# Credit Suisse Global Steel and Mining Conference

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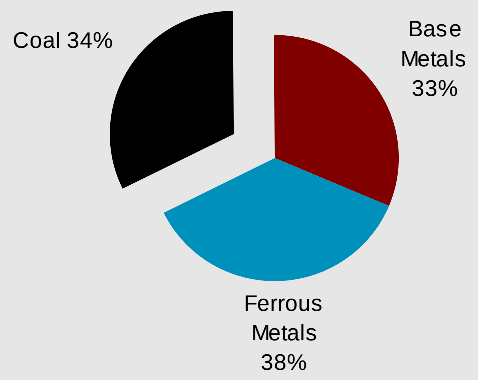
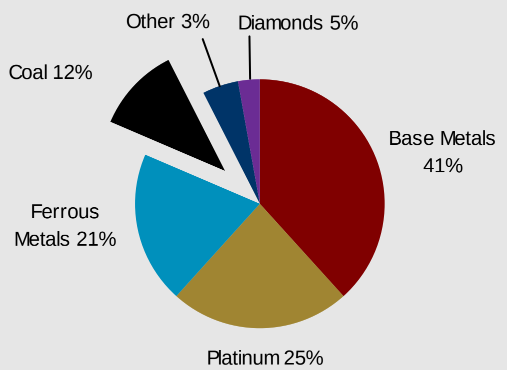
# Coal—An Increasingly Important Contributor to Anglo

**H1 2009 Coal Operating Profit = US$720m**




*H1 2009 Anglo Operating Profit = US$2.1bn*

**H1 2008 Operating Profit = US$731m**




*H1 2008 Anglo Operating Profit = US$6.2bn*

- **A Key Contributor to our Portfolio**

  Increasing contribution to group operating profit from improving operations and market strength

- **Pioneer of "Asset Optimisation" in the Group**

  Benefits of systematic, structured approach having a material impact on performance

- **A High-priority Growth Platform**

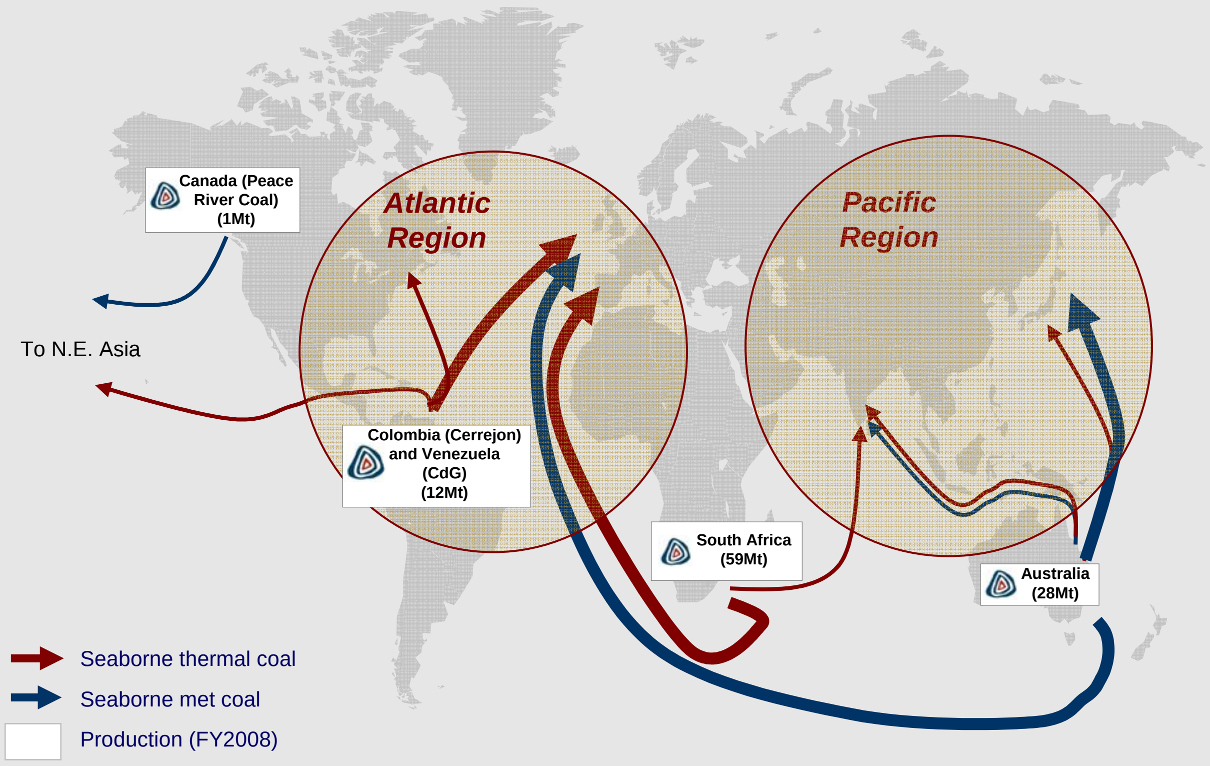
  Near-term focus on high-return, low risk brownfields and higher-value metallurgical coal expansions; robust organic pipeline for longer-term

- **A Clear Ambition**

  Anglo aims to bring to account high value Seaborne thermal and Seaborne metallurgical coal resources

# Coal—Anglo Strategy

**Anglo is a geographically diverse leading coal supplier, with attractive growth options for the future, focusing on structurally attractive Seaborne metallurgical and Seaborne thermal coal markets and significant access to customers in the growing Pacific region**




*Arrow size is an indicator of the relative size of the export route*

- Seaborne Metallurgical Coal Market
  - 4th largest producer from large, long-life, low cost assets
  - Long-term reliable supplier of hard coking coal, and a significant supplier of PCI coal
- Seaborne Thermal Coal Market
  - 4th largest producer with one of the lowest cost positions
  - Geographically diverse supply from South Africa, Australia and Colombia

