



## NEWS RELEASE

### **XSTRATA COAL WELCOMES SHORTLISTED AUSTRALIAN CCS FLAGSHIP PROJECTS**

Sydney, 8 December 2009

Xstrata Coal has welcomed the Australian Government's announcement to spend up to AUD\$120 million on pre-feasibility work to further assess four short listed Carbon Capture and Storage (CCS) projects, including the Wandoan power plant project in Queensland.

The proposed Wandoan power plant project located northwest of Brisbane intends to generate 334 Mega Watts Equivalent (MWe) Net after 90% CO<sub>2</sub> capture and store up to 2.5 million tonnes of CO<sub>2</sub> per annum.

Xstrata Coal will provide a platform for Stanwell Corporation and GE Energy to develop an IGCC power station inclusive of CO<sub>2</sub> capture capability and is part of an alliance with these corporations for the proposed carbon transportation and storage component of the project.

Chief Executive Xstrata Coal Peter Freyberg, said, "With today's announcement the Rudd Government has claimed an important leadership role in accelerating the global development and deployment of CCS.

"This is a significant first step to position Australia as a key contributor towards achieving the G8's goal of establishing 20 CCS projects globally by 2020."

If the Wandoan power project proceeds, Xstrata Coal intends to supply coal from its Wandoan Coal Project, which is currently undergoing feasibility studies and recently submitted its Supplementary Environmental Impact Statement (EIS) to the Queensland Coordinator General.

"Xstrata Coal is firmly committed to supporting the development of a suite of low emission technologies for fossil fuels as part of the transition to a low carbon future," said Mr Freyberg.

Xstrata Coal is a member of the Global CCS Institute and a key contributor to the Australian coal industry's AUD\$1 billion COAL21 Fund.

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