hard coking coal for steel manufacturing. Metallurgical Coal supplies methane-rich seam gas to a power station at Moranbah North, thereby reducing the mine's carbon dioxide equivalent (CO_2e) emissions by around 1.3 Mtpa.

Capcoal operates two longwall underground mines and an open cut mine. Together, they produce around 5.5 Mt (attributable) annually of hard coking coal, pulverised coal injection (PCI) and thermal coal. Capcoal also supplies methane-rich seam gas to Energy Developments Limited's power station, thereby contributing to Queensland's power grid, while eliminating 1 Mt of methane emissions per annum.

Foxleigh is an open cut operation with an annual output exceeding 1.7 Mt (attributable) of high quality PCI coal. Currently, the mine is engaged in an asset optimisation process to raise attributable production to 2.2 Mtpa.

Dawson is an open cut operation, which in 2010 produced 7.0 Mt in total (3.6 Mt attributable) of coking and thermal coal.

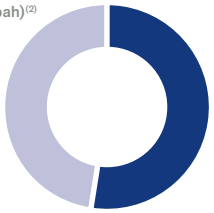
Metallurgical Coal owns an effective 23% interest in the Jellinbah and Lake Vermont mines in Queensland, both metallurgical coal producers.

In 2010, Metallurgical Coal's mines produced 14.7 Mt (attributable) of metallurgical coal, all for export, and 14.5 Mt (attributable) of thermal coal, of which 44% was exported.

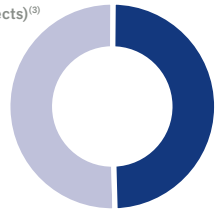
Metallurgical Coal's resource base totals some 3.4 billion tonnes of coal. This includes high quality greenfield metallurgical coal reserves close to existing infrastructure.

LIFE OF MINE[1] AND RESERVES AND RESOURCES

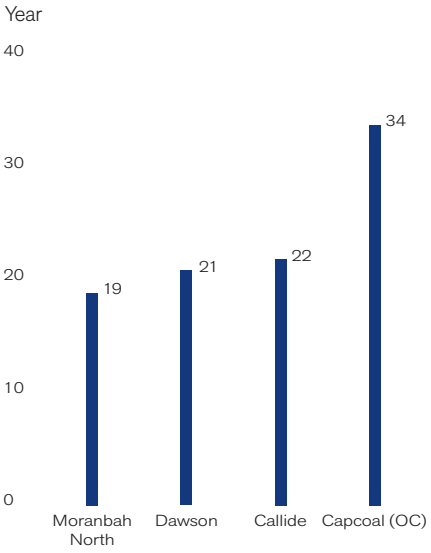
Reserves (Operations excl. Jellinbah)[2]
- Proved 342 Mt
- Probable 312 Mt



Resources (Operations and Projects)[3]
- Measured 1,585 Mt
- Indicated 1,639 Mt



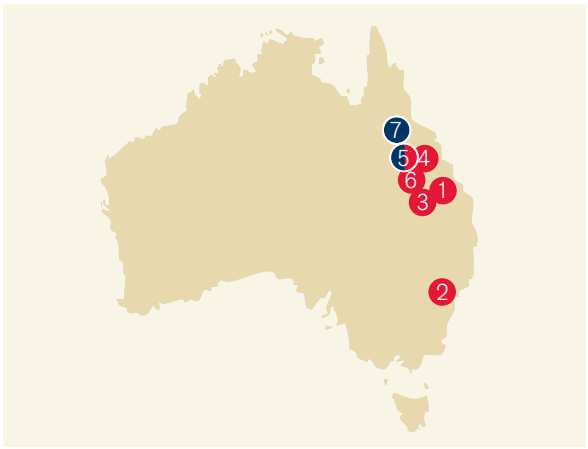
FOUR LONGEST LIFE OPERATIONS



Source: Anglo American

[1] Life of Mine in years based on scheduled Coal Reserves.
[2] Includes Australian export thermal, coking coal, domestic power and metallurgical coal reserves (excl. Jellinbah). The figures reported represent 100% of the Saleable Coal Reserves and Coal Resources; the percentage attributable to Anglo American plc is stated separately on pages 95 to 97. Coal reserves are additional to Coal Resources.
[3] Coal Resources for Operations are reported as additional to Coal Reserves.

