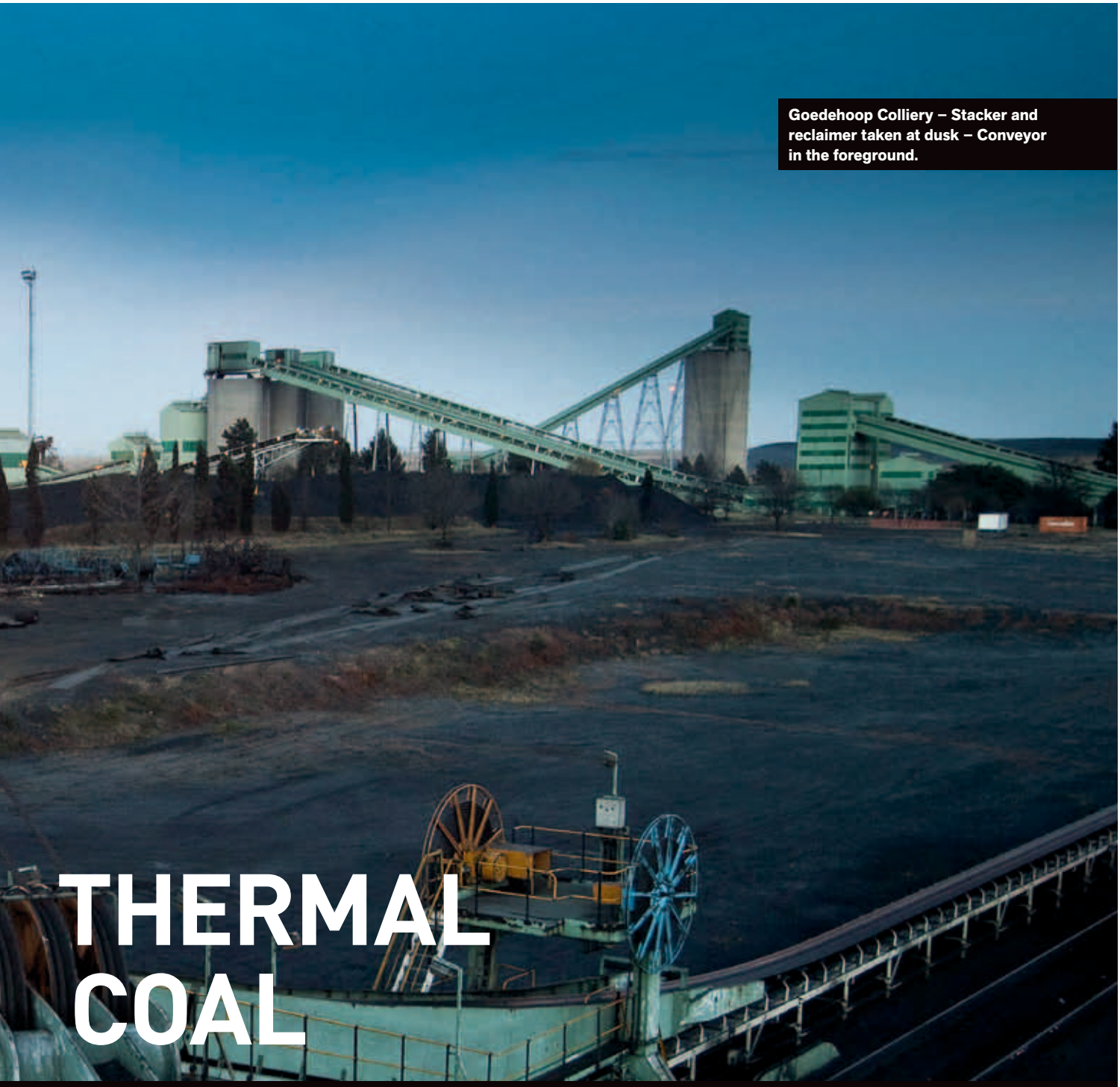
32%

SOUTH AFRICA'S COAL EXPORTS DELIVERED TO INDIA IN 2010

68.5 Mt

OF THERMAL COAL PRODUCED FROM SOUTH AFRICA AND SOUTH AMERICA



Goedehoop Colliery – Stacker and reclaimer taken at dusk – Conveyor in the foreground.

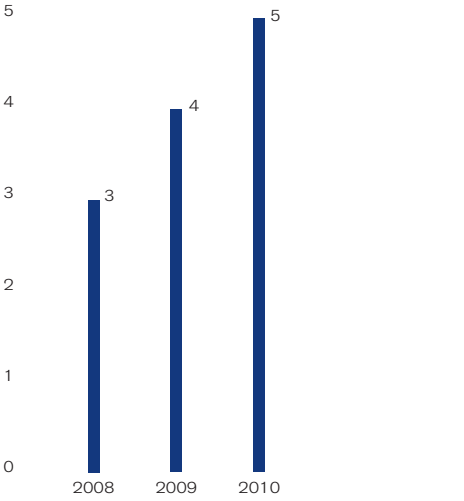
THERMAL COAL

In South Africa, our thermal coal business owns and operates nine mines. In Colombia, we have a one-third shareholding (with BHP Billiton and Xstrata each owning one-third) in Cerréjon, Colombia's largest thermal coal exporter.

