

# THERMAL COAL

In South Africa, Thermal Coal owns and operates nine mines. In Colombia, we have one-third shareholding (with BHP Billiton and Xstrata each owning one-third) in Cerrejón, Colombia's biggest thermal coal exporter.

About 5.1 billion tonnes of thermal coal are produced globally each year. Around 40% of all electricity generated globally is powered by thermal coal.

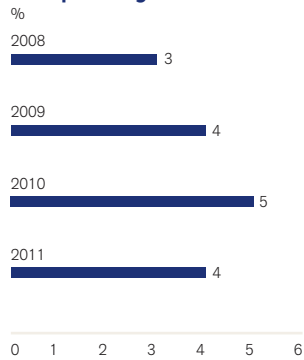
**Image**

In South Africa, Greenside colliery supplies thermal coal to both the domestic and export markets. In 2011, the mine produced 2.85 Mt of coal.

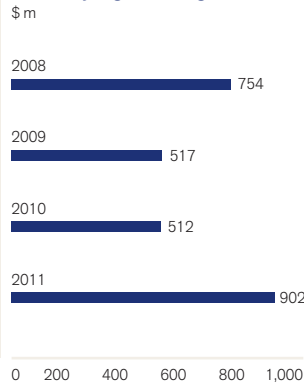


# FINANCIAL HIGHLIGHTS

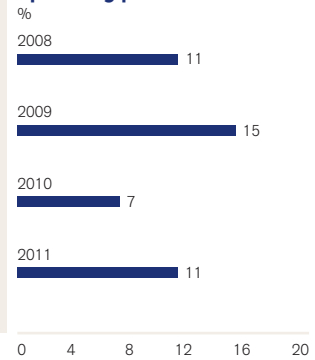
**Share of Group net operating assets**



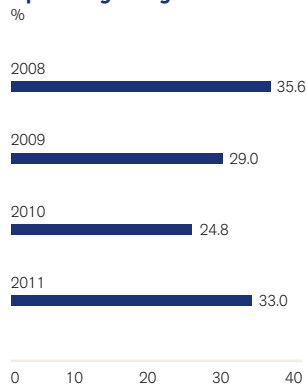
**Underlying earnings**



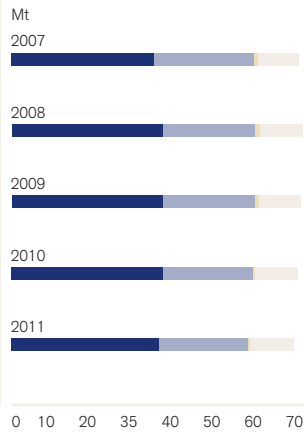
**Share of Group operating profit**



**Operating margin**



**Anglo American coal production from Thermal Coal**



- Eskom
- Trade - Thermal South Africa
- Trade - Metallurgical South Africa
- Trade - Thermal Cerréjon

# FINANCIAL DATA

\$ million	2011	2010	2009	2008
<b>Turnover</b>				
Subsidiaries	2,642	2,105	1,748	2,210
Joint ventures	–	–	–	–
Associates	1,080	761	742	841
<b>Total turnover</b>	<b>3,722</b>	<b>2,866</b>	<b>2,490</b>	<b>3,051</b>
Of which:				
South Africa	2,642	2,105	1,748	2,210
South America	1,080	761	742	841
<b>EBITDA</b>	<b>1,410</b>	<b>872</b>	<b>875</b>	<b>1,200</b>
Of which:				
South Africa	902	539	550	814
South America	535	358	352	419
Projects and corporate	(27)	(25)	(27)	(33)
<b>Depreciation and amortisation</b>	<b>180</b>	<b>162</b>	<b>154</b>	<b>293</b>
<b>Operating profit before special items and remeasurements</b>	<b>1,230</b>	<b>710</b>	<b>721</b>	<b>1,078</b>
Of which:				
South Africa	775	426	442	736
South America	482	309	305	375
Projects and corporate	(27)	(25)	(26)	(33)
Operating special items and remeasurements	1	(2)	(6)	2
<b>Operating profit after special items and remeasurements</b>	<b>1,231</b>	<b>708</b>	<b>715</b>	<b>1,080</b>
<b>Net interest, tax and non-controlling interests</b>	<b>(328)</b>	<b>(198)</b>	<b>(204)</b>	<b>(324)</b>
<b>Underlying earnings</b>	<b>902</b>	<b>512</b>	<b>517</b>	<b>754</b>
Of which:				
South Africa	611	314	328	543
South America	318	223	215	243
Projects and corporate	(27)	(25)	(26)	(32)
<b>Net operating assets</b>	<b>1,886</b>	<b>2,111</b>	<b>1,707</b>	<b>1,018</b>
<b>Capital expenditure</b>	<b>190</b>	<b>274</b>	<b>400</b>	<b>365</b>