OUR METALLURGICAL COAL OPERATIONS



Thermal
- 1 100% Callide
- 2 88% Drayton

Metallurgical
- 3 51% Dawson Complex
- 4 70% Foxleigh
- 5 70% German Creek*
- 6 23% Jellinbah
- 7 88% Moranbah North

* The German Creek operation includes both Capcoal Open Cut and Underground operations.

Key
- Open Cut
- Underground

An overview of Moranbah North Power Station which is a 45MW power plant located in Central Queensland at Anglo American's Moranbah North mine. The plant generates electricity from methane-rich gas that is released during underground mining operations. The plant is owned and operated by Energy Development (EDL), and began operations in late 2008.

INDUSTRY OVERVIEW

An overview of a section of Moranbah North mine in Queensland Australia.

INDUSTRY OVERVIEW

Produced in relatively few countries, metallurgical coal is primarily used in, and is a key raw material for, nearly 70% of the world's steelmaking industry. It includes hard coking coal, semi-soft coking coal and PCI coal. The chemical composition of the coal is fundamental to steel producers' raw material mix and product quality.

Primary underlying demand for coking coal is driven by steel, cement and other sectors of industry. In 2010, global hard coal production exceeded 6.0 billion tonnes, most of it being used in the country of origin. A small amount is traded across land borders such as those between the US and Canada, China and Mongolia, and between the countries of the former Soviet Union. In 2010, the international seaborne metallurgical coal market accounted for just 240 Mt of metallurgical coal, of which Australia supplied two-thirds.

Markets

Anglo American weighted average achieved FOB price ($/tonne)	2010	2009
Export metallurgical coal	**176**	141
Export thermal coal	**87**	74
Domestic thermal coal	**30**	27

Attributable sales volumes ('000 tonnes)	2010	2009
Export metallurgical coal	**14,948**	11,542
Export thermal coal	**6,384**	6,239
Domestic thermal coal	**8,342**	8,604

In 2010 there was a significant increase in demand for metallurgical coal from the global steel industry, with a return to levels last seen in 2008 in the traditional Asian markets and sustained growth in China and India. Demand increased in the first quarter as steelmakers started to restock, which resulted in a temporary oversupply of steel mid-year as steel producers drew down stock again. In the third quarter, this trend reversed and the industry has subsequently seen a strengthening in coal demand and prices. European demand continues to recover, albeit at a slower pace than in Asia. Unseasonal record rainfall in Australia has limited supply from Queensland mines since September, a trend which continued throughout the fourth quarter and will continue to impede production in early 2011. Industry stock levels reached record lows and this is expected to result in a further increase in metallurgical coal prices in 2011.

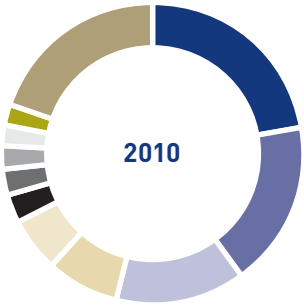
The market for metallurgical coal has traditionally priced coal through annual price negotiations providing for fixed pricing for a 12 month period. Since the second quarter of 2010, a move to quarterly pricing has occurred. In parallel with this shift, multiple coking coal indices have been developed with the aim of creating a liquid spot market with transparent pricing, though no reliable index has yet been determined. Metallurgical Coal is well placed to continue to supply its customers under the new pricing mechanisms as they evolve.

MARKET INFORMATION

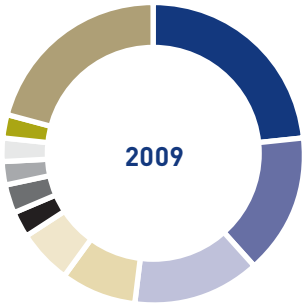
TOP 5 EXPORTERS OF COKING COAL IN 2010

BHPB 25%
Anglo American 11%
Teck 9%
Xstrata 5%
Rio Tinto 5%
Others 45%

SEABORNE METALLURGICAL COAL DEMAND BY COUNTRY



Japan 22.4%
China 17.7%
India 13.9%
South Korea 7.9%
Brazil 5.8%
Germany 2.9%
Italy 2.8%
Taiwan 2.5%
United Kingdom 2.3%
Ukraine 2.2%
Rest of world 19.6%