FINANCIAL HIGHLIGHTS

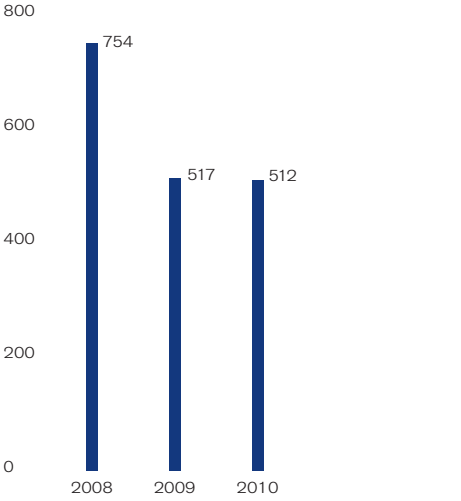
SHARE OF GROUP NET OPERATING ASSETS

%



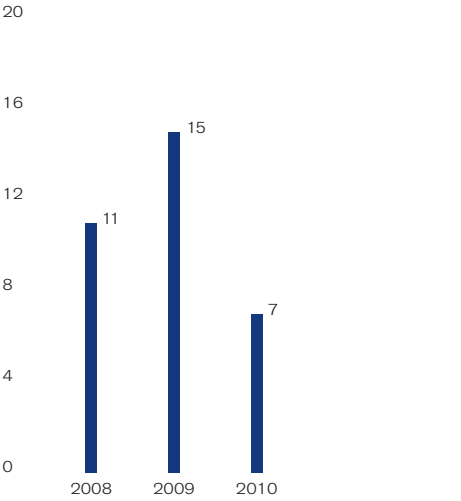
UNDERLYING EARNINGS

$m



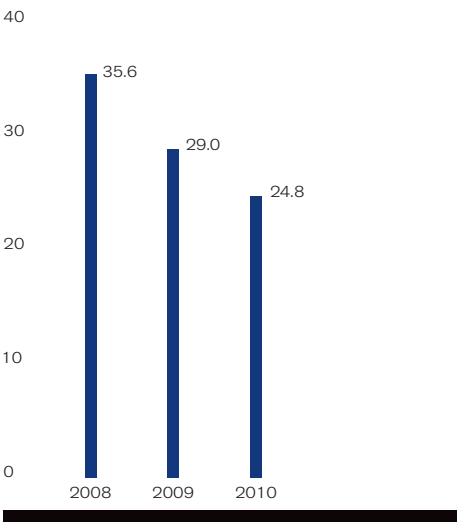
SHARE OF GROUP OPERATING PROFIT

%



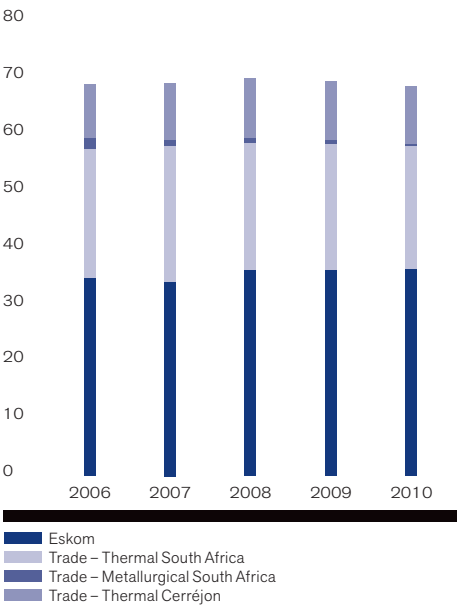
OPERATING MARGIN

%



ANGLO AMERICAN COAL PRODUCTION FROM THERMAL COAL

Mt



FINANCIAL DATA

$m	2010	2009	2008
Turnover			
Subsidiaries	**2,105**	1,748	2,210
Joint ventures	**–**	–	–
Associates	**761**	742	841
Total turnover	**2,866**	**2,490**	**3,051**
Of which:			
South Africa	**2,105**	1,748	2,210
South America	**761**	742	841
EBITDA	**872**	**875**	**1,200**
Of which:			
South Africa	**539**	550	814
South America	**358**	352	419
Projects and corporate	**(25)**	(27)	(33)
Depreciation and amortisation	**162**	**154**	**293**
Operating profit before special items and remeasurements	**710**	**721**	**1,078**
Of which:			
South Africa	**426**	442	736
South America	**309**	305	375
Projects and corporate	**(25)**	(26)	(33)
Operating special items and remeasurements	**(2)**	(6)	2
Operating profit after special items and remeasurements	**708**	**715**	**1,080**
Net interest, tax and minority interests	**(198)**	**(204)**	**(324)**
Underlying earnings	**512**	**517**	**754**
Of which:			
South Africa	**314**	328	543
South America	**223**	215	243
Projects and corporate	**(25)**	(26)	(32)
Net operating assets	**2,111**	**1,707**	**1,018**
Capital expenditure	**274**	**400**	**365**

Greenside Colliery – Surveyor Godfrey Motsi measures the size of the coal stockpile using sophisticated GPS technology.

BUSINESS OVERVIEW

THERMAL COAL RESOURCES

3.4 billion tonnes

2010 ATTRIBUTABLE PRODUCTION FROM THERMAL COAL

68.5 Mt

PROJECTED COAL PRODUCTION FROM THE NEW ZIBULO MINE

6.6 Mtpa

FINANCIAL HIGHLIGHTS	2010	2009
$ million (unless otherwise stated)		
Operating profit	**710**	721
South Africa	**426**	442
Colombia	**309**	305
Projects and corporate	**(25)**	(26)
EBITDA	**872**	875
Net operating assets	**2,111**	1,707
Capital expenditure	**274**	400
Share of Group operating profit	**7%**	15%
Share of Group net operating assets	**5%**	4%

BUSINESS OVERVIEW

Thermal Coal operates in South Africa and has a one-third interest in Cerrejón in Colombia. In South Africa, Thermal Coal wholly owns and operates nine mines and has a 50% interest in the Mafube colliery and Phola washing plant. Five of the mines collectively supply 22 Mtpa of thermal coal to both export and local markets. New Vaal, New Denmark and Kriel collieries are domestic product operations supplying 32 Mtpa of thermal coal to Eskom, the state-owned power utility. Isibonelo mine produces 5 Mtpa of thermal coal for Sasol Synthetic Fuels, the coal to liquids producer, under a 20 year supply contract.

Anglo American Inyosi Coal, a broad based black economic empowerment (BBBEE) company valued at approximately $1 billion, is 73% held by Anglo American; the remaining 27% is held by Inyosi, a BEE consortium led by the Pamodzi and Lithemba consortia (66%), with the Women's Development Bank and a community trust holding the remaining equity. Anglo American Inyosi Coal, in turn, owns Kriel colliery, the new Zibulo multi-product colliery (previously known as the Zondagsfontein project) and the greenfield projects of Elders, New Largo and Heidelberg. The outstanding conditions precedent to the Anglo American Inyosi Coal transaction were fulfilled by the end of May and the transaction became effective from 1 June 2010.

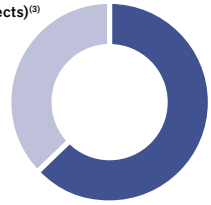
Thermal Coal's South African operations currently route all export thermal coal through the Richards Bay Coal Terminal (RBCT), in which it has a 27% shareholding, to customers throughout the Med-Atlantic and Asia-Pacific regions. Within South Africa, 62% of total sales tonnes are made to the Eskom power utility, of which the majority are on long term (i.e. life of mine) cost-plus contracts. A further 8% is sold to Sasol and 2% to industrial sector consumers. The remaining 28% is exported through RBCT.

In South America, we have a one-third shareholding (with BHP Billiton and Xstrata each owning one-third) in Cerrejón. Cerrejón is Colombia's largest thermal coal exporter. This opencast operation has a 32 Mtpa production capacity (10.7 Mtpa attributable). Cerrejón owns and operates its own rail and deep water port facilities and sells into the export thermal and pulverised coal injection (PCI) coal markets.