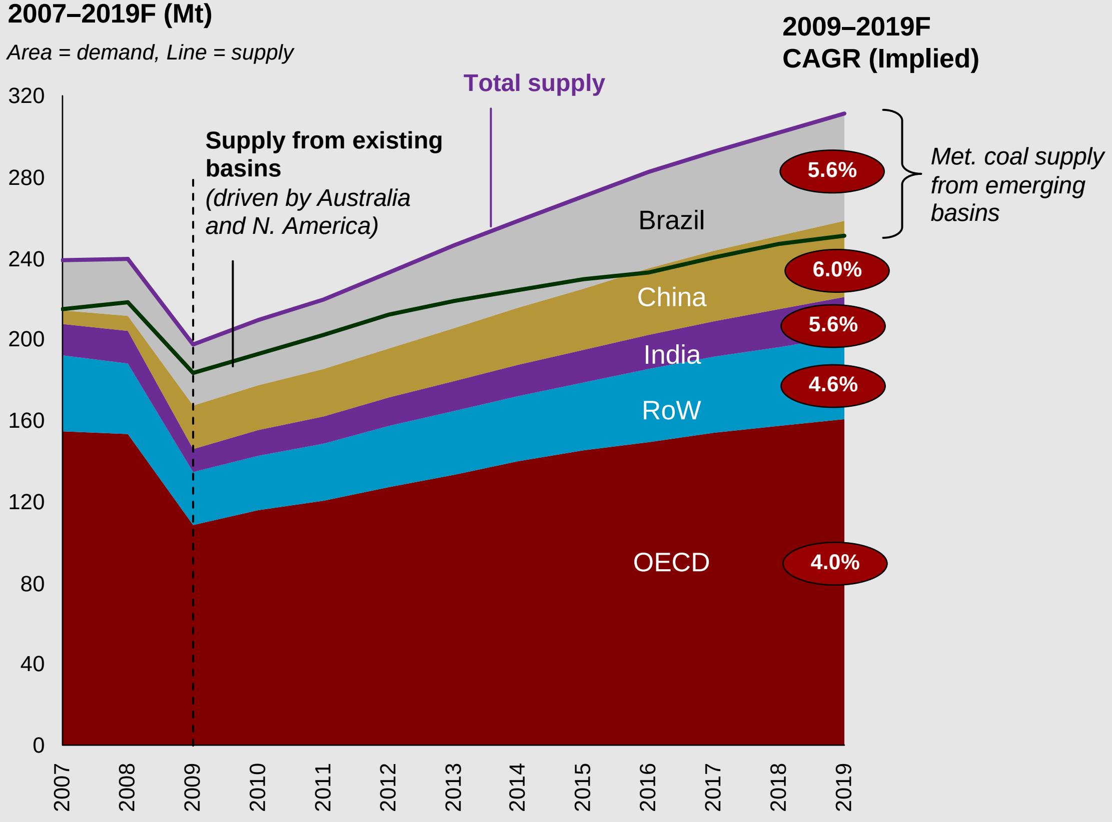
Notes:
1. RSA Seaborne thermal sales tons = 16Mt; RSA Domestic thermal sales tons = 43Mt
2. Saleable production has been reported on an attributable basis

# Metallurgical Coal—Attractive Industry Fundamentals

## Seaborne metallurgical coal remains an attractive product with high exposure to future "BIC" (Brazil, India & China) steel industry growth