01 A geologist checks and programs a mobile pit wall stability radar device at New Vaal Colliery.



# BUSINESS OVERVIEW

## OPERATING PROFIT

(2010: \$710m)

**\$1,230 m**

## SHARE OF GROUP OPERATING PROFIT

(2010: 7%)

**11%**

## EBITDA

(2010: \$872 m)

**\$1,410 m**

## Financial highlights

\$ million (unless otherwise stated)	2011	2010
Operating profit	<b>1,230</b>	710
South Africa	<b>775</b>	426
Colombia	<b>482</b>	309
Projects and corporate	<b>(27)</b>	(25)
EBITDA	<b>1,410</b>	872
Net operating assets	<b>1,886</b>	2,111
Capital expenditure	<b>190</b>	274
Share of Group operating profit	<b>11%</b>	7%
Share of Group net operating assets	<b>4%</b>	5%

## BUSINESS OVERVIEW

Thermal Coal operates in South Africa and is a joint partner in Cerrejón, Colombia. In South Africa, Thermal Coal wholly owns and operates nine mines and has a 50% interest in the Mafube colliery and Phola washing plant. Six of the mines collectively supply 22 Mtpa of thermal coal to both export and local markets. New Vaal, New Denmark and Kriel collieries are domestic product operations supplying 30 Mtpa of thermal coal to Eskom, the state-owned power utility. Isibonelo mine produces 5 Mtpa of thermal coal for Sasol Synthetic Fuels, the coal-to-liquids producer, under a 20 year supply contract.

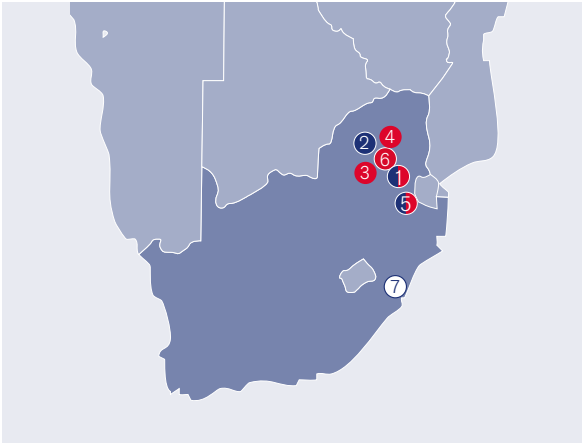
Anglo American Inyosi Coal, a broad-based black economic empowerment (BEE) company valued at approximately \$1 billion, is 73% held by Anglo American; the remaining 27% is held by Inyosi, a BEE consortium led by the Pamodzi and Lithemba consortia (66%), with the Women's Development Bank and a community trust holding the remaining equity. Anglo American Inyosi Coal, in turn, owns Kriel colliery, the new Zibulo multi-product colliery and the greenfield projects of Elders, New Largo and Heidelberg.

Thermal Coal's South African operations currently route all export thermal coal through the Richards Bay Coal Terminal (RBCT), in which it has a 24.17% shareholding, to customers throughout the Med-Atlantic and Asia-Pacific regions. Within South Africa, 62% of total sales tonnes are made to the Eskom power utility, of which the majority are on long term (i.e. life of mine) cost-plus contracts. A further 8% is sold to Sasol and 2% supplied to industrial sector consumers. The remaining 28% is exported through RBCT.

In South America, Anglo American, BHP Billiton and Xstrata each own a one-third shareholding in Cerrejón, Colombia's largest thermal coal exporter. This opencast operation currently has a 32 Mtpa production capacity (10.7 Mtpa attributable). In 2011, an expansion was approved to increase this capacity to 40 Mtpa (13.3 Mtpa attributable). Cerrejón owns and operates its own rail and deep water port facilities and sells into the export thermal and pulverised coal injection (PCI) coal markets.

## Our Thermal Coal export operations

Map excludes Domestic and Synfuel operations



### South Africa

- 1 100% Goedehoop
- 2 100% Greenside
- 3 100% Kleinkopje
- 4 100% Landau
- 5 73% Zibulo
- 6 50% Mafube

- 7 27.5% Richards Bay Coal Terminal

### South America

- 1 33% Cerrejón (Colombia)



### Key

- Open Cast
- Other
- Underground

## Mine Life<sup>(1)</sup> and Total Reserves and Resources



Reserves (Operations)<sup>(2)</sup>



Resources (Operations and Projects)<sup>(3)</sup>

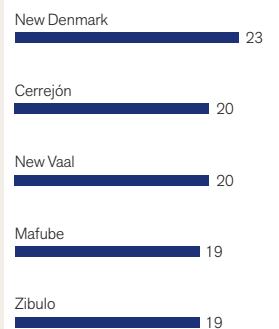
<sup>(1)</sup> Mine Life = the extraction period in years for scheduled Ore Reserves comprising Proved and Provable Reserves only.