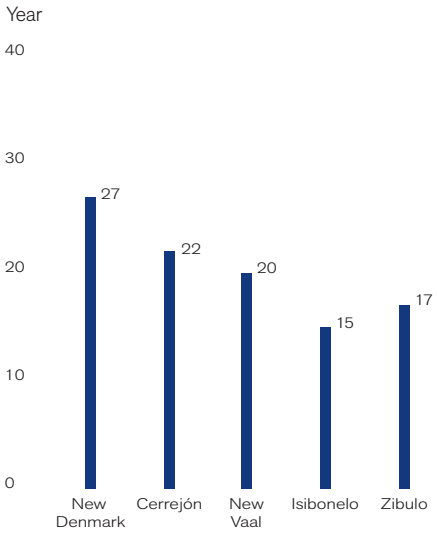
LIFE OF MINE[1] AND RESERVES AND RESOURCES

Reserves (Operations)[2]
Proved 1,348 Mt
Probable 359 Mt

Resources (Operations and Projects)[3]
Measured 2,114 Mt
Indicated 1,240 Mt



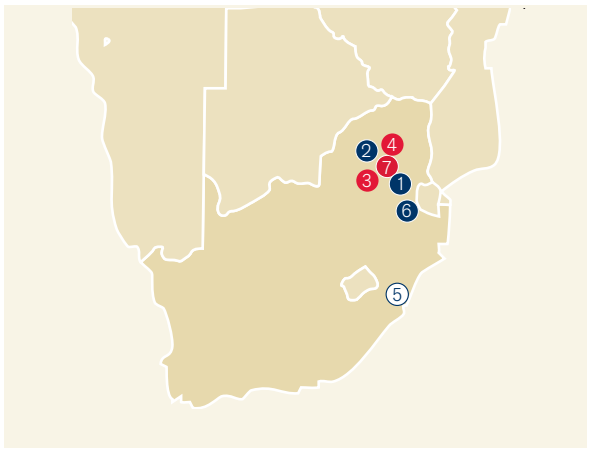
FIVE LONGEST LIFE OPERATIONS



Source: Anglo American

[1] Life of Mine in years based on scheduled Coal Reserves.
[2] Saleable tonnes including Colombian export thermal and South African export thermal, other metallurgical, domestic power and Synfuel coal reserves. 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 109 to 112. Coal reserves are additional to Coal Resources.
[3] Coal Resources for Operations are reported as additional to Coal Reserves.

OUR EXPORT THERMAL COAL OPERATIONS



South Africa
1 100% Goedehoop
2 100% Greenside
3 100% Kleinkopje
4 100% Landau
5 27.5% Richards Bay Coal Terminal
6 73% Zibulo
7 50% Mafube

South America
1 33% Cerrejón (Colombia)

Key
Open Cast
Other
Underground

INDUSTRY OVERVIEW

Goedehoop Colliery – Underground – Close-up of a miner operating a remote controlled continuous miner cutting machine.

INDUSTRY OVERVIEW

Coal is the most abundant source of fossil fuel energy in the world, considerably exceeding known reserves of oil and gas. The bulk of all coal produced worldwide is thermal coal, which is used as a fuel for power generation and other industries, notably the cement sector. The seaborne thermal coal market accounts for nearly 692 Mtpa and is supplied from a large number of countries, with coal producers operating in a highly competitive global marketplace.

Thermal coal usage is driven by the demand for electricity and is influenced by the price of competing fuels, such as oil and gas and, increasingly, the cost of carbon. Global thermal coal demand is also affected by the availability of alternative generating technologies, including gas, nuclear, hydro-electricity and renewables. The market for export thermal coal is further impacted by the varying degrees of privatisation and deregulation in electricity markets, with customers focused on securing the lowest cost fuel supply in order to produce power at a competitive price. This has resulted in a move away from longer term contracts towards shorter term contracts priced against various coal price indices, which has given rise to the development of an increasingly active financial market for hedging and derivative instruments. The extent to which these pricing instruments are used, however, varies from region to region.

Markets

Anglo American weighted average achieved FOB price ($/tonne)	2010	2009
RSA export thermal coal	**82.49**	64.46
RSA domestic thermal coal	**19.64**	18.48
Colombian export thermal coal	**72.69**	73.47

Attributable sales volumes ('000 tonnes)	2010	2009
RSA export thermal coal	**16,347**	15,857
RSA domestic thermal coal	**5,178**	6,251
Colombian export thermal coal	**10,461**	10,103

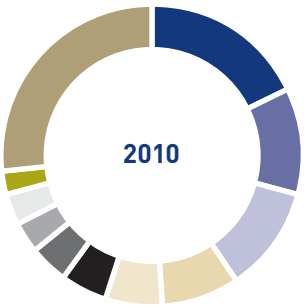
The global seaborne thermal coal market experienced a robust year in 2010. Despite a challenging environment for thermal coal imports into Europe, surging energy demand growth in Asia, provided predominantly by coal fired power generation, helped drive global demand and support prices.

Thermal coal markets in Europe and the US saw softer demand as weakened power markets and cheaper gas reduced coal consumption. At the beginning of the year, Colombian producers were compelled to price competitively to move thermal coal into their traditional US and European markets. This resulted in delivered thermal coal prices in the European market regularly trading at a discount to the South African FOB export price, which excludes the cost of freight. As demand in the Asia Pacific market progressively improved, South African thermal coal sales into this market increased and Colombian producers began exporting significant volumes to this region for the first time.

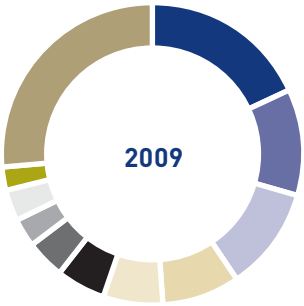
China and India imported significantly more thermal coal during 2010, compared with 2009, increasing by some 40% and 15% respectively, which boosted demand for South African coal. RBCT exported 63 Mt during 2010, a 2 Mt increase over 2009, with some 65% exported to Asian markets and about 30% going to the European and Mediterranean region.

MARKET INFORMATION

SEABORNE THERMAL COAL DEMAND BY COUNTRY



Japan 17.9%
China 11.4%
South Korea 11.3%
Taiwan 8.2%
India 6.3%
United Kingdom 5.0%
Germany 4.0%
Russia 3.4%
United States 3.3%
Malaysia 2.6%
Rest of world 26.6%



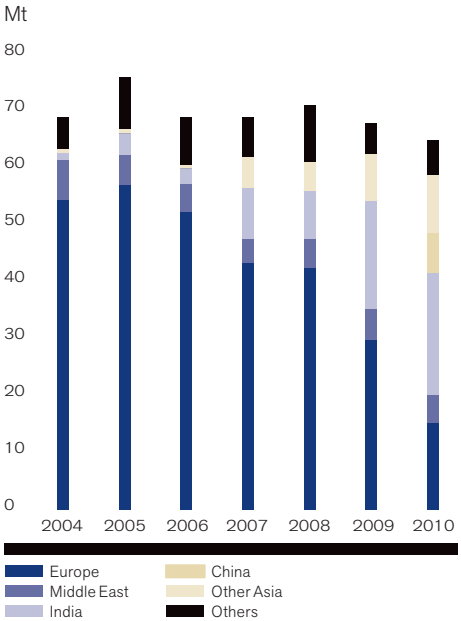
Japan 18.1%
South Korea 11.5%
China 11.0%
Taiwan 8.6%
India 6.3%
United Kingdom 5.2%
Germany 4.1%
United States 3.3%
Russia 3.2%
Spain 2.5%
Rest of world 26.2%