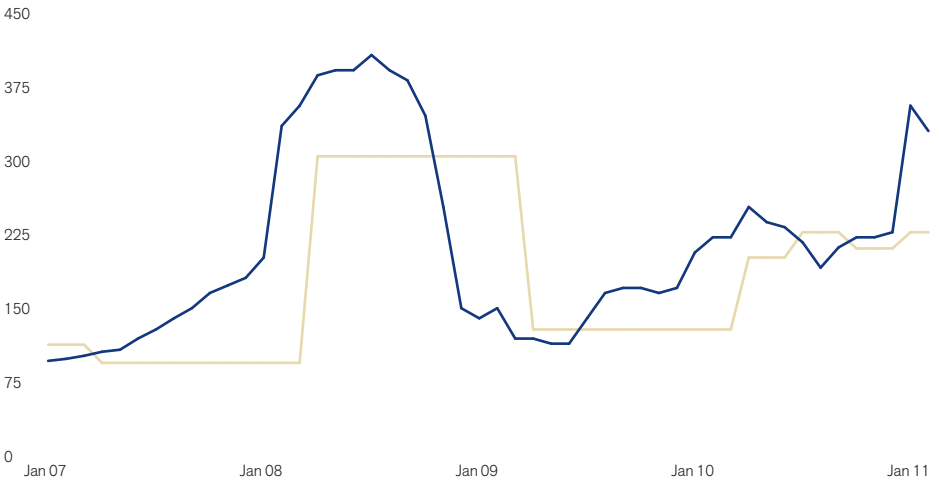


Japan 23.4%
China 15.2%
India 13.5%
South Korea 8.1%
Brazil 5.7%
Germany 2.9%
Ukraine 2.9%
Italy 2.7%
United Kingdom 2.5%
Taiwan 2.5%
Rest of world 20.6%

MARKET PRICE ANALYSIS

(Shown to February 2011)

$/tonne FOB Australia



HCC Contract - FOB Aus
HCC Spot - FOB Aus

Source: CRU

STRATEGY AND GROWTH

STRATEGY AND GROWTH

Metallurgical Coal's strategy is to increase significantly the value of the business by optimising existing operations and developing new operations to supply high margin export coal. Three specific programmes have been developed to implement this strategy. First, a structured programme of asset optimisation is designed to deliver industry-best operational performance over the existing asset base. Secondly, the business unit's attractive and well-developed organic growth pipeline aims to double high value metallurgical coal production over the next decade. With a resource base of approximately 3.4 billion tonnes[1], four future projects, including two high quality metallurgical coal opportunities in Queensland; Grosvenor and Moranbah South, and the Dartbrook and Drayton South thermal, semi-soft and PCI prospects in New South Wales, have been mapped out to position the company for growth. Thirdly, in line with increasing demand from the steelmaking industry in both existing and emerging markets, Metallurgical Coal is realising increased value from developing superior specialised product offerings to customers in that sector. Emerging markets, particularly in the Asia-Pacific region, are likely to remain the driving force behind metallurgical coal demand both in the short and the long term.

Early in 2010, we undertook a review of our portfolio of coal assets in Australia in order to assess their alignment with the Group's overall strategy. As a result of this review, in July we announced the sale of the Bylong and Sutton Forest undeveloped coal assets in New South Wales and the three open cut coal deposits at Collingwood, Ownaview and Taroom in Queensland. In November, we instituted a divestment process for Callide, which primarily supplies domestic power stations in Biloela and Gladstone. This follows on the disposal of the Dawson Seamgas assets earlier this year.

[1] Comprising: 1.6 billion tonnes Measured Resources, 1.6 billion tonnes Indicated Resources and 0.2 billion tonnes Inferred Resources. The Measured and Indicated Resources are in addition to reserves. All resources are reported on a 100% basis and have been estimated in accordance with the requirements of the JORC code.

Environmentalist Matt Goddard at the coal handling preparation plant at Lake Lindsay mine in Queensland.

Projects

Metallurgical Coal took further steps to focus its business on high margin export products by progressing the Grosvenor and Drayton South feasibility studies and by divesting non-core assets, including the sale of five undeveloped exploration assets and the Dawson Seamgas assets. The proposed divestment of the Callide mine has also been announced. Callide primarily supplies domestic power stations in Queensland and produced 8.5 Mt of thermal coal in 2010 and has expansion potential from its resource base of more than 800 million tonnes.

At the Greenfield projects of Grosvenor, Moranbah South, Dartbrook and Drayton South, studies continue in order to meet expectations of growing demand for both metallurgical and export thermal coal. Approval of the 4.3 Mtpa Grosvenor metallurgical coal project is targeted for the second quarter of 2012.