<sup>(2)</sup> Includes Colombian Thermal (Export) and South African Thermal (Export & Domestic), Metallurgical (Other) and Synfuel Coal Reserves. The figures reported represent 100% of the ROM Coal Reserves and Coal Resources; the percentage attributable to Anglo American plc is stated separately on pages 55, 61 and 62. Coal Reserves are additional to Coal Resources.

<sup>(3)</sup> Coal Resources for Operations are reported as additional to Coal Reserves.

## Five longest life operations

Years



Source: Anglo American

# INDUSTRY OVERVIEW

## INDUSTRY OVERVIEW

Coal is the most abundant source of fossil fuel energy in the world, considerably exceeding known reserves of oil and gas. The bulk of all coal produced worldwide is thermal coal, which is used as a fuel for power generation and other industries, notably the cement sector. In 2011, seaborne thermal coal demand accounted for approximately 790 Mt and was supplied from many countries, with coal producers operating in a highly competitive global marketplace.

Thermal coal usage is driven by the demand for electricity and is influenced by the price of competing fuels, such as oil and gas and, increasingly, the cost of carbon. Global thermal coal demand is also affected by the availability of alternative generating technologies, including gas, nuclear, hydro-electricity and renewables. The market for export thermal coal is further impacted by the varying degrees of privatisation and deregulation in electricity markets, with customers focused on securing the lowest cost fuel supply in order to produce power at a competitive price. This has resulted in a move away from longer term towards shorter term contracts priced against various coal price indices, which has given rise to the development of an increasingly active financial market for hedging and derivative instruments. The extent to which these pricing instruments are used, however, varies from region to region.

## Markets

Anglo American weighted average achieved FOB price (\$/tonne)	2011	2010
RSA export thermal coal	114.27	82.49
RSA domestic thermal coal	21.36	18.42
Colombian export thermal coal	101.01	72.69
Attributable sales volumes ('000 tonnes)	2011	2010
RSA export thermal coal	16,532	16,347
RSA domestic thermal coal	40,136	41,323
Colombian export thermal coal	10,685	10,461

The Asia-Pacific region started the year with severe weather interruptions in Australia and Indonesia, disrupting coal exports and driving Newcastle thermal coal FOB<sup>(1)</sup> prices to a post-2008 high of \$136/t during January and averaging \$121/t for the year (2010: \$99/t). The earthquake and tsunami which struck Japan in March 2011 damaged the country's Pacific coast coal-fired power plants and transmission infrastructure. Although this event immediately reduced Japan's thermal coal requirements, India and China imported significantly more thermal coal during 2011, some 25% and 15% respectively above 2010 volumes, which increased overall demand in the Asia-Pacific region by approximately 8%. During the final quarter of 2011, the market weakened, as the earlier upsurge in international thermal coal prices and

increased exports from Indonesia softened demand. Australian FOB prices subsequently stabilised in December at \$110/t.

The Med-Atlantic region was impacted by the political upheaval and ensuing geo-political tensions that affected several North African and Middle Eastern countries, which led to an increase in global energy prices and improved thermal coal's competitiveness compared with gas-powered electricity generation. This was a contributing factor to a forecast 8% increase in thermal coal imports into the Atlantic region during 2011 and added support to South African FOB<sup>(2)</sup> export prices, which averaged \$116/t in the year (2010: \$92/t).

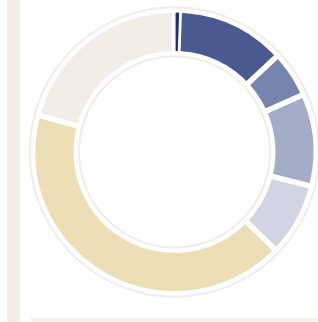
A warm start to the northern hemisphere winter, continued economic uncertainty within Europe and increased exports from the US, Colombia and South Africa adversely affected market sentiment during the fourth quarter. This placed pressure on seaborne thermal coal prices, which for South African exports settled at \$104/t (FOB) during December.



01 Load haul vehicle operator Tami Xaba at Isibonelo colliery.

# MARKET INFORMATION

**2011 thermal coal supply<sup>(1)</sup>**  
Total 790.5 Mt

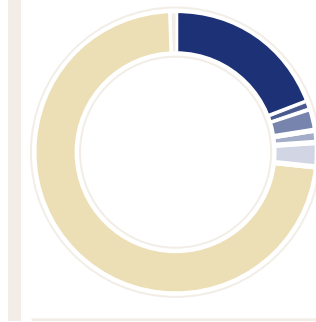


- Western Europe 0.4%
- Other Europe and CIS 12.8%
- North America 5.3%
- South America 10.6%
- Africa and Middle East 8.4%
- Asia 41.9%
- Oceania 20.6%

Source: Wood Mackenzie

<sup>(1)</sup> Seaborne, traded.