TOP 5 EXPORTERS OF THERMAL COAL IN 2010

Xstrata plc 10.2%
Bumi Resources 8.1%
Adaro Energy 6.6%
Anglo American plc 6.5%
BHP Billiton Limited 6.2%
Others 62.4%

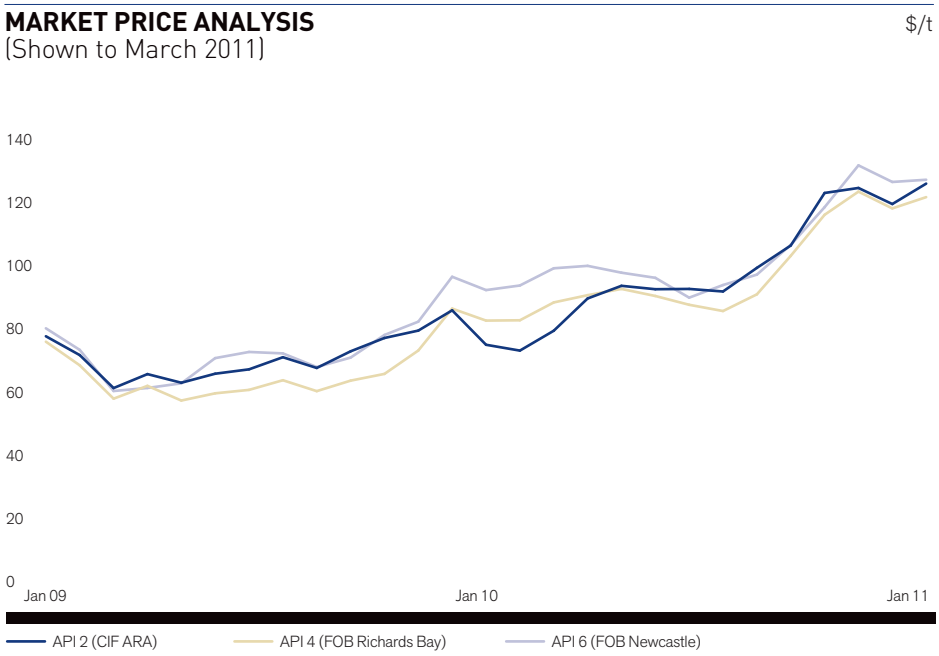
Source: AME

EXPORT THERMAL COAL FROM SOUTH AFRICA



Europe
Middle East
India
China
Other Asia
Others

MARKET PRICE ANALYSIS
(Shown to March 2011)



API 2 (CIF ARA)
API 4 (FOB Richards Bay)
API 6 (FOB Newcastle)

STRATEGY AND GROWTH

A fog cannon, imported from the United States, is used to spray a fine mist of water on to the tip in order to prevent dust.

STRATEGY AND GROWTH

Thermal Coal's strategy is focused on serving the power generation and industrial sectors from large, low cost coal basins. The business unit has a diverse, high quality asset portfolio in South Africa and Colombia and aims to be a long term, reliable supplier. It also strives to participate actively in the pursuit of cleaner coal solutions for the world's energy needs.

Thermal Coal is focused on expanding its strong standing in the export market, while maintaining a significant position in the domestic market in South Africa. It will deliver on this ambition through its extensive portfolio of expansion projects, supported by targeted acquisitions. By year end, it had substantially completed a major programme of investment, including investigations into expansions at Cerrejón and the development of Zibulo. The business unit has commenced its feasibility study on New Largo, identified by Eskom as a primary coal supplier to its Kusile power station now under construction. Kusile's first units are scheduled to be operating in 2013.

India is an ever growing market for South Africa sourced coal, with 2010 showing a pronounced swing from the Med-Atlantic to the Asia-Pacific market. For the year as a whole, 32% of South Africa's coal exports, and a similar proportion of Thermal Coal's own exports, through the RBCT were destined for India. Thermal Coal is evaluating opportunities to increase its market share to India.

In Colombia, Cerrejón's growth strategy encompasses a two-phased expansion strategy. The first phase requires an increase in the port and logistics chain capacity in order to reach 40 Mtpa. Thereafter, a river diversion would be required to expand the pits. This expansion would allow for a potential increase in production to 50-60 Mtpa. The feasibility study for phase 1 is being reviewed by the shareholders. Phase 2 expansion is at the concept phase of development.

In addition to developing its operations in its existing geographies, Thermal Coal is constantly evaluating potential opportunities in new regions which are well placed to service its growing markets.

Projects

In South Africa, the $517 million Zibulo project is approaching completion, the opencast operation is at full production and the underground operation has four of eight production sections deployed. The washing plant, which is a 50:50 joint venture with BHP Billiton Energy Coal South Africa, is fully commissioned and is operating at 80% of planned monthly production. Completion of the man and materials shaft is expected to be in the second quarter of 2011. The mining rights of Zibulo colliery and the environmental management plan were approved during 2010.

The feasibility study for the New Largo project started in 2010 and is expected to be completed in the first quarter of 2012. Significant progress has been made to complete a provisional coal supply agreement with Eskom by the end of March 2011.

At Cerrejón, a two-phase growth strategy has been adopted and is currently being implemented. The first phase, referred to as P500 Phase 1, requires an increase in the port and logistics chain capacity, while maintaining the current operational footprint, in order to reach a target of 40 Mtpa. The second phase, referred to as P500 Phase 2, will require a river diversion and pit expansions to access the additional reserves required to reach a potential 50-60 Mtpa. The feasibility study for Phase 1 was reviewed by the shareholder review teams towards the end of 2010. A process is under way to address the findings of the review process. The aim is to have the Phase 1 ready for approval by the shareholder boards towards the end of the second quarter of 2011.

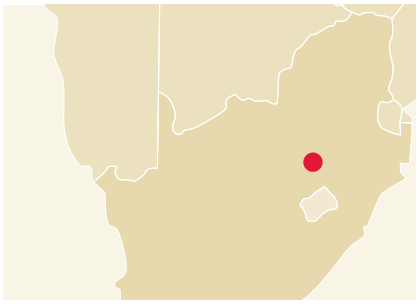
PROJECT PIPELINE – KEY PROJECTS

ZIBULO (PREVIOUSLY ZONDAGSFONTEIN)

Overall capex: $517m (100%)

Country	South Africa
Ownership	73% Anglo American
Production volume	6.6 Mtpa thermal (100%)
Full project capex	517m (100%)
Full production	Q4 2012

The Zibulo project consists of an underground mine and double-stage washing plant producing an export thermal and middlings product. The washing plant is a 50:50 joint venture with BHP Billiton Energy Coal South Africa. Zibulo is nearing final construction with the equipping of the vertical shaft the only outstanding work. The project is on schedule, with first coal produced during the third quarter of 2009 and will continue to ramp up during the course of 2011, reaching full production of 6.6Mtpa of thermal coal in 2012.