**Seaborne Met. Coal Demand & Supply 2007–2019F (Mt)**

*Area = demand, Line = supply*

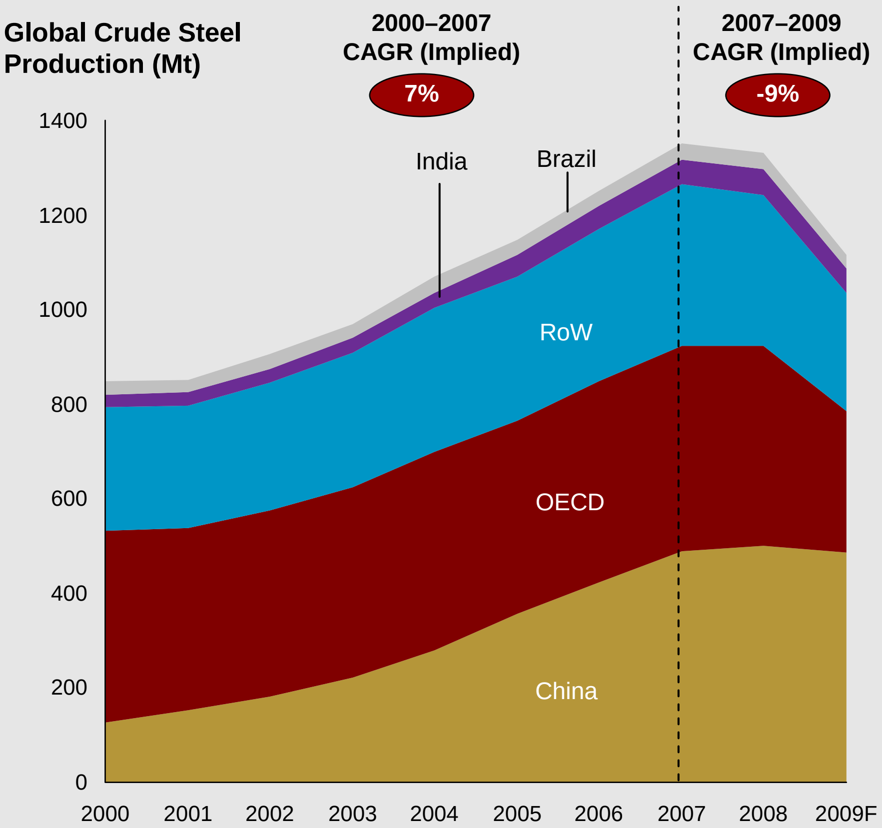


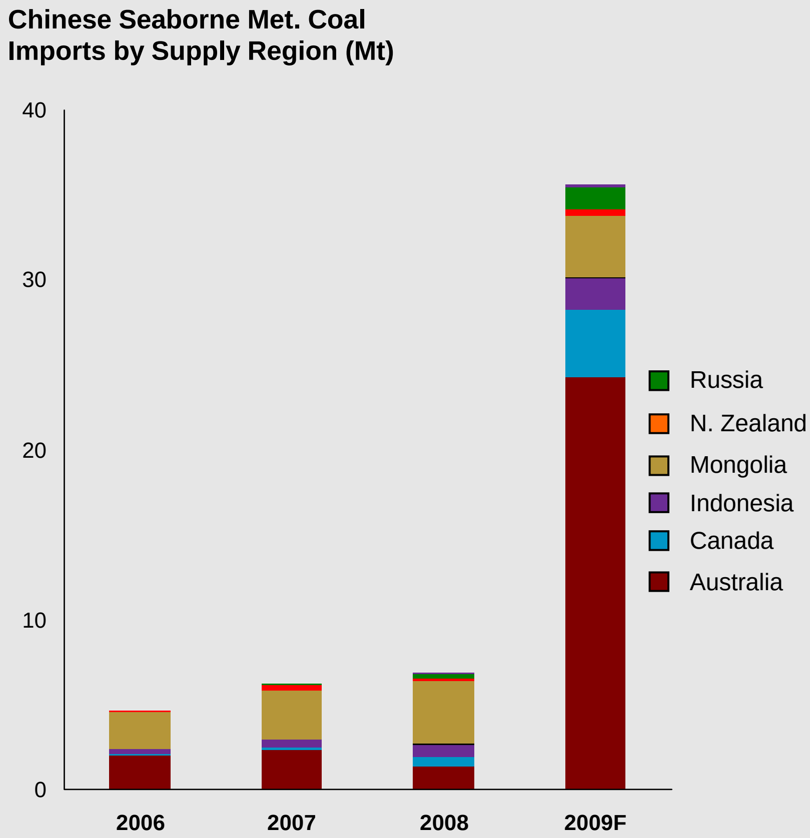

- Seaborne met coal prices have risen rapidly over the last 4 years in line with strong demand
- Hard coking coal is the most attractive product (premium priced up to $60/t over semi-soft coking coal in recent years), and increasingly so for new planned Chinese steel mills
- Growing demand from Brazil and India (both lacking met coal), China demand emerging strongly as high cost domestic production has been displaced

Note: AME assumes an equilibrium between supply and demand in its forecasting methodology
Source: AME (August 2009)

# Metallurgical Coal—Impact of the Downturn

Seaborne metallurgical coal capacity has been rationalised in response to the economic downturn. However, in China, the recent growth of metallurgical coal imports has been driven by recovery in steel production and reduced domestic production