**2011 thermal coal demand<sup>(1)</sup>**  
Total 790.5 Mt



- Western Europe 19.5%
- Other Europe and CIS 0.3%
- North America 2.4%
- South America 1.5%
- Africa and Middle East 2.7%
- Asia 73.5%
- Oceania 0.1%

Source: Wood Mackenzie

<sup>(1)</sup> Seaborne, traded.

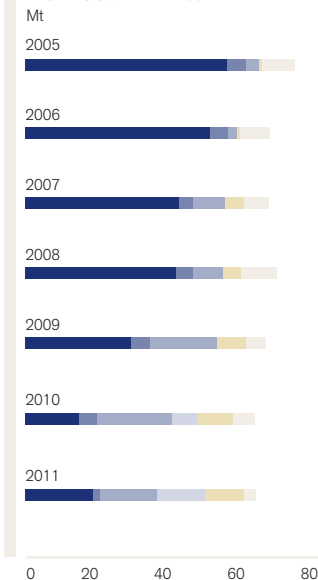
**Top ten exporters of thermal coal in 2011**



- Xstrata plc 49Mt 6.4%
- PT Bumi Resources Tbk 42Mt 5.5%
- Siberian Coal Energy Company (SUEK) 34Mt 4.4%
- PT Adaro Energy Tbk 34Mt 4.4%
- BHP Billiton Limited 32Mt 4.2%
- Anglo American plc 32Mt 4.1%
- Drummond Company Inc 23Mt 3.0%
- Ugol'naya kom. Kuzbassrazrezugol' OAO 23Mt 3.0%
- Banpu Public Company Ltd 21Mt 2.7%
- Tata Power Company Ltd 18Mt 2.4%
- Others 458Mt 59.8%

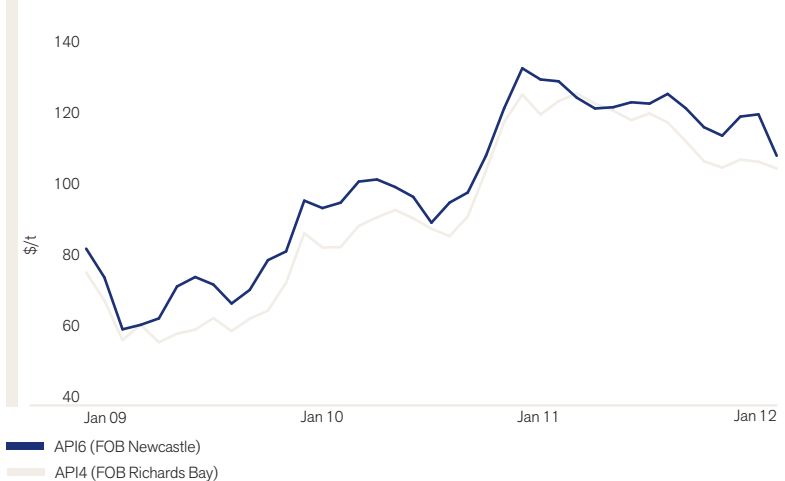
Source: AME

**Export thermal coal from South Africa**



- Europe
- Middle East
- India
- China
- Other Asia
- Others

**Market price analysis**  
(Shown to March 2012)



- API6 (FOB Newcastle)
- API4 (FOB Richards Bay)

# STRATEGY AND GROWTH

## STRATEGY AND GROWTH

Thermal Coal is focused on supplying the electricity generation and industrial sectors from large, low cost coal basins, with a global growth strategy that targets participation in the most attractive export markets. We have a diverse, high quality asset portfolio in South Africa and Colombia and aim to continue being a long term, reliable supplier. We also actively participate in the pursuit of cleaner coal solutions for the world's energy needs through the development of new technologies in areas such as clean coal, carbon capture and storage, algal sequestration and methane-drainage flaring.

Thermal Coal is expanding its current position in the export market, while maintaining a significant position in the domestic market in South Africa. We plan to deliver on this ambition through our extensive portfolio of expansion projects, supported by targeted acquisitions.

Anglo American has approved investment into the expansion at Cerrejón Phase 1 to increase the port and logistics chain capacity to reach 40 Mtpa (100% basis). Phase 2 of this expansion project has the potential to increase production to 50 to 60 Mtpa, which may require a river diversion in order to access additional reserves. Thermal Coal is currently completing its feasibility study on New Largo, identified by Eskom as a primary coal supplier to its Kusile power station, now under construction.