ELDERS PROJECT

Overall capex: $1,280m

Country	South Africa
Ownership	73% Anglo American
Production volume	12.8 Mtpa thermal (100%)
Full project capex	$1.3 billion
Full production	TBD

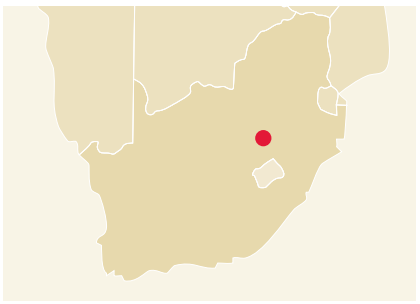
The previously classified Elders opencast and underground projects have now been combined and is being evaluated as a multi-product underground mine, producing a lower grade export and middlings product. The project is currently in concept phase with completion targeted for Q3 2011.

NEW LARGO

Overall capex: $1,280m

Country	South Africa
Ownership	73% Anglo American
Production volume	15 Mtpa thermal (domestic, 100%)
Full project capex	$1.3 billion
Full production	2017

The New Largo project consists of a large opencast and underground mine producing a thermal domestic product earmarked for the Kusile power station. The New Largo feasibility study is well underway with completion targeted for Q1 2012, aligned with first coal requirements from the power station of October 2013.



CERREJÓN P500P1

Overall capex: $271m

Country	Colombia
Ownership	33% Anglo American
Production volume	8 Mtpa thermal (100%)
Full project capex	$271m
Full production	2015

P500 – Phase 1 project is an expansion at current production from 32Mtpa to 40Mtpa at full production. The increase in tonnage will be achieved by systematically eliminating bottle necks and constraints in the production, processing and transportation of coal. Construction is targeted to begin in August 2011 after the project has been reviewed and approved by shareholders. Full production will be reached in 2015.

PRODUCTION DATA

Production (tonnes)	2010	2009	2008	2007	2006
South Africa					
Eskom	**36,403,400**	36,225,100	36,158,100	34,064,000	34,821,200
Trade Thermal	**21,612,000**[1]	22,185,900[1]	22,286,800	23,952,400	22,754,000
Trade Metallurgical	**436,500**	747,100	971,900	1,143,700	1,768,200
South Africa Total	**58,451,900**[1]	**59,158,100**[1]	**59,416,800**	**59,160,100**	**59,343,400**
South America[2]					
Thermal	**10,060,100**	10,189,600	10,410,300	9,875,400	9,477,200
Total Thermal Coal segment	**68,512,000**[1]	**69,347,700**[1]	**69,827,100**	**69,035,500**	**68,820,600**
South Africa					
Bank	**–**	–	–	51,900	477,600
Greenside	**3,425,000**	3,294,600	3,401,100	3,314,900	2,778,100
Goedehoop	**6,026,200**	6,905,000	7,449,400	8,456,200	8,534,500
Isibonelo	**4,569,100**	5,061,900	5,152,100	5,001,000	4,020,100
Kriel	**9,526,100**	11,161,700	10,344,400	11,210,100	12,318,400
Kleinkopje	**4,423,600**	4,414,000	4,545,600	3,490,700	3,898,400
Landau	**4,085,800**	4,231,500	4,089,300	4,058,200	4,102,400
New Denmark	**5,051,600**	3,728,900	5,272,500	5,134,700	5,508,500
New Vaal	**17,235,300**	17,553,700	17,034,400	17,119,500	16,275,000
Nooitgedacht	**–**	475,000	454,600	565,700	711,000
Mafube	**2,447,700**	2,212,800	1,673,400	757,200	719,400
Zibulo	**1,661,500**	119,000	–	–	–
Total	**58,451,900**[1]	**59,158,100**[1]	**59,416,800**	**59,160,100**	**59,343,400**
South America[2]					
Carbones Del Cerrejón	**10,060,100**	10,189,600	10,410,300	9,875,400	9,477,200
Total	**10,060,100**	**10,189,600**	**10,410,300**	**9,875,400**	**9,477,200**

[1] Zibulo (previously Zondagsfontein) is currently not in commercial production and therefore all revenue and related costs associated with 1,662 kt (2009: 119 kt) of production have been capitalised. The 1,662 kt includes Eskom coal of 765 kt (2009: 33 kt) and export thermal coal production of 897 kt (2009: 86 kt).

[2] South American production excludes Carbones del Guasare which was identified as non-core in 2009.

Greenside Colliery – A Terex diesel shovel at the Kromdraai open cast pit.

THERMAL COAL

estimates as at 31 December 2010

THERMAL COAL

The Coal Reserve and Coal Resource estimates were compiled in accordance with The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, (The SAMREC Code, 2007) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004) as applicable. 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 Thermal Coal comprises the dominantly export and domestic thermal coal operations, located in Colombia and South Africa.

Thermal Coal – Colombia Operations

COAL RESERVES[1]	Attributable %[2]	LOM	Classification	ROM Tonnes[3] 2010	ROM Tonnes[3] 2009	Yield[4] 2010	Yield[4] 2009	Saleable Tonnes[3] 2010	Saleable Tonnes[3] 2009	Saleable Quality[5] 2010	Saleable Quality[5] 2009
Cerréjon (OC)	33.3	22		Mt	Mt	ROM %	ROM %	Mt	Mt	kcal/kg	kcal/kg
Export Thermal			Proved	659.0	646.6	95.2	96.2	634.8	621.4	6,230	6,210
			Probable	64.1	50.7	95.3	96.2	61.7	48.9	6,230	6,210
			Total	**723.1**	**697.3**	**95.2**	**96.2**	**696.5**	**670.3**	**6,230**	**6,210**
Colombia Export Thermal	33.3									kcal/kg	kcal/kg
			Proved	659.0	646.6	95.2	96.2	634.8	621.4	6,230	6,210
			Probable	64.1	50.7	95.3	96.2	61.7	48.9	6,230	6,210
			Total	**723.1**	**697.3**	**95.2**	**96.2**	**696.5**	**670.3**	**6,230**	**6,210**