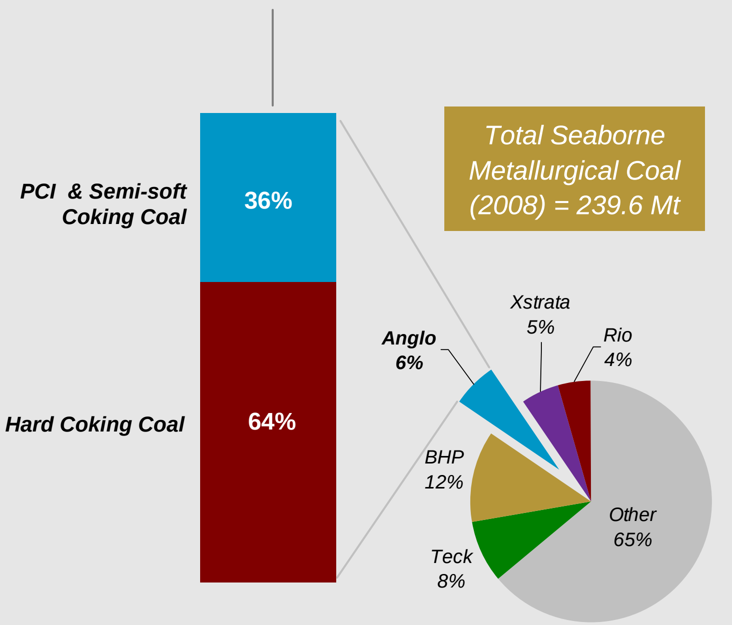




Source: CRU, AME, McCloskey

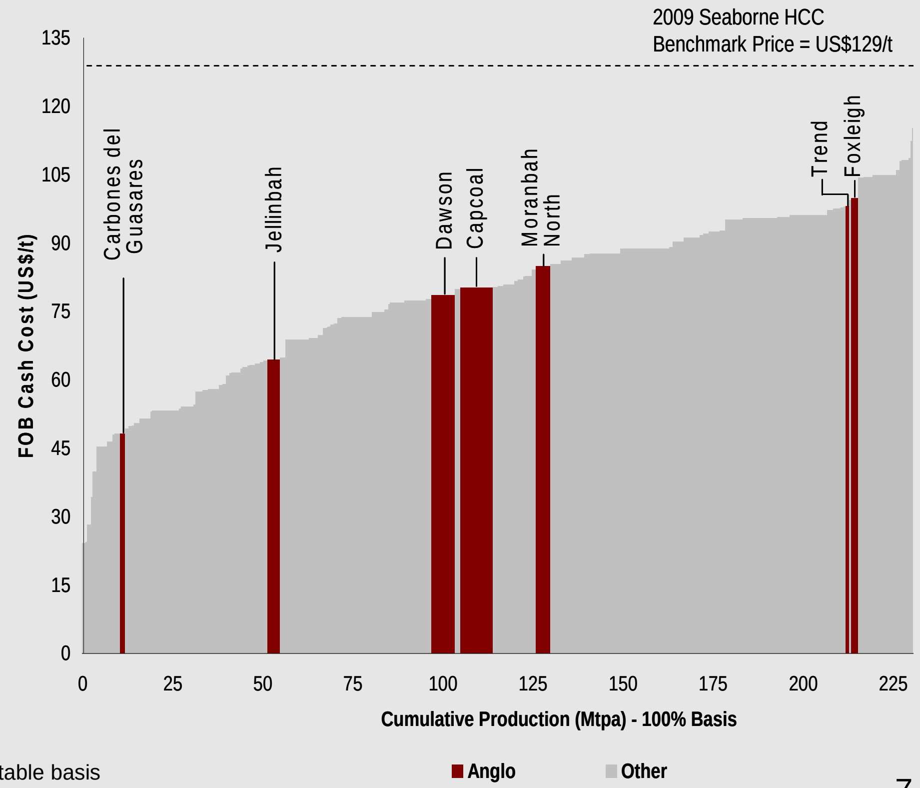
# Metallurgical Coal—Anglo Positioning

**Anglo has a strong presence in all major Seaborne metallurgical coal products and is well positioned on the Seaborne metallurgical coal cost curve**

### Seaborne Metallurgical Coal Market Share (2008)




### Seaborne Metallurgical Coal Cost Curve Position (2008)

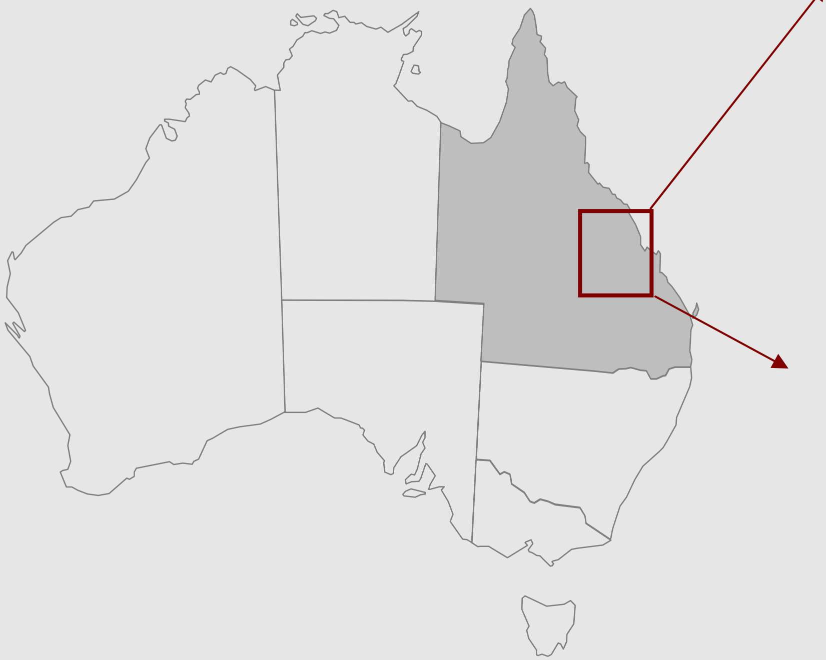



Notes:
1. Anglo 2008 Seaborne metallurgical coal production (Attributable Basis) = 15Mt
2. Anglo 2008 Seaborne metallurgical coal production (100% Basis) = 22Mt
3. Seaborne metallurgical market share calculated from 2008 estimated exports on an attributable basis

Source: AME, Macquarie Research

# Metallurgical Coal—Growth Options

**Anglo's future Seaborne metallurgical coal growth is focused on consolidating around its existing clusters in the highest quality metallurgical coal areas of Queensland's Bowen Basin**



**Grosvenor and Moranbah South – World-Class Hard Coking Coal Projects**

- Creating a large scale operational cluster around the existing Moranbah North operation
- High quality hard coking coal projects with low cost position and access to existing infrastructure

**CapCoal and Foxleigh Expansion Opportunities**

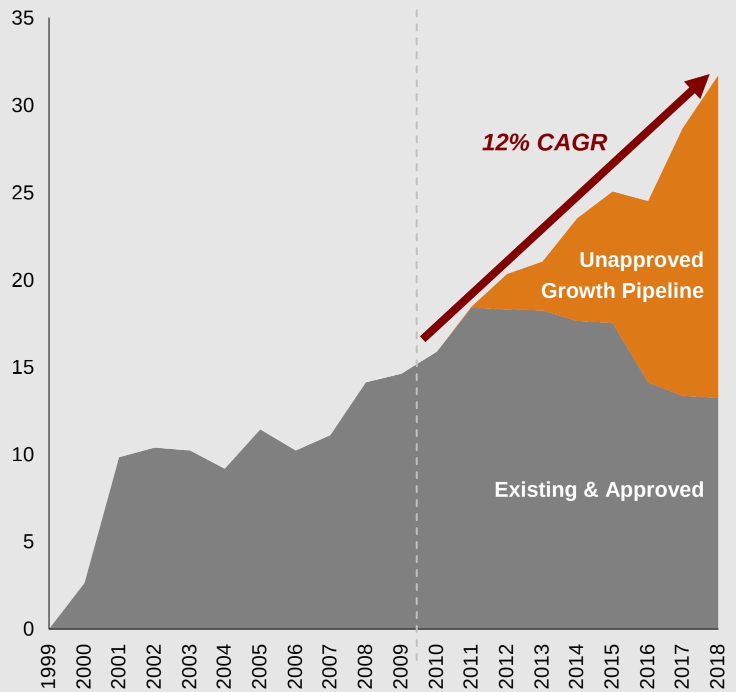
- Capitalising on the growth potential created by the German Creek (2001) and Foxleigh (2008) acquisitions
- Recent acquisitions of Foxleigh North and Oakpark East resources (2009) provide further mine life extension opportunities