PROJECT PIPELINE – KEY PROJECTS

GROSVENOR (UNAPPROVED)

Overall capex: TBD

Country Australia	The Grosvenor project is a greenfield metallurgical coal project close to current operations at Moranbah North. Approval of the 4.3 Mtpa Grosvenor metallurgical coal project is targeted for the second quarter of 2012.
Ownership 100%	
Incremental production 4.3 Mtpa metallurgical coal	
Full project capex TBD	
Full production 2016	

DRAYTON SOUTH (UNAPPROVED)

Overall capex: TBD

Country Australia	Drayton South will replace mining capacity at Drayton mine, leveraging existing site infrastructure and the coal handling processing plant.
Ownership 88.2%	
Incremental production 4.2 Mtpa thermal coal	
Full project capex TBD	
Full production 2017	

MORANBAH SOUTH (UNAPPROVED)

Overall capex: TBD

Country Australia	Moranbah South is a potential new mine located in the north Bowen Basin of Queensland.
Ownership 50%	
Incremental production TBD	
Full project capex TBD	
Full production 2019	

PRODUCTION DATA

Production (tonnes)	2010	2009	2008	2007	2006
Metallurgical Coal segment					
Australia[1]					
Metallurgical	**14,701,800**	12,622,600	13,144,900	10,145,400	9,195,600
Thermal	**14,460,500**	14,051,800	14,696,300	15,059,300	15,258,400
Total Metallurgical Coal segment	**29,162,300**	**26,674,400**	**27,841,200**	**25,204,700**	**24,454,000**
Australia					
Callide	**8,515,600**	8,766,400	9,582,700	10,031,100	9,816,100
Drayton	**4,206,000**	3,630,200	3,711,500	3,902,700	4,136,300
Capcoal	**5,460,300**	4,598,900	5,621,900	4,115,700	3,165,400
Jellinbah East	**1,792,500**	1,745,800	1,033,900	891,800	887,400
Moranbah North	**3,937,800**	2,581,000	3,181,500	3,211,600	2,928,500
Dawson Complex	**3,584,900**	3,756,200	3,537,200	3,051,800	3,520,300
Foxleigh	**1,665,700**	1,595,900	1,172,500	–	–
Total	**29,162,300**	**26,674,400**	**27,841,200**	**25,204,700**	**24,454,000**

[1] 2006 and 2005 exclude production at Dartbrook which was closed in the year. Production for Dartbrook was 792,000 tonnes in 2006 and 1,495,500 tonnes in 2005.
Metallurgical Coal attributable saleable production.

Grasstree – Miners coming from underground at the end of their shift.

METALLURGICAL COAL
estimates as at 31 December 2010

METALLURGICAL COAL

The Coal Reserve and Coal Resource estimates were compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004) as a minimum standard. The figures reported represent 100% of the Coal Reserves and Coal Resources, the percentage attributable to Anglo American plc is stated separately. Rounding of figures may cause computational discrepancies. Anglo American Metallurgical Coal comprises export metallurgical and thermal coal operations located in Australia.