Thermal Coal – South Africa Operations

COAL RESERVES[1]	Attributable %[2]	LOM	Classification	ROM Tonnes[3] 2010	ROM Tonnes[3] 2009	Yield[4] 2010	Yield[4] 2009	Saleable Tonnes[3] 2010	Saleable Tonnes[3] 2009	Saleable Quality[5] 2010	Saleable Quality[5] 2009
Goedehoop (UG&OC)	100	10		Mt	Mt	ROM %	ROM %	Mt	Mt	kcal/kg	kcal/kg
Export Thermal			Proved	46.8	25.5	53.9	59.9	25.7	15.5	6,220	6,240
			Probable	45.6	85.6	55.0	54.5	25.6	47.5	6,220	6,180
			Total	**92.4**	**111.1**	**54.4**	**55.7**	**51.3**	**63.0**	**6,220**	**6,190**
Greenside (UG)	100	10								kcal/kg	kcal/kg
Export Thermal			Proved	37.3	39.8	58.6	59.0	22.7	24.3	6,190	6,190
			Probable	2.3	2.4	62.8	63.0	1.5	1.5	6,190	6,190
			Total	**39.6**	**42.1**	**58.8**	**59.2**	**24.2**	**25.8**	**6,190**	**6,190**
Isibonelo (OC)	100	15								kcal/kg	kcal/kg
Synfuel			Proved	74.9	84.5	100	100	74.9	84.6	4,640	4,560
			Probable	–	–	–	–	–	–	–	–
			Total	**74.9**	**84.5**	**100**	**100**	**74.9**	**84.6**	**4,640**	**4,560**
Kleinkopje (OC)	100	14								kcal/kg	kcal/kg
Export Thermal			Proved	77.5	77.1	37.1	33.8	29.0	26.4	6,220	6,220
			Probable	12.3	21.3	45.8	48.4	5.7	10.4	6,240	6,230
			Total	**89.8**	**98.4**	**38.3**	**37.0**	**34.7**	**36.8**	**6,220**	**6,220**
										kcal/kg	kcal/kg
Domestic Power			Proved			31.7	37.5	24.9	29.5	4,460	4,490
			Probable			–	–	–	–	–	–
			Total			**27.4**	**29.4**	**24.9**	**29.5**	**4,460**	**4,490**
Kriel (UG&OC)	73.0	13								kcal/kg	kcal/kg
Domestic Power			Proved	61.2	67.0	100	100	61.2	67.0	4,800	4,790
			Probable	69.6	64.3	100	100	69.6	64.3	4,450	4,500
			Total	**130.8**	**131.3**	**100**	**100**	**130.8**	**131.3**	**4,610**	**4,650**
Landau (OC)	100	10								kcal/kg	kcal/kg
Export Thermal			Proved	44.7	48.0	50.7	52.8	23.0	25.1	6,250	6,300
			Probable	24.7	21.4	48.7	50.7	12.2	11.0	6,250	6,370
			Total	**69.4**	**69.5**	**50.0**	**52.2**	**35.2**	**36.1**	**6,250**	**6,320**
										kcal/kg	kcal/kg
Domestic Power			Proved			8.5	7.0	3.8	3.4	4,100	4,450
			Probable			8.5	9.1	2.1	2.0	4,400	3,900
			Total			**8.5**	**7.6**	**6.0**	**5.4**	**4,210**	**4,250**
Mafube (OC)	50.0	6								kcal/kg	kcal/kg
Export Thermal			Proved	30.1	35.6	49.0	51.6	14.8	18.4	6,270	6,300
			Probable	–	67.3	–	36.9	–	25.1	–	6,280
			Total	**30.1**	**103.0**	**49.0**	**42.0**	**14.8**	**43.5**	**6,270**	**6,290**
										kcal/kg	kcal/kg
Domestic Power			Proved			23.1	23.0	6.9	8.2	5,490	5,450
			Probable			–	31.3	–	21.2	–	5,080
			Total			**23.1**	**28.4**	**6.9**	**29.4**	**5,490**	**5,180**
New Denmark (UG)	100	27								kcal/kg	kcal/kg
Domestic Power			Proved	40.4	37.0	100	100	40.4	37.0	4,930	5,090
			Probable	92.9	106.7	100	100	92.9	106.7	5,070	4,940
			Total	**133.3**	**143.7**	**100**	**100**	**133.3**	**143.7**	**5,030**	**4,980**

THERMAL COAL continued
estimates as at 31 December 2010

Thermal Coal – South Africa Operations continued COAL RESERVES[1]	Attributable %[2]	LOM	Classification	ROM Tonnes[3] 2010	ROM Tonnes[3] 2009	Yield[4] 2010	Yield[4] 2009	Saleable Tonnes[3] 2010	Saleable Tonnes[3] 2009	Saleable Quality[5] 2010	Saleable Quality[5] 2009
New Vaal (OC)	100	20		Mt	Mt	ROM %	ROM %	Mt	Mt	kcal/kg	kcal/kg
Domestic Power			Proved	397.5	423.4	93.4	92.1	384.6	404.0	3,490	3,490
			Probable	–	–	–	–	–	–	–	–
			Total	**397.5**	**423.4**	**93.4**	**92.1**	**384.6**	**404.0**	**3,490**	**3,490**
Nooitgedacht 5 Seam (UG)	100	2								kcal/kg	kcal/kg
Export Thermal			Proved	1.2	1.9	36.5	34.6	0.5	0.7	6,340	6,360
			Probable	–	–	–	–	–	–	–	–
			Total	**1.2**	**1.9**	**36.5**	**34.6**	**0.5**	**0.7**	**6,340**	**6,360**
										kcal/kg	kcal/kg
Other Metallurgical			Proved			28.4	27.0	0.4	0.5	6,280	6,300
			Probable			–	–	–	–	–	–
			Total			**28.4**	**27.0**	**0.4**	**0.5**	**6,280**	**6,300**
Zibulo (UG&OC)	73.0	17								kcal/kg	kcal/kg
Export Thermal			Proved	–	–	–	–	–	–	–	–
			Probable	111.9	99.3	41.0	39.7	46.3	39.5	6,320	6,350
			Total	**111.9**	**99.3**	**41.0**	**39.7**	**46.3**	**39.5**	**6,320**	**6,350**
										kcal/kg	kcal/kg
Domestic Power			Proved			–	–	–	–	–	–
			Probable			35.6	37.0	40.9	38.5	4,990	4,880
			Total			**35.6**	**37.0**	**40.9**	**38.5**	**4,990**	**4,880**
South Africa Export Thermal	90.4			Mt	Mt	Plant %	Plant %	Mt	Mt	kcal/kg	kcal/kg
			Proved	811.7	839.8	49.3	50.3	115.7	110.3	6,230	6,250
			Probable	359.3	468.3	46.6	46.2	91.3	135.0	6,280	6,270
			Total	**1,171.0**	**1,308.1**	**48.1**	**47.7**	**207.0**	**245.3**	**6,250**	**6,260**
South Africa Other Metallurgical	100									kcal/kg	kcal/kg
			Proved			28.4	27.0	0.4	0.5	6,280	6,300
			Probable			–	–	–	–	–	–
			Total			**28.4**	**27.0**	**0.4**	**0.5**	**6,280**	**6,300**
South Africa Domestic Power	93.1									kcal/kg	kcal/kg
			Proved			90.2	89.1	522.0	549.1	3,830	3,850
			Probable			86.2	82.5	205.5	232.7	4,840	4,810
			Total			**88.9**	**86.8**	**727.5**	**781.8**	**4,120**	**4,130**
South Africa Synfuel	100									kcal/kg	kcal/kg
			Proved			100	100	74.9	84.6	4,640	4,560
			Probable			–	–	–	–	–	–
			Total			**100**	**100**	**74.9**	**84.6**	**4,640**	**4,560**