Source: Anglo Coal

# Metallurgical Coal—Delivering Organic Growth

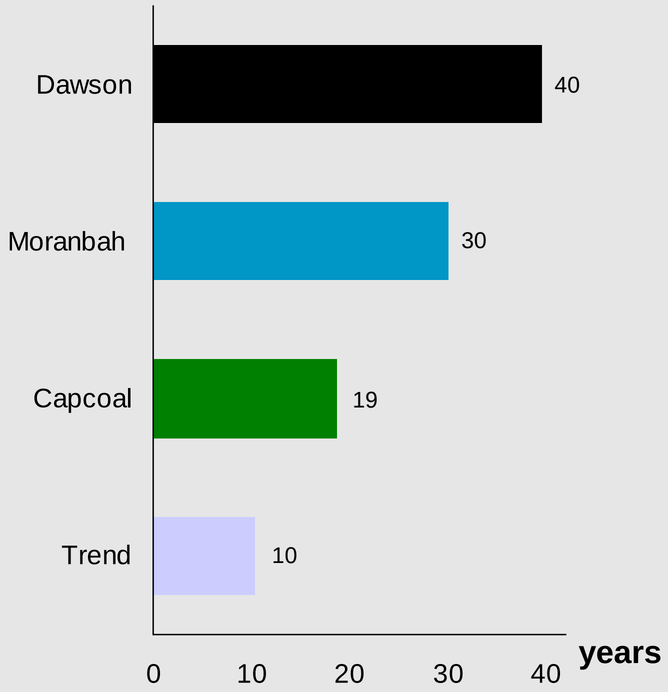
## Anglo's Seaborne metallurgical coal organic growth pipeline could double current production levels by 2018

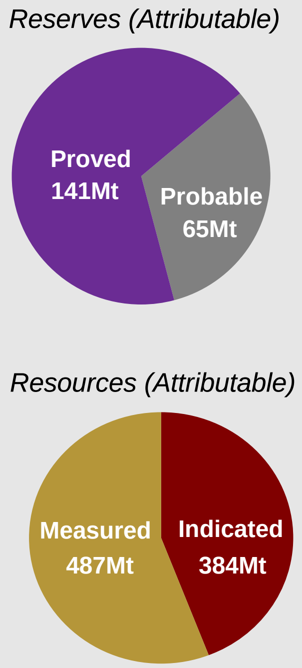
**Anglo Potential Seaborne Met. Coal Attributable Production (Mt)**




Source: Anglo Coal, unconstrained project portfolio before prioritisation

**Mine Production Ratio Indicative of Reserve Life**



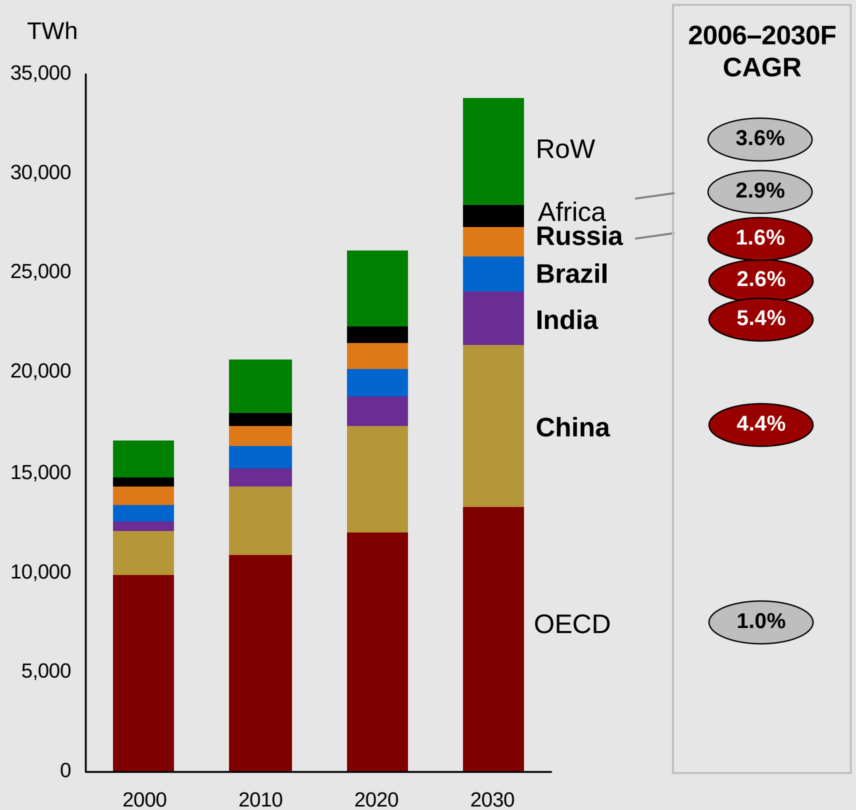




Note: Production ratio is the attributable Proved and Probable Saleable Reserve tonnes divided by 2008 attributable production. Using the 2008 production figures does not take cognisance of any ramp up or ramp down in production that may have occurred in 2008 or that might occur in the future. For resources and reserves, the primary product is metallurgical coal, but could include resources with potential to be converted to thermal coal.