Metallurgical Coal – Australia Operations				ROM Tonnes[3]		Yield[4]		Saleable Tonnes[3]		Saleable Quality[5]	
COAL RESERVES[1]	Attributable %[2]	LOM	Classification	2010	2009	2010	2009	2010	2009	2010	2009
Callide (OC)	100	22		Mt	Mt	ROM %	ROM %	Mt	Mt	kcal/kg	kcal/kg
Domestic Power			Proved	130.6	125.8	98.1	97.4	128.1	122.3	3,740	4,550
			Probable	90.6	87.7	99.5	99.2	90.1	87.0	3,890	4,560
			Total	**221.2**	**213.5**	**98.7**	**98.2**	**218.2**	**209.3**	**3,800**	**4,550**
Capcoal (OC)	76.8	34								kcal/kg	kcal/kg
Export Thermal			Proved	84.7	85.7	3.0	3.3	2.7	3.0	7,060	7,070
			Probable	72.5	54.1	2.3	3.6	1.7	2.0	7,030	7,070
			Total	**157.1**	**139.8**	**2.7**	**3.4**	**4.4**	**5.0**	**7,050**	**7,070**
										CSN	CSN
Coking			Proved			21.2	23.4	18.7	20.8	7.0	7.0
			Probable			16.8	25.7	12.3	14.4	6.5	6.5
			Total			**19.2**	**24.3**	**31.0**	**35.2**	**7.0**	**7.0**
Other Metallurgical										kcal/kg	kcal/kg
			Proved			44.3	42.8	39.0	38.1	6,970	6,980
			Probable			46.7	37.2	35.0	20.9	6,990	7,090
			Total			**45.4**	**40.6**	**74.0**	**59.0**	**6,980**	**7,020**
Capcoal (UG)	70.0	11								CSN	CSN
Coking			Proved	45.7	41.3	72.9	66.9	35.2	29.2	9.0	9.0
			Probable	14.7	13.8	72.0	68.5	11.2	10.0	9.0	8.5
			Total	**60.4**	**55.1**	**72.7**	**67.3**	**46.3**	**39.2**	**9.0**	**9.0**
Dawson (OC)	51.0	21								kcal/kg	kcal/kg
Export Thermal			Proved	17.9	21.0	61.3	57.6	11.2	12.4	6,500	6,500
			Probable	156.0	161.8	57.6	56.4	92.4	93.9	6,500	6,500
			Total	**173.8**	**182.8**	**58.0**	**56.6**	**103.7**	**106.3**	**6,500**	**6,500**
										CSN	CSN
Coking			Proved			22.1	24.4	4.0	5.2	7.5	7.5
			Probable			17.7	18.9	28.4	31.4	7.5	7.5
			Total			**18.2**	**19.5**	**32.4**	**36.6**	**7.5**	**7.5**
Drayton (OC)	88.2	6								kcal/kg	kcal/kg
Export Thermal			Proved	4.2	1.9	76.7	78.4	3.2	1.5	6,260	7,070
			Probable	24.3	31.2	76.7	77.3	18.6	24.1	6,260	6,450
			Total	**28.5**	**33.1**	**76.7**	**77.4**	**21.8**	**25.6**	**6,260**	**6,490**
Foxleigh (OC)	70.0	8								kcal/kg	kcal/kg
Other Metallurgical			Proved	5.8	1.9	76.9	71.1	4.8	1.4	6,960	6,520
			Probable	14.7	4.4	76.8	71.1	12.0	3.3	6,810	6,580
			Total	**20.5**	**6.3**	**76.8**	**71.1**	**16.8**	**4.7**	**6,850**	**6,560**
Moranbah North (UG)	88.0	19								CSN	CSN
Coking			Proved	116.8	123.6	76.9	78.5	94.8	102.5	8.0	7.5
			Probable	13.1	12.2	72.3	74.0	10.0	9.6	8.0	8.0
			Total	**130.0**	**135.8**	**76.4**	**78.1**	**104.8**	**112.0**	**8.0**	**7.5**
Australia Export Thermal	58.1			Mt	Mt	Plant %	Plant %	Mt	Mt	kcal/kg	kcal/kg
			Proved	405.5	401.0	55.0	49.7	17.1	16.9	6,540	6,650
			Probable	385.8	365.3	59.9	59.8	112.7	120.0	6,470	6,500
			Total	**791.4**	**766.4**	**59.2**	**58.5**	**129.8**	**136.9**	**6,480**	**6,520**
Australia Coking	76.9									CSN	CSN
			Proved			62.3	63.8	152.7	157.7	8.0	7.5
			Probable			29.6	32.7	61.9	65.3	7.5	7.5
			Total			**52.4**	**54.6**	**214.5**	**223.0**	**8.0**	**7.5**
Australia Other Metallurgical	75.5									kcal/kg	kcal/kg
			Proved			34.0	30.2	43.7	39.5	6,970	6,960
			Probable			48.3	35.2	47.1	24.2	6,940	7,020
			Total			**40.8**	**32.1**	**90.8**	**63.7**	**6,960**	**6,990**
Australia Domestic Power	100									kcal/kg	kcal/kg
			Proved			98.1	97.4	128.1	122.3	3,740	4,550
			Probable			99.5	99.2	90.1	87.0	3,890	4,560
			Total			**98.7**	**98.2**	**218.2**	**209.3**	**3,800**	**4,560**

Mining method: OC = Open Cut, UG = Underground. LOM = Life of Mine in years based on scheduled Coal Reserves.
For the multi-product operations, the ROM tonnage figures apply to each product.
The Saleable tonnage cannot be calculated directly from the ROM reserve tonnage using the air dried yields as presented since the difference in moisture content is not taken into account.
Attributable percentages for country totals are weighted by Saleable tonnes and should not be directly applied to the ROM tonnage.
Additional footnotes appear at the end of the section.