Thermal Coal – Operations TOTAL COAL RESERVES[1]	Attributable %[2]	Classification	ROM Tonnes[3] 2010	ROM Tonnes[3] 2009	Yield[4] 2010	Yield[4] 2009	Saleable Tonnes[3] 2010	Saleable Tonnes[3] 2009	Saleable Quality[5] 2010	Saleable Quality[5] 2009
Export Thermal	46.4		Mt	Mt	Plant %	Plant %	Mt	Mt	kcal/kg	kcal/kg
		Proved	1,470.7	1,486.4	88.1	89.3	750.5	731.7	6,230	6,220
		Probable	423.3	519.0	66.2	59.5	153.1	183.9	6,260	6,250
		Total	**1,894.0**	**2,005.4**	**84.4**	**83.2**	**903.6**	**915.6**	**6,230**	**6,230**
Other Metallurgical	100								kcal/kg	kcal/kg
		Proved			28.4	27.0	0.4	0.5	6,280	6,300
		Probable			–	–	–	–	–	–
		Total			**28.4**	**27.0**	**0.4**	**0.5**	**6,280**	**6,300**
Domestic Power	93.1								kcal/kg	kcal/kg
		Proved			90.2	89.1	522.0	549.1	3,830	3,850
		Probable			86.2	82.5	205.5	232.7	4,840	4,810
		Total			**88.9**	**86.8**	**727.5**	**781.8**	**4,120**	**4,130**
Synfuel	100								kcal/kg	kcal/kg
		Proved			100	100	74.9	84.6	4,640	4,560
		Probable			–	–	–	–	–	–
		Total			**100**	**100**	**74.9**	**84.6**	**4,640**	**4,560**

Mining method: OC = Open Cast, 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).
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).
Synfuel refers to a coal specifically for the domestic production of synthetic fuel and chemicals; quality measured by calorific value (CV).

Thermal Coal – Colombia 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]
Cerréjon	33.3					
		Measured	870.4	1,051.6	6,420	6,480
		Indicated	194.4	270.3	6,490	6,480
		Measured and Indicated	**1,064.8**	**1,321.9**	**6,430**	**6,480**
		Inferred (in LOM)[8]	47.7	40.3	6,910	6,960
Colombia – Mine Leases	33.3	Measured	870.4	1,051.6	6,420	6,480
		Indicated	194.4	270.3	6,490	6,480
		Measured and Indicated	**1,064.8**	**1,321.9**	**6,430**	**6,480**
		Inferred (in LOM)[8]	47.7	40.3	6,910	6,960

THE COAL RESOURCES ARE REPORTED AS ADDITIONAL TO COAL RESERVES.

Thermal Coal – South Africa 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]
Goedehoop	100					
		Measured	111.2	115.3	5,460	5,030
		Indicated	79.9	82.4	5,280	5,270
		Measured and Indicated	**191.1**	**197.7**	**5,380**	**5,130**
		Inferred (in LOM)[8]	–	–	–	–
Greenside	100	Measured	–	–	–	–
		Indicated	–	–	–	–
		Measured and Indicated	**–**	**–**	**–**	**–**
		Inferred (in LOM)[8]	13.0	13.3	5,470	5,470
Isibonelo	100	Measured	–	–	–	–
		Indicated	20.3	25.8	5,360	5,250
		Measured and Indicated	**20.3**	**25.8**	**5,360**	**5,250**
		Inferred (in LOM)[8]	–	–	–	–
Kleinkopje	100	Measured	30.2	28.6	5,020	4,990
		Indicated	–	–	–	–
		Measured and Indicated	**30.2**	**28.6**	**5,020**	**4,990**
		Inferred (in LOM)[8]	–	–	–	–
Kriel	73.0	Measured	7.4	61.8	5,240	5,280
		Indicated	18.4	34.7	4,810	4,710
		Measured and Indicated	**25.8**	**96.5**	**4,930**	**5,080**
		Inferred (in LOM)[8]	–	–	–	–
Landau	100	Measured	30.4	30.4	5,730	5,730
		Indicated	41.7	41.7	4,600	4,600
		Measured and Indicated	**72.1**	**72.1**	**5,080**	**5,080**
		Inferred (in LOM)[8]	–	–	–	–
Mafube	50.0	Measured	79.9	3.8	5,320	5,230
		Indicated	–	–	–	–
		Measured and Indicated	**79.9**	**3.8**	**5,320**	**5,230**
		Inferred (in LOM)[8]	–	10.7	–	5,420
New Denmark	100	Measured	–	–	–	–
		Indicated	–	–	–	–
		Measured and Indicated	**–**	**–**	**–**	**–**
		Inferred (in LOM)[8]	18.6	30.6	5,220	5,310
New Vaal	100	Measured	–	–	–	–
		Indicated	–	–	–	–
		Measured and Indicated	**–**	**–**	**–**	**–**
		Inferred (in LOM)[8]	–	–	–	–
Nooitgedacht 5 Seam	100	Measured	1.1	1.1	4,990	4,750
		Indicated	–	–	–	–
		Measured and Indicated	**1.1**	**1.1**	**4,990**	**4,750**
		Inferred (in LOM)[8]	–	–	–	–
Zibulo	73.0	Measured	79.7	98.0	4,980	4,810
		Indicated	174.6	174.2	4,870	4,910
		Measured and Indicated	**254.3**	**272.2**	**4,900**	**4,870**
		Inferred (in LOM)[8]	43.7	59.2	5,400	5,430
South Africa – Mine Leases	82.9	Measured	339.9	339.1	5,290	5,070
		Indicated	334.9	358.8	4,960	4,960
		Measured and Indicated	**674.8**	**697.8**	**5,130**	**5,020**
		Inferred (in LOM)[8]	75.4	113.8	5,370	5,400

THE COAL RESOURCES ARE REPORTED AS ADDITIONAL TO COAL RESERVES.

Thermal Coal – 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]
Total	52.5					
		Measured	1,210.3	1,390.7	6,100	6,130
		Indicated	529.2	629.1	5,520	5,620
		Measured and Indicated	**1,739.5**	**2,019.7**	**5,930**	**5,970**
		Inferred (in LOM)[8]	123.0	154.0	5,970	5,810

THE COAL RESOURCES ARE REPORTED AS ADDITIONAL TO COAL RESERVES.