In 2010, there was a marked swing from the Med-Atlantic to the Asia-Pacific market, resulting in India boosting its status as a substantial and growing market for South Africa-sourced coal. Close to 70% of South Africa's coal exports were destined for the Asia-Pacific market in 2011. In the longer term, growth in global thermal coal demand is expected to outpace growth in world energy demand. According to BP's 2011 Statistical Review of World Energy, thermal coal's share of the global energy mix rose to 29.6% in 2010, up from 25.6% in 2001 and the highest since 1970.

In October 2010, Anglo American announced that it planned to dispose of its Kleinkopje colliery in Mpumalanga, South Africa. Thermal Coal then conducted a rigorous and competitive disposal process, which took more than 10 months to complete. Despite significant initial interest in the asset, this did not translate into any acceptable offers being received by the closing date of June 2011. As a result, in August 2011, Anglo American announced its decision to terminate the sale process, and established a high-level project team to optimise the configuration of the mine to ensure its continued operation and improve performance.

In addition to developing operations in its existing geographies, Thermal Coal is constantly evaluating potential opportunities in new regions which are well placed to service its growing markets.

## Projects

The 6.6 Mtpa Zibulo mine in South Africa reached commercial operating levels in the fourth quarter of 2011, ahead of schedule.

Also in South Africa, the New Largo project, currently at feasibility stage, has two main elements: a new opencast mine and a conveyor which will run from an existing coal plant to an Eskom power station. The operation plans to mine domestic thermal coal and Thermal Coal is currently negotiating a coal supply agreement with Eskom for delivery into its Kusile power station. Initial coal from the mine is expected in 2015.

In Colombia, Phase 1 of the Cerrejón P500 expansion project, to increase production by 8 Mtpa, was approved by Cerrejón's three shareholders in the third quarter of 2011. First coal is targeted during the fourth quarter of 2013, with the project expected to achieve full production at the end of 2015. As at the end of 2011, the project was on schedule and on budget.



01 The coal plant at Cerrejón in Colombia. During the year investment plans were approved to increase Cerrejón's port and logistics chain capacity to 40 Mtpa.



# PROJECT PIPELINE – KEY PROJECTS

## Zibulo (previously Zondagsfontein) Overall capex: \$517m (100%)

**Country**

South Africa

**Ownership**

73% Anglo American

**Production volume**

6.6 Mtpa thermal (100%)

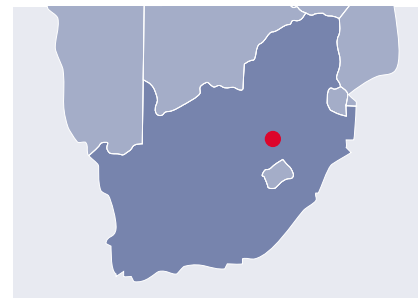
**Full project capex**

\$517m (100%)

**Full production**

Q4 2012

The Zibulo project consists of an underground mine and double-stage washing plant producing an export thermal and middlings product. The washing plant is a 50:50 joint venture with BHP Billiton Energy Coal South Africa. The project reached commercial operating levels in the fourth quarter of 2011, ahead of schedule.



## Elders multi-product project Overall capex: TBD

**Country**

South Africa

**Ownership**

73% Anglo American

**Production volume**

3.0 Mtpa thermal (100%)

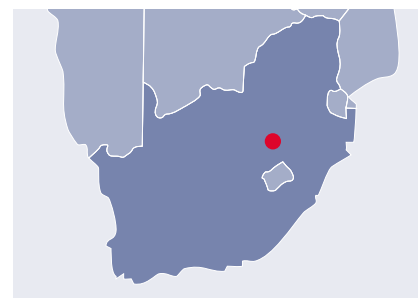
**Full project capex**

TBD

**Full production**

2019

The previously classified Elders opencast and underground projects have now been combined and is being evaluated as a multi-product underground mine, producing a lower grade export and middlings product.



## New Largo Overall capex: TBD

**Country**

South Africa

**Ownership**

73% Anglo American

**Production volume**

13 Mtpa thermal (domestic, 100%)

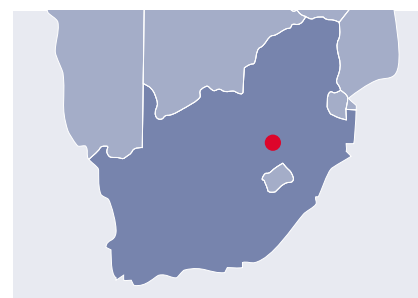
**Full project capex**

TBD

**Full production**

2017

The New Largo project, currently at feasibility stage, has two main elements: a new opencast mine and a conveyor which will run from an existing coal plant to an Eskom power station. The operation plans to mine domestic thermal coal and Thermal Coal is currently negotiating a coal supply agreement with Eskom for delivery into its Kusile power station. Initial coal is expected in 2015.