Export Thermal refers to low- to high-volatile thermal coal primarily for export in the use of power generation; quality measured by calorific value (CV).
Coking refers to a high-, medium- or low-volatile semi-soft, soft or hard coking coal primarily for blending and use in steel industry; quality measured as crucible swell number (CSN).
Other Metallurgical refers to semi soft, soft, hard, semi-hard or anthracite coal, other than Coking Coal, such as pulverized coal injection (PCI) or other general metallurgical coal for the export or domestic market with a wider range of properties than Coking Coal.
Domestic Power refers to low- to high-volatile thermal or semi-soft coal primarily for domestic consumption for power generation; quality measured by calorific value (CV).

METALLURGICAL COAL continued

estimates as at 31 December 2010

Metallurgical Coal – Australia Operations COAL RESOURCES[6]	Attributable %[2]	Classification	Tonnes 2010 MTIS[6]	Tonnes 2009 MTIS[6]	Coal Quality 2010 kcal/kg[7]	Coal Quality 2009 kcal/kg[7]
Callide	100	Measured	220.0	317.8	4,870	4,800
		Indicated	324.0	375.3	4,790	4,740
		Measured and Indicated	**543.9**	**693.1**	**4,820**	**4,770**
		Inferred (in LOM)[8]	12.1	0.4	4,260	4,050
Capcoal (OC)	76.8	Measured	13.8	21.8	7,080	7,010
		Indicated	27.9	39.1	7,080	6,940
		Measured and Indicated	**41.7**	**60.9**	**7,080**	**6,970**
		Inferred (in LOM)[8]	36.6	12.0	6,710	6,560
Capcoal (UG)	70.0	Measured	76.3	79.5	6,730	6,750
		Indicated	68.0	76.9	6,620	6,660
		Measured and Indicated	**144.3**	**156.4**	**6,680**	**6,710**
		Inferred (in LOM)[8]	0.3	–	6,630	–
Dawson	51.0	Measured	163.1	163.1	6,670	6,650
		Indicated	278.6	278.6	6,660	6,650
		Measured and Indicated	**441.7**	**441.7**	**6,660**	**6,650**
		Inferred (in LOM)[8]	103.5	103.5	6,870	6,710
Drayton	88.2	Measured	2.4	0.9	6,870	6,870
		Indicated	12.3	12.5	6,850	6,730
		Measured and Indicated	**14.7**	**13.4**	**6,850**	**6,740**
		Inferred (in LOM)[8]	0.4	0.1	6,050	5,910
Foxleigh	70.0	Measured	17.3	10.0	7,130	6,760
		Indicated	16.1	58.9	7,090	6,480
		Measured and Indicated	**33.3**	**68.9**	**7,110**	**6,520**
		Inferred (in LOM)[8]	7.0	–	6,830	–
Moranbah North	88.0	Measured	39.5	42.1	6,630	6,590
		Indicated	20.4	20.0	6,500	6,480
		Measured and Indicated	**59.9**	**62.2**	**6,590**	**6,550**
		Inferred (in LOM)[8]	0.2	0.1	6,680	6,800
Australia – Mine Leases	77.5	Measured	532.3	635.2	5,960	5,750
		Indicated	747.3	861.4	5,870	5,820
		Measured and Indicated	**1,279.6**	**1,496.6**	**5,910**	**5,790**
		Inferred (in LOM)[8]	160.2	116.0	6,630	6,690

THE COAL RESOURCES ARE REPORTED AS ADDITIONAL TO COAL RESERVES.