THERMAL COAL continued

estimates as at 31 December 2010

Thermal Coal – South Africa Projects

COAL RESOURCES[6] [8]	Attributable %[2]	Classification	Tonnes 2010	Tonnes 2009	Coal Quality 2010	Coal Quality 2009
			MTIS[6]	MTIS[6]	kcal/kg[7]	kcal/kg[7]
Elders	73.0	Measured	207.9	183.4	4,980	4,940
		Indicated	30.8	30.6	5,390	4,960
		Measured and Indicated	**238.6**	**213.9**	**5,030**	**4,940**
Kriel Block F	100	Measured	–	–	–	–
		Indicated	62.8	–	5,310	–
		Measured and Indicated	**62.8**	**–**	**5,310**	**–**
Kriel East	73.0	Measured	81.5	97.9	4,940	4,930
		Indicated	36.0	22.8	4,950	4,900
		Measured and Indicated	**117.5**	**120.8**	**4,940**	**4,920**
New Largo	73.0	Measured	350.8	247.1	4,400	4,430
		Indicated	286.0	246.1	4,230	4,230
		Measured and Indicated	**636.8**	**493.2**	**4,320**	**4,330**
Nooitgedacht 2+4 Seam	100	Measured	55.5	29.9	5,330	5,320
		Indicated	3.4	17.1	5,300	5,320
		Measured and Indicated	**59.0**	**47.0**	**5,330**	**5,320**
South Rand	73.0	Measured	78.9	90.7	4,870	4,780
		Indicated	142.2	156.5	4,840	4,710
		Measured and Indicated	**221.1**	**247.2**	**4,850**	**4,740**
Vaal Basin	100	Measured	128.9	54.6	3,730	3,570
		Indicated	149.3	23.4	4,000	4,440
		Measured and Indicated	**278.2**	**77.9**	**3,870**	**3,830**
South Africa – Projects	79.7	Measured	903.5	703.6	4,580	4,650
		Indicated	710.5	469.4	4,490	4,500
		Measured and Indicated	**1,613.9**	**1,200.0**	**4,540**	**4,590**

Thermal Coal – Operations and Projects

COAL RESOURCES[6]	Attributable %[2]	Classification	Tonnes 2010	Tonnes 2009	Coal Quality 2010	Coal Quality 2009
			MTIS[6]	MTIS[6]	kcal/kg[7]	kcal/kg[7]
Total	65.6	Measured	2,113.8	2,094.3	5,450	5,640
		Indicated	1,239.7	1,125.5	4,930	5,130
		Measured and Indicated	**3,353.5**	**3,219.7**	**5,260**	**5,460**
		Inferred (in LOM)[8]	123.0	154.0	5,970	5,810

THE COAL RESOURCES ARE REPORTED AS ADDITIONAL TO COAL RESERVES.

Attributable percentages for country totals are weighted by Measured and Indicated MTIS.

(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

Cerréjon: Increase in resources is due to the inclusion of previously excluded resources as a result of restrictions imposed by surface features (+729 Mt). Environmental and community restrictions fully stated and now included in the 2010 statement. Re-evaluation of factors influencing economics and technical potential has resulted in the transfer of P500 project and related resource blocks to Coal Deposit (-984 Mt).

Isibonelo: As a consequence of the uncertainty associated with Environmental Management Programme Report (EMPR) approval, the Pit 4 Reserves were reallocated to Coal Deposit (-8.7 Mt). Transfer from underground resource to opencast reserve to be optimised by opencast mining (-5.4 Mt).

Kriel: Conversion from resources to reserves (+12.9 Mt). Transfer of Block F non-dedicated resources from Kriel Colliery to Project Kriel Block F (-54.2 Mt).

Mafube: Reclassification of Probable Reserves and Inferred Resources in Mine Plan to Coal Resources pending the approval for conversion of the Prospecting Right over Nooitgedacht and Wildfontein to a Mining Right (-66.6 Mt).

New Denmark: Due to inaccessibility of blocks, the Inferred Resources In Mine Plan were downgraded to Coal Deposit (-12.0 Mt).

Nooitgedacht: 5 Seam – Coal Reserves were sterilised due to seam height restrictions (-0.2 Mt).

Zibulo: Additional drilling information and increased geological confidence in the 2 seam has resulted in the upgrade of Inferred Resources in Mine Plan to Probable Reserve (+13.8 Mt).

Vaal Basin: Increased drilling and geological confidence resulted in an upgrade of Inferred Resources to Indicated and Measured Resources (+200.3 Mt). Previously referred to as Vaalbank

Elders: Increased drilling and geological confidence resulted in an upgrade of the Coal Deposit to Coal Resources (+33.7 Mt).

Kriel Block F: Represents the non Eskom dedicated portion of the Kriel Mining Right, owned by Anglo Operations Limited.

New Largo: Increased drilling and wash data resulted in an upgrade of Inferred Resources to Indicated and Measured Resources (+142.1 Mt).

Nooitgedacht: 2 + 4 Seam – Update of the geological model resulted in upgrade to Measured Resource (+12.9 Mt)

South Rand: Increased drilling and geological confidence resulted in an upgrade of the Coal Deposit to Coal Resources (+27.5 Mt). Reclassification based on washability analysis rather than raw quality as reported in 2009 resulted in downgrade of resources (-53.6 Mt).

Assumption with respect to Mineral Tenure

Mafube: Coal Resources at Nooitgedacht and Wildfontein (approximately 76 Mt Measured) which are intended to be part of mine plan, are held as a Prospecting Right. Application for conversion to a Mining Right will be submitted pending the completion of the Environmental Management Plan (EMP). Anglo American Thermal Coal has reasonable expectation that such conversion will not be withheld.

New Largo: The interpretation of wetlands in the latest Mpumalanga Biodiversity Plan has been expanded and as such could affect the Mining Right application. Anglo American has reasonable expectations that such permission will be granted.

Zibulo: The Mining Right has been granted and Probable Reserves will be converted to Proved Reserves in 2011.

Royalty Payment

South Africa: Royalty payments commenced in February 2010 in accordance with the Royalties Act (No. 28 of 2008) and have been taken into consideration in economic assessment of the reserves.

Reviews by independent third parties were carried out in 2010 on the following Operations and Project areas: Cerrejón, Greenside, New Denmark, New Largo, New Vaal.

New Denmark Colliery is reducing its carbon footprint with the commissioning of a US$1.2 million methane gas-flaring project. The project involves the installation of two mobile flaring-off mechanisms that will be incorporated into the mine's existing methane drainage system. The mobile flare is a joint New Denmark-Gemini Carbon concept and is a world first in Clean Development Mechanisms.