

ORE RESERVES AND MINERAL RESOURCES

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

COAL RESERVES ⁽¹⁾	Attributable % ⁽²⁾	LOM	Classification	ROM Tonnes ⁽³⁾		Yield ⁽⁴⁾		Saleable Tonnes ⁽⁵⁾		Saleable Quality ⁽⁶⁾	
				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			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).

ORE RESERVES AND MINERAL RESOURCES

COAL continued

estimates as at 31 December 2010

Metallurgical Coal – Australia Operations

COAL RESOURCES ⁽⁶⁾	Attributable% ⁽²⁾	Classification	Tonnes		Coal Quality	
			2010	2009	2010	2009
Callide	100		MTIS ⁽⁶⁾	MTIS ⁽⁶⁾	kcal/kg ⁽⁷⁾	kcal/kg ⁽⁷⁾
		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⁾		Yield ⁽⁴⁾		Saleable Tonnes ⁽⁵⁾		Saleable Quality ⁽⁵⁾	
				2010	2009	2010	2009	2010	2009	2010	2009
Grosvenor	100	26		Mt	Mt	ROM %	ROM %	Mt	Mt	CSN	CSN
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		Coal Quality	
			2010	2009	2010	2009
Dartbrook	83.3		MTIS ⁽⁶⁾	MTIS ⁽⁶⁾	kcal/kg ⁽⁷⁾	kcal/kg ⁽⁷⁾
		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		Coal Quality	
			2010	2009	2010	2009
Total	75.6		MTIS ⁽⁶⁾	MTIS ⁽⁶⁾	kcal/kg ⁽⁷⁾	kcal/kg ⁽⁷⁾
		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.

ORE RESERVES AND MINERAL RESOURCES

Metallurgical Coal – Australia Projects

BROWN COAL RESOURCES ⁽⁶⁾ (8)	Attributable % ⁽²⁾	Classification	Tonnes		Coal Quality	
			2010	2009	2010	2009
Monash Energy	100		MTIS ⁽⁶⁾	MTIS ⁽⁶⁾	kcal/kg ⁽⁷⁾	kcal/kg ⁽⁷⁾
		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.