Metallurgical Coal – Australia Projects COAL RESERVES[1]	Attributable %[2]	LOM	Classification	ROM Tonnes[3] 2010 Mt	ROM Tonnes[3] 2009 Mt	Yield[4] 2010 ROM %	Yield[4] 2009 ROM %	Saleable Tonnes[3] 2010 Mt	Saleable Tonnes[3] 2009 Mt	Saleable Quality[5] 2010 CSN	Saleable Quality[5] 2009 CSN
Grosvenor	100	26									
Coking			Proved	63.3	–	64.9	–	43.3	–	8.5	–
			Probable	49.9	–	64.3	–	33.8	–	8.0	–
			Total	**113.2**	**–**	**64.6**	**–**	**77.2**	**–**	**8.5**	**–**

Metallurgical Coal – Australia Projects COAL RESOURCES[6] [8]	Attributable %[2]	Classification	Tonnes 2010 MTIS[6]	Tonnes 2009 MTIS[6]	Coal Quality 2010 kcal/kg[7]	Coal Quality 2009 kcal/kg[7]
Dartbrook	83.3	Measured	386.1	170.1	5,720	6,200
		Indicated	24.8	51.9	5,460	6,200
		Measured and Indicated	**410.9**	**222.1**	**5,700**	**6,200**
Drayton South	88.2	Measured	405.7	398.9	6,580	6,440
		Indicated	173.4	137.9	6,540	6,340
		Measured and Indicated	**579.2**	**536.8**	**6,570**	**6,410**
Grosvenor	100	Measured	168.5	240.1	6,410	6,350
		Indicated	55.3	117.2	6,430	6,340
		Measured and Indicated	**223.8**	**357.3**	**6,410**	**6,350**
Moranbah South	50.0	Measured	146.4	56.0	6,030	5,940
		Indicated	325.4	149.7	6,300	6,290
		Measured and Indicated	**471.7**	**205.7**	**6,220**	**6,190**
Taroom	–	Measured	–	36.4	–	5,560
		Indicated	–	89.0	–	5,580
		Measured and Indicated	**–**	**125.5**	**–**	**5,570**
Theodore	51.0	Measured	–	–	–	–
		Indicated	258.5	358.2	6,260	6,250
		Measured and Indicated	**258.5**	**358.2**	**6,260**	**6,250**
Australia – Projects	74.3	Measured	1,106.7	901.5	6,180	6,300
		Indicated	837.4	903.9	6,320	6,210
		Measured and Indicated	**1,944.1**	**1,805.4**	**6,240**	**6,260**

Metallurgical Coal – Australia Operations and Projects COAL RESOURCES[6]	Attributable %[2]	Classification	Tonnes 2010 MTIS[6]	Tonnes 2009 MTIS[6]	Coal Quality 2010 kcal/kg[7]	Coal Quality 2009 kcal/kg[7]
Total	75.6	Measured	1,638.9	1,536.7	6,110	6,070
		Indicated	1,584.7	1,765.3	6,110	6,020
		Measured and Indicated	**3,223.6**	**3,302.0**	**6,110**	**6,050**
		Inferred (in LOM)[8]	196.0	116.0	6,590	6,690

THE COAL RESOURCES ARE REPORTED AS ADDITIONAL TO COAL RESERVES.

Metallurgical Coal – Australia Projects BROWN COAL RESOURCES[6] [8]	Attributable %[2]	Classification	Tonnes 2010 MTIS[6]	Tonnes 2009 MTIS[6]	Coal Quality 2010 kcal/kg[7]	Coal Quality 2009 kcal/kg[7]
Monash Energy	100					
		Measured	5,095.0	5,095.0	1,820	1,820
		Indicated	5,221.0	5,221.0	1,790	1,790
		Measured and Indicated	**10,316.0**	**10,316.0**	**1,800**	**1,800**
Australia Brown Coal Resources	100	Measured	5,095.0	5,095.0	1,820	1,820
		Indicated	5,221.0	5,221.0	1,790	1,790
		Measured and Indicated	**10,316.0**	**10,316.0**	**1,800**	**1,800**