## Cerrejón P500 Phase 1 Overall capex: \$1,311m (100%)

**Country**

Colombia

**Ownership**

33% Anglo American

**Production volume**

8 Mtpa thermal (100%)

**Full project capex**

\$1,311m (100%)

**Full production**

2015

P500 – Phase 1 project is an expansion of current production from 32 Mtpa to 40 Mtpa at full production. The increase in tonnage will be achieved by systematically eliminating bottle necks and constraints in the production, processing and transportation of coal. The project was approved by Cerrejón's three shareholders in the third quarter of 2011. First coal is targeted during the fourth quarter of 2013, with the project expected to achieve full production at the end of 2015.



# PRODUCTION DATA

Production (tonnes)	2011	2010	2009	2008	2007
<b>South Africa</b>					
Eskom	<b>35,296,000</b>	36,403,400	36,225,100	36,158,100	34,064,000
Thermal (non-Eskom)	<b>21,388,100</b>	21,612,000 <sup>(1)</sup>	22,185,900 <sup>(1)</sup>	22,286,800	23,952,400
Metallurgical	<b>323,400</b>	436,500	747,100	971,900	1,143,700
<b>South Africa Total</b>	<b>57,007,500</b>	<b>58,451,900<sup>(1)</sup></b>	<b>59,158,100<sup>(1)</sup></b>	<b>59,416,800</b>	<b>59,160,100</b>
<b>South America<sup>(2)</sup></b>					
Thermal	<b>10,751,700</b>	10,060,100	10,189,600	10,410,300	9,875,400
<b>Total Thermal Coal segment</b>	<b>67,759,200</b>	<b>68,512,000<sup>(1)</sup></b>	<b>69,347,700<sup>(1)</sup></b>	<b>69,827,100</b>	<b>69,035,500</b>
<b>South Africa</b>					
Bank	–	–	–	–	51,900
Greenside	<b>2,853,100</b>	3,425,000	3,294,600	3,401,100	3,314,900
Goedehoop	<b>5,200,800</b>	6,026,200	6,905,000	7,449,400	8,456,200
Isibonelo	<b>4,338,200</b>	4,569,100	5,061,900	5,152,100	5,001,000
Kriel	<b>8,151,700</b>	9,526,100	11,161,700	10,344,400	11,210,100
Kleinkopje	<b>4,400,600</b>	4,423,600	4,414,000	4,545,600	3,490,700
Landau	<b>4,171,200</b>	4,085,800	4,231,500	4,089,300	4,058,200
New Denmark	<b>4,812,600</b>	5,051,600	3,728,900	5,272,500	5,134,700
New Vaal	<b>17,399,700</b>	17,235,300	17,553,700	17,034,400	17,119,500
Nooitgedacht	–	–	475,000	454,600	565,700
Mafube	<b>2,313,100</b>	2,447,700	2,212,800	1,673,400	757,200
Zibulo	<b>3,366,500</b>	1,661,500	119,000	–	–
<b>Total</b>	<b>57,007,500</b>	<b>58,451,900<sup>(1)</sup></b>	<b>59,158,100<sup>(1)</sup></b>	<b>59,416,800</b>	<b>59,160,100</b>
<b>South America<sup>(2)</sup></b>					
Carbones Del Cerrejón	<b>10,751,700</b>	10,060,100	10,189,600	10,410,300	9,875,400
<b>Total</b>	<b>10,751,700</b>	<b>10,060,100</b>	<b>10,189,600</b>	<b>10,410,300</b>	<b>9,875,400</b>

<sup>(1)</sup> Zibulo reached commercial production on 1 October 2011. Revenue and related costs associated with 2,155 kt (2010: 1,662 kt) of production have been capitalised before commercial production was reached. The 2,155 kt includes Eskom coal of 633 kt (2010: 765 kt) and export thermal coal production of 1,522 kt (2010: 897 kt).

<sup>(2)</sup> South American production excludes Carbones del Guasare which was identified as non-core in 2009.



**01** The incline conveyor and 6,000 tonne silo at the newly commissioned Zibulo mine.

# THERMAL COAL

Ore Reserve and Mineral Resource estimates as at 31 December 2011

## THERMAL COAL

The Coal Reserve and Coal Resource estimates were compiled in accordance with The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, (The SAMREC Code, 2007) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004) as applicable. 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 Thermal Coal comprises the dominantly export and domestic thermal coal operations, located in Colombia and South Africa.