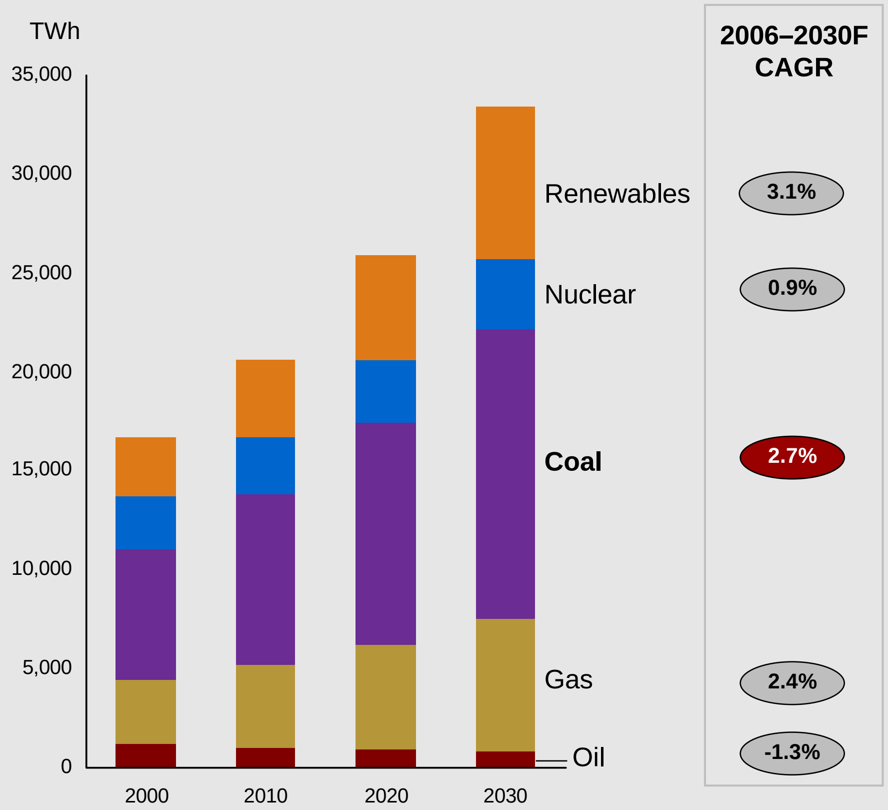
# Thermal Coal—Attractive Industry Fundamentals

Economic growth in “BIC” countries, particularly India and China, is forecast to continue driving significant increases in electricity and thermal coal consumption

**Electricity Generation by Region (2000–2030)**




**Electricity Generation by Fuel (2000–2030)**

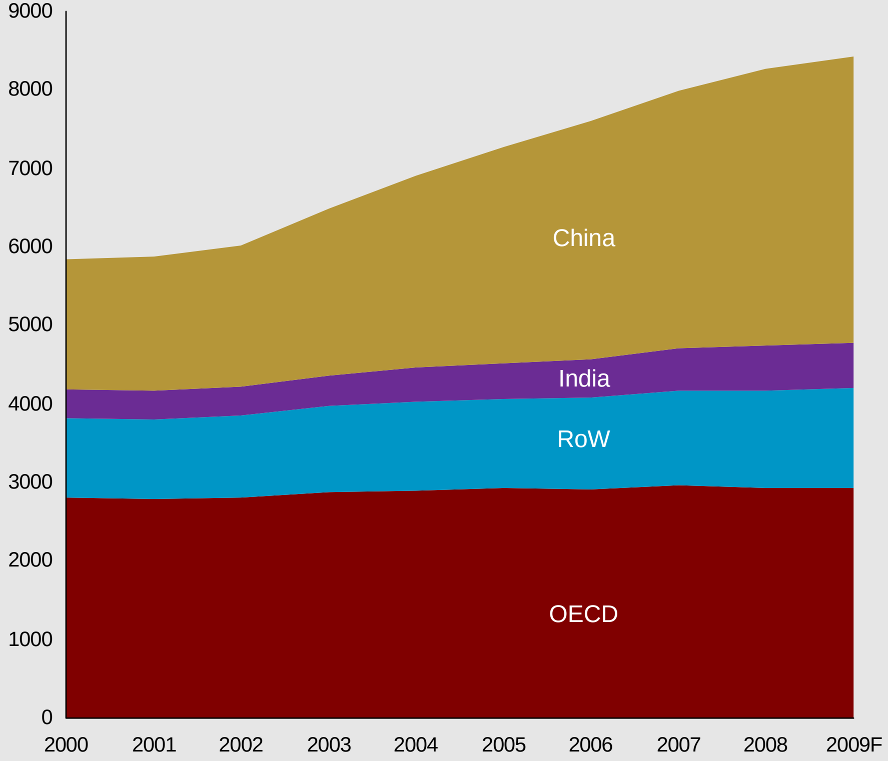



Note: Brazil electricity generation modelled as part of Latin America country group
Source: IEA World Energy Outlook 2008

