



MEDIA RELEASE

Xstrata Coal commits to Port Alma pre-feasibility study

Sydney – 2 July 2008, Xstrata Coal (“Xstrata”) today confirmed it has agreed to commence a detailed pre-feasibility study to investigate the development and operation of the proposed Port Alma Coal Exporting Terminal (“Port Alma”) in Queensland, Australia.

Xstrata recently completed its review of the draft Port Alma concept report, which highlighted the possibilities of developing a coal terminal of at least 20 Mtpa capacity.

The pre-feasibility study will commence in early July 2008, to be completed by 30 June 2009. An environmental assessment will be conducted during the pre-feasibility phase.

“We are very pleased to be working with the Gladstone Port Corporation to consider the feasibility of developing Port Alma to meet the increasing infrastructure needs of the state of Queensland,” said Peter Freyberg, Chief Executive Xstrata Coal.

“As global demand for coal continues to increase, Xstrata is taking a leading role in exploring new opportunities to expand Australia’s export capacity.”

The pre-feasibility study will include geotechnical investigations, hydrographic survey work and sedimentation studies. Xstrata will also conduct an analysis of the development of an additional two berths for the handling of products other than coal.

Expenditure on the pre-feasibility study is expected to be approximately AUD \$4 million.

END

For further media information:

James Rickards
Communications Manager
Xstrata Coal
Phone: 07 3115 5382
Mobile: 0419 731 371
Email: jrickards@xstratacoal.com

Xstrata Coal Pty Limited ABN 18 082 271 930

PO Box R1543 Royal Exchange Sydney NSW 1225 Australia
Level 38 Gateway 1 Macquarie Place Sydney NSW 2000 Australia

Tel +61 2 9253 6700 Fax +61 2 9241 6898 www.xstrata.com