(1) Coal Reserves are quoted on a Run Of Mine (ROM) reserve tonnage basis which represents the tonnes delivered to the plant. Saleable reserve tonnage represents the product tonnes produced. Coal Reserves (ROM and Saleable) are on the applicable moisture basis.
(2) Attributable (%) refers to 2010 only. For the 2009 Reported and Attributable figures, please refer to the 2009 Annual Report.
(3) The tonnage is quoted as metric tonnes. ROM tonnages on an As Delivered moisture basis, and Saleable tonnages on a Product moisture basis.
(4) Yield – ROM % represents the ratio of Saleable reserve tonnes to ROM reserve tonnes and is quoted on a constant moisture basis or on an air dried to air dried basis whereas Plant % is based on the 'Feed to Plant' tonnes. The product yields (ROM %) for Proved, Probable and Total are calculated by dividing the individual Saleable reserves by the total ROM reserves per classification.
(5) The coal quality for the Coal Reserves is quoted as either Calorific Value (CV) using kilo-calories per kilogram (kcal/kg) units on a Gross As Received (GAR) basis or Crucible Swell Number (CSN). Coal quality parameters for the Coal Reserves for Coking, Other Metallurgical and Export Thermal collieries meet the contractual specifications for coking coal, PCI, metallurgical coal, steam coal and domestic coal. Coal quality parameters for the Coal Reserves for Domestic Power and Domestic Synfuels collieries meet the specifications of the individual supply contracts. CV is rounded to the nearest 10 kcal/kg and CSN to the nearest 0.5 index.
(6) Coal Resources are quoted on a Mineable Tonnage In-Situ (MTIS) basis in million tonnes which are in addition to those resources which have been modified to produce the reported Coal Reserves. Coal Resources are on an in-situ moisture basis.
(7) The coal quality for the Coal Resources is quoted on an in-situ heat content as Calorific Value (CV) using kilo-calories per kilogram (kcal/kg) units on a Gross As Received (GAR) basis. CV is rounded to the nearest 10 kcal/kg.
(8) Inferred (in LOM) refers to Inferred Coal Resources that are included in the life of mine extraction schedule of the respective collieries and are not reported as Coal Reserves. Inferred Coal Resources outside the LOM plan but within the mine lease area are not reported due to the uncertainty attached to such resources in that it cannot be assumed that all or part of the Inferred Resource will necessarily be upgraded to Indicated or Measured categories through continued exploration, such Inferred Resources do not necessarily meet the requirements of reasonable prospects for eventual economic extraction, particularly in respect of future mining and processing economics.

Summary of material changes (±10%) at reporting level

Callide: A full economic re-assessment of the Southern operations, was completed in 2010 which has resulted in a slight increase in reserves. The resources and reserves for the Boundary Hill and Boundary Hill Extended deposit have been depleted for 2010 due to unavailability of an updated geological model.
Capcoal: The increase in reserves at Capcoal is due to revision of the open cut economic pit limits derived from a revised margin ranking and a realignment of the underground mine layout.
Dawson: All geological models for Dawson have been updated and a major revision of the mine plan has been undertaken during 2010. Results from this work will only be finalised in Q1 2011 and Dawson resources and reserves have been depleted for 2010. The Dawson North mining area was reopened at the end of 2010.
Foxleigh: Reserve areas have been extended as a result of a revised economic margin ranking. Foxleigh Plains has been included in the resource and reserve estimates for the first time.
Grosvenor: Reserves are reported for the first time as the Grosvenor project has progressed to detailed feasibility study and a mining lease application has been lodged.
Moranbah South: Resources are reported for underground mining areas which have reasonable potential for eventual economic extraction based on conceptual mining studies.
Drayton South: Reported resources are based on current open cut, highwall mining and underground mining layouts from pre-feasibility studies. Previously reported as Saddlers Creek.
Dartbrook: Resources are now reported for potential open cut mining areas based on the results from the latest conceptual mining study completed in 2010.
Jellinbah: Not reported in 2010 due to <25% attributable interest.
Taroom: Disposal of Taroom was completed in December 2010.
Theodore: The decrease is a result of a change in the stripping ratio used to define 'reasonable prospects for eventual economic extraction'.

Brown Coal

Monash Energy: Resource estimates have not changed from 2009 because no additional data was added in 2010. The brown coal is a substantial resource suitable as a feedstock to many chemical processes but requires technological breakthroughs to allow the economic development of clean coal plants.

Coal Bed Methane

Dawson/Harcourt: The Dawson and Harcourt CBM operations were disposed of in July 2010.

Assumption with respect to Mineral Tenure

Callide: An expectation that a Mining Lease Application which has been lodged will be granted for the northern part of the Kilburnie area. A Mining Lease Application will be lodged and is expected to be granted for the Amy's Find area as an extension to the existing mining area at The Hut.
Foxleigh: A Mining Lease Application has been submitted with Department of Employment, Economic Development and Innovation (DEEDI) for the Plains area.

Reviews by independent third parties were carried out in 2010 on the following Operations and Project areas: Callide, Foxleigh, Dawson, Dartbrook, Drayton South.

The open pit at Anglo American's Foxleigh Mine in Queensland Australia.