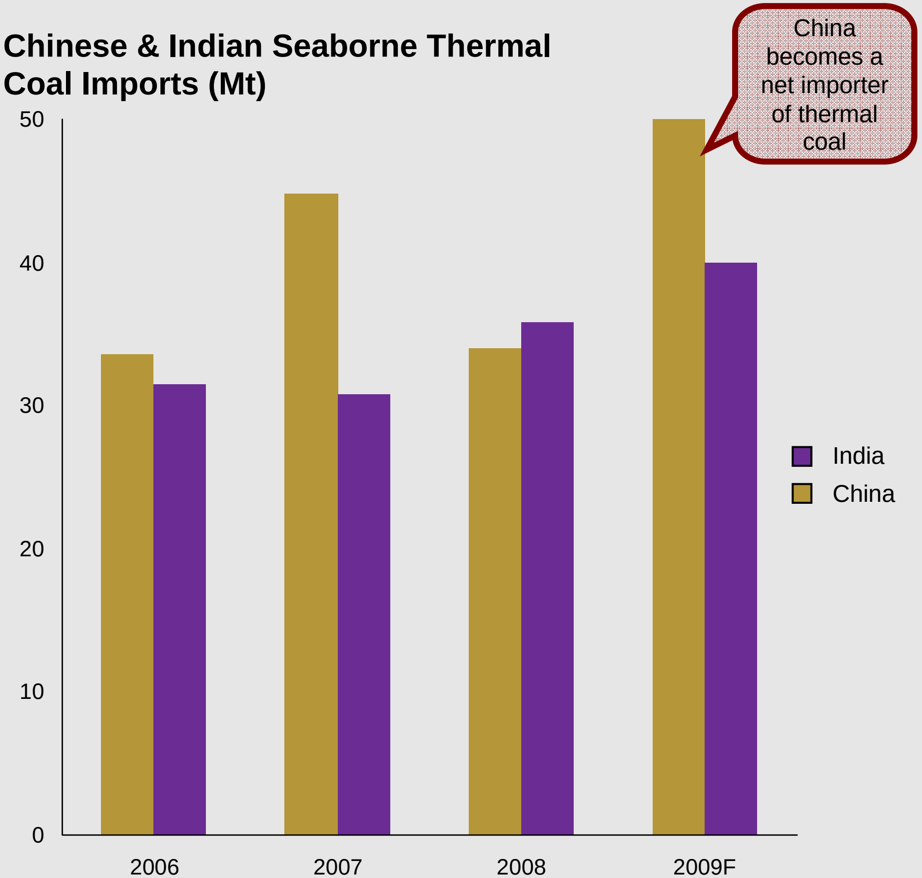
# Thermal Coal—Impact of the Downturn

The economic downturn has had a limited impact on coal-fired power generation, with recent Seaborne thermal coal demand strongly driven by China and India

**Coal-Fired Electricity Generation (TWh)**




**Chinese & Indian Seaborne Thermal Coal Imports (Mt)**



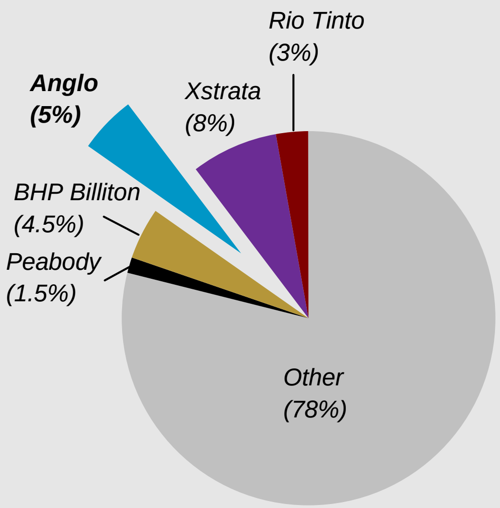

Source: BP Statistical World Review of Energy 2009, AME

# Thermal Coal—Anglo Positioning

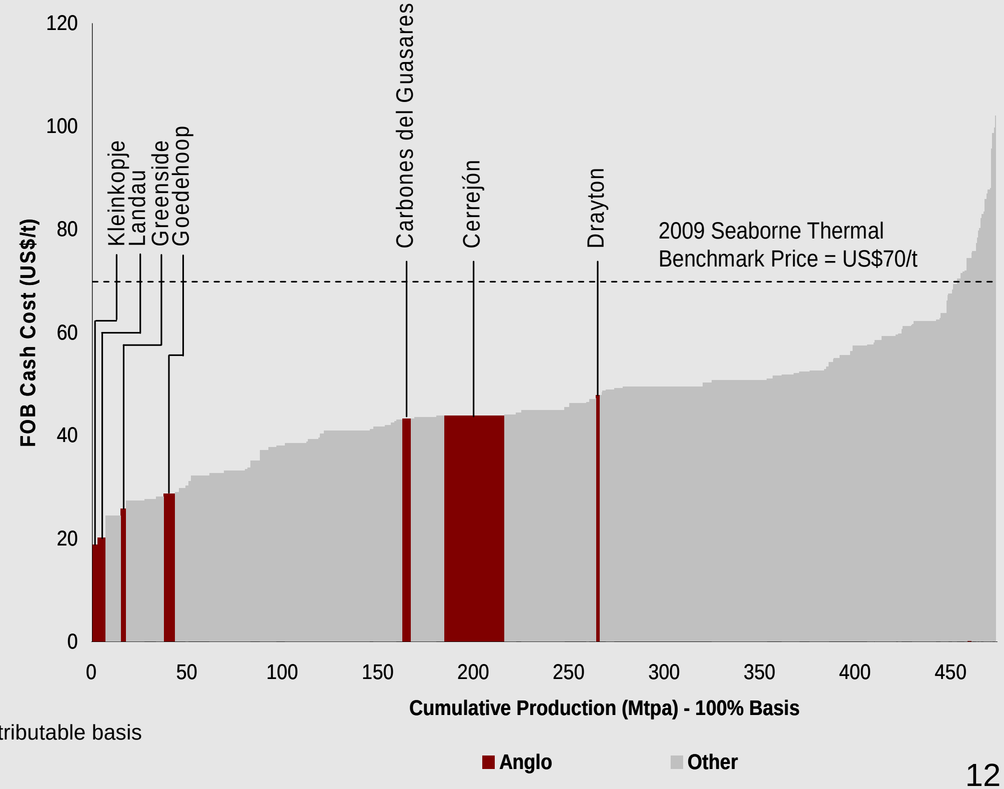
## Anglo is the 4th largest supplier, and has one of the lowest cost positions on the Seaborne thermal cost curve

### Seaborne Thermal Coal Market Share (2008)

*World Estimated 2008 Seaborne Thermal Coal = 680.6 Mt*




### Seaborne Thermal Coal Cost Curve Position (2008)




Notes:

1. Anglo 2008 Seaborne thermal coal production (Attributable Basis) = 36Mt
2. Anglo 2008 Seaborne thermal coal production (100% Basis) = 62Mt
3. Seaborne thermal market share calculated from 2008 estimated exports on an attributable basis
4. Anglo market share shown relative to diversified majors peer group

