



MEDIA RELEASE

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XSTRATA COAL COMMENCES WANDOAN PRE-FEASIBILITY STUDIES

Xstrata Coal has commenced investigations into the feasibility of developing an open cut thermal coal mine at Wandoan, located in the Taroom Shire, Queensland.

Initial production of the proposed mine is expected to be in excess of 20 million tonnes per annum (Mtpa) run of mine coal, for an expected life of 30 years.

"Wandoan provides a unique opportunity for Xstrata Coal to begin exploring a large and untapped thermal coal resource with ideal characteristics to be used in Integrated Gasification Combined Cycle (IGCC) and other low emission technologies," said Xstrata Coal Chief Executive, Peter Coates.

"The region provides significant opportunities for Xstrata Coal, the surrounding communities and the Queensland economy, via its potential for new employment, infrastructure and export revenue."

The 'Wandoan Project' is proposed to be developed by Xstrata Coal Queensland on behalf of the Wandoan Joint Venture (WJV), consisting of Xstrata Coal Queensland Pty Ltd (75%), ICRA (Itochu) Pty Ltd (12.5%) and Sumisho Coal Australia Pty Ltd (12.5%).

Xstrata Coal Queensland lodged three mining lease applications in May 2007, covering approximately 32,000 hectares of exploration tenure west of the town of Wandoan.

The first stage of the Wandoan Project will include feasibility studies and the preparation of an Environmental Impact Statement (EIS). These studies will assist Xstrata Coal to identify and assess potential social, economic and environmental impacts and benefits on a local, regional and state basis. The EIS will also identify management strategies to mitigate or minimise any identified impacts,

"The EIS will enable Xstrata Coal to determine whether the Project is feasible and to seek mining approval from the Queensland Government," said Mr Coates.

From 9 July, Xstrata Coal will conduct a series of community information workshops in the towns of Wandoan, Taroom and Miles, to provide further information for local landowners and stakeholders, regarding the Project's timeframe, technical studies, approval process and future consultation activities.

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"Community consultation and engagement is very important to the long term management and development of the proposed Wandoan Project," said Mr Coates.

Queensland's Coordinator-General granted the Wandoan Project 'State Significance' status in March 2007.

"A decision to proceed with the mine development is not expected before late 2009, following the resolution of the environmental and planning assessment process and a decision by the Government," said Mr Coates.

"A final commitment to proceed with the project will depend on port access at the time and the resolution of engineering studies, geological investigation, community and environmental considerations and the marketability of the product."

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For further media information:

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