Thermal Coal – Colombia Operations			ROM Tonnes <sup>(3)</sup>		Yield <sup>(4)</sup>		Saleable Tonnes <sup>(3)</sup>		Saleable Quality <sup>(5)</sup>		
COAL RESERVES <sup>(1)</sup>	Attributable% <sup>(2)</sup>	Mine Life	Classification	2011	2010	2011	2010	2011	2010	2011	2010
				Mt	Mt	ROM %	ROM %	Mt	Mt	kcal/kg	kcal/kg
<b>Cerrejón (OC)</b>	33.3	20									
Thermal – Export			Proved	718.8	659.0	96.8	95.2	695.5	634.8	6,300	6,230
			Probable	86.0	64.1	96.8	95.3	83.2	61.7	6,240	6,230
			<b>Total</b>	<b>804.8</b>	<b>723.1</b>	<b>96.8</b>	<b>95.2</b>	<b>778.7</b>	<b>696.5</b>	<b>6,290</b>	<b>6,230</b>
<b>Colombia Thermal – Export 33.3</b>											
			Proved	718.8	659.0	96.8	95.2	695.5	634.8	6,300	6,230
			Probable	86.0	64.1	96.8	95.3	83.2	61.7	6,240	6,230
			<b>Total</b>	<b>804.8</b>	<b>723.1</b>	<b>96.8</b>	<b>95.2</b>	<b>778.7</b>	<b>696.5</b>	<b>6,290</b>	<b>6,230</b>
Thermal Coal – South Africa Operations											
COAL RESERVES <sup>(1)</sup>	Attributable% <sup>(2)</sup>	Mine Life	Classification	2011	2010	2011	2010	2011	2010	2011	2010
				Mt	Mt	ROM %	ROM %	Mt	Mt	kcal/kg	kcal/kg
<b>Goedehoop (UG&amp;OC)</b>	100	11									
Thermal – Export			Proved	37.4	46.8	53.0	53.9	20.2	25.7	6,200	6,190
			Probable	48.6	45.6	51.7	55.0	25.6	25.6	6,210	6,220
			<b>Total</b>	<b>86.0</b>	<b>92.4</b>	<b>52.3</b>	<b>54.4</b>	<b>45.9</b>	<b>51.3</b>	<b>6,220</b>	<b>6,220</b>
<b>Greenside (UG)</b>	100	11									
Thermal – Export			Proved	25.8	37.3	58.1	58.6	15.5	22.7	6,200	6,190
			Probable	21.9	2.3	53.9	62.8	12.3	1.5	6,190	6,190
			<b>Total</b>	<b>47.8</b>	<b>39.6</b>	<b>56.2</b>	<b>58.8</b>	<b>27.8</b>	<b>24.2</b>	<b>6,200</b>	<b>6,190</b>
<b>Isibonelo (OC)</b>	100	14									
Synfuel			Proved	69.9	74.9	100	100	69.9	74.9	4,590	4,640
			Probable	–	–	–	–	–	–	–	–
			<b>Total</b>	<b>69.9</b>	<b>74.9</b>	<b>100</b>	<b>100</b>	<b>69.9</b>	<b>74.9</b>	<b>4,590</b>	<b>4,640</b>
<b>Kleinkopje (OC)</b>	100	13									
Thermal – Export			Proved	64.5	77.5	35.9	37.1	23.7	29.0	6,170	6,220
			Probable	12.0	12.3	45.9	45.8	5.6	5.7	6,180	6,240
			<b>Total</b>	<b>76.4</b>	<b>89.8</b>	<b>37.5</b>	<b>38.3</b>	<b>29.3</b>	<b>34.7</b>	<b>6,170</b>	<b>6,220</b>
Thermal – Domestic			Proved	–	–	33.8	31.7	21.8	24.9	4,550	4,460
			Probable	–	–	–	–	–	–	–	–
			<b>Total</b>	<b>–</b>	<b>–</b>	<b>28.5</b>	<b>27.4</b>	<b>21.8</b>	<b>24.9</b>	<b>4,550</b>	<b>4,460</b>
<b>Kriel (UG&amp;OC)</b>	73.0	14									
Thermal – Domestic			Proved	46.0	61.2	100	100	46.0	61.2	4,790	4,800
			Probable	67.5	69.6	100	100	67.5	69.6	4,430	4,450
			<b>Total</b>	<b>113.5</b>	<b>130.8</b>	<b>100</b>	<b>100</b>	<b>113.5</b>	<b>130.8</b>	<b>4,580</b>	<b>4,610</b>
<b>Landau (OC)</b>	100	9									
Thermal – Export			Proved	36.4	44.7	48.5	50.7	17.8	23.0	6,240	6,250
			Probable	24.4	24.7	48.5	48.7	11.9	12.2	6,230	6,250
			<b>Total</b>	<b>60.7</b>	<b>69.4</b>	<b>48.5</b>	<b>50.0</b>	<b>29.8</b>	<b>35.2</b>	<b>6,240</b>	<b>6,250</b>
Thermal – Domestic			Proved	–	–	8.8	8.5	3.2	3.8	4,550	4,100
			Probable	–	–	7.3	8.5	1.8	2.1	3,970	4,400
			<b>Total</b>	<b>–</b>	<b>–</b>	<b>8.2</b>	<b>8.5</b>	<b>5.0</b>	<b>6.0</b>	<b>4,340</b>	<b>4,210</b>
<b>Mafube (OC)</b>	50.0	19									
Thermal – Export			Proved	24.8	30.1	46.5	49.0	11.6	14.8	6,220	6,270
			Probable	66.6	–	33.1	–	22.2	–	6,210	–
			<b>Total</b>	<b>91.3</b>	<b>30.1</b>	<b>36.7</b>	<b>49.0</b>	<b>33.8</b>	<b>14.8</b>	<b>6,210</b>	<b>6,270</b>
Thermal – Domestic			Proved	–	–	27.1	23.1	6.8	6.9	5,460	5,490
			Probable	–	–	37.3	–	25.0	–	5,010	–
			<b>Total</b>	<b>–</b>	<b>–</b>	<b>34.5</b>	<b>23.1</b>	<b>31.8</b>	<b>6.9</b>	<b>5,110</b>	<b>5,490</b>
<b>New Denmark (UG)</b>	100	23									
Thermal – Domestic			Proved	30.2	40.4	100	100	30.2	40.4	4,880	4,930
			Probable	80.9	92.9	100	100	80.9	92.9	5,120	5,070
			<b>Total</b>	<b>111.1</b>	<b>133.3</b>	<b>100</b>	<b>100</b>	<b>111.1</b>	<b>133.3</b>	<b>5,050</b>	<b>5,030</b>