Source: AME, Macquarie Research

# Thermal Coal—Project Delivery

## Anglo's project delivery capabilities proven by recent South African coal expansion projects at Mafube and Zondagsfontein

*Zondagsfontein mine under construction*

**Mafube (Completed in Q4 2007)**

- 5.4Mtpa of Seaborne and Eskom thermal coal
- 50/50 Joint Venture with Exxaro
- Total establishment capital: US$214 million (100% basis)
- 1st quartile FOB cash cost position on the Seaborne thermal cost curve

**Zondagsfontein (1st Production scheduled for Q3 2009)**

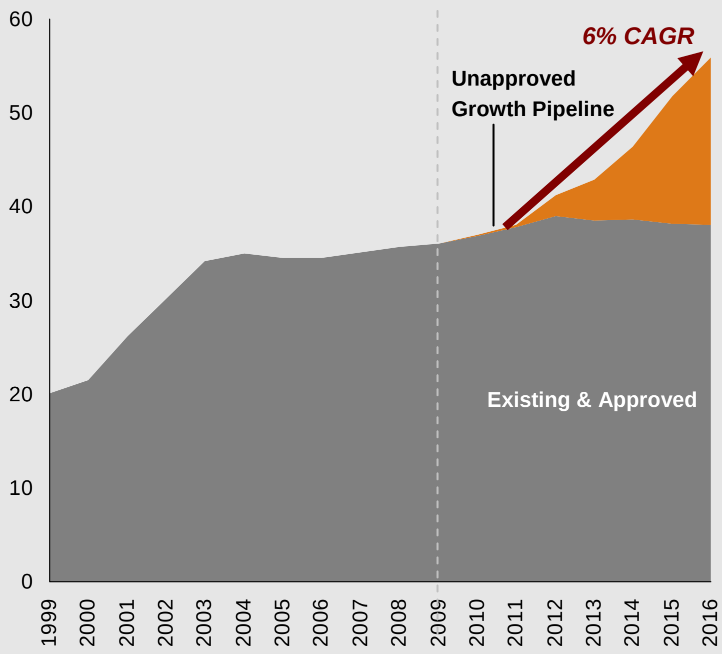
- 5.5Mtpa of Seaborne and Eskom thermal coal
- To be completed below budget—final estimated cost of US$499 million (100% basis)
- 1st quartile FOB cash cost position on the Seaborne thermal cost curve

Source: Anglo Coal

# Thermal Coal—Delivering Organic Growth

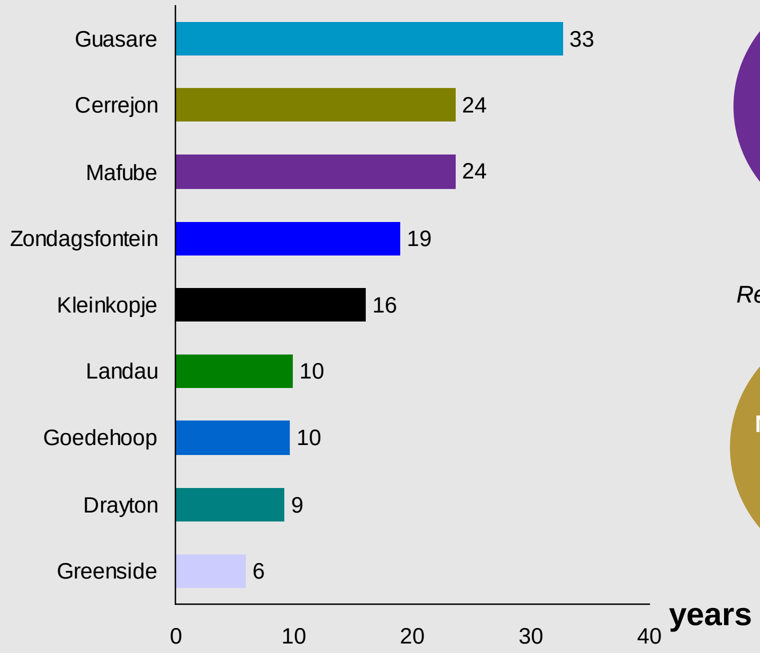
**Anglo has a significant and well-balanced Seaborne thermal coal reserve and resource base from which to secure the future**

## Anglo Potential Seaborne Thermal Coal Attributable Production (Mt)



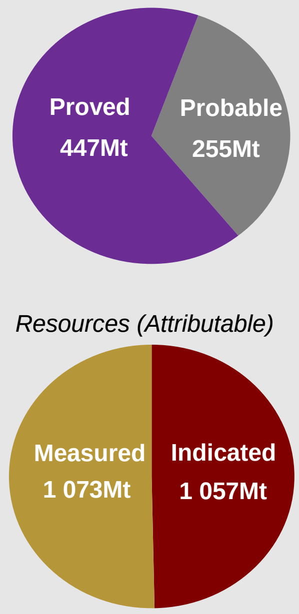

Source: Anglo Coal, unconstrained project portfolio before prioritisation

## Mine Production Ratio Indicative of Reserve Life




*Reserves (Attributable)*

*Resources (Attributable)*




Note: Production ratio is the attributable Proved and Probable Saleable Reserve tonnes divided by 2008 attributable production. The anticipated production rate attributable to the Zondagsfontein project (4.0Mtpa) was added to the 2008 production. Using the 2008 production figures does not take cognisance of any ramp up or ramp down in production that may have occurred in 2008 or that might occur in the future. For resources and reserves, the primary product is Seaborne thermal coal, but could include resources with potential to be converted to Seaborne metallurgical or domestic thermal coal.

# Conclusions

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**Anglo remains well-positioned through the downturn and into the future.**

Anglo has:

- A **well-balanced** commodity portfolio
- **A competitive cost position** in Seaborne metallurgical and Seaborne thermal coal
- **Long-term stable customer relationships**
- **Attractive growth options**