## THERMAL COAL

Ore Reserve and Mineral Resource estimates as at 31 December 2011

## Thermal Coal – South Africa Operations continued

COAL RESERVES <sup>(1)</sup>	Attributable% <sup>(2)</sup>	Mine Life	Classification	ROM Tonnes <sup>(3)</sup>		Yield <sup>(4)</sup>		Saleable Tonnes <sup>(3)</sup>		Saleable Quality <sup>(5)</sup>	
				2011	2010	2011	2010	2011	2010	2011	2010
<b>New Vaal (OC)</b>	100	20		Mt	Mt	ROM %	ROM %	Mt	Mt	kcal/kg	kcal/kg
Thermal – Domestic			Proved	371.8	397.5	93.4	93.4	359.8	384.6	3,490	3,490
			Probable	–	–	–	–	–	–	–	–
			<b>Total</b>	<b>371.8</b>	<b>397.5</b>	<b>93.4</b>	<b>93.4</b>	<b>359.8</b>	<b>384.6</b>	<b>3,490</b>	<b>3,490</b>
<b>Nooitgedacht 5 Seam (UG)</b>	100	1								kcal/kg	kcal/kg
Metallurgical – Other			Proved	0.4	1.2	63.6	28.4	0.3	0.4	6,370	6,280
			Probable	–	–	–	–	–	–	–	–
			<b>Total</b>	<b>0.4</b>	<b>1.2</b>	<b>63.6</b>	<b>28.4</b>	<b>0.3</b>	<b>0.4</b>	<b>6,370</b>	<b>6,280</b>
<b>Zibulo (UG&amp;OC)</b>	73.0	19								kcal/kg	kcal/kg
Thermal – Export			Proved	86.1	–	49.4	–	43.0	–	6,090	–
			Probable	28.6	111.9	46.1	41.0	13.3	46.3	6,070	6,320
			<b>Total</b>	<b>114.7</b>	<b>111.9</b>	<b>48.6</b>	<b>41.0</b>	<b>56.3</b>	<b>46.3</b>	<b>6,090</b>	<b>6,320</b>
Thermal – Domestic			Proved	–	–	29.8	–	26.4	–	4,820	–
			Probable	–	–	30.4	35.6	8.9	40.9	4,640	4,990
			<b>Total</b>	<b>–</b>	<b>–</b>	<b>29.9</b>	<b>35.6</b>	<b>35.4</b>	<b>40.9</b>	<b>4,770</b>	<b>4,990</b>
<b>South Africa Thermal – Export</b>	85.6			Mt	Mt	Plant %	Plant %	Mt	Mt	kcal/kg	kcal/kg
			Proved	793.3	811.7	48.2	49.3	131.8	115.7	6,170	6,230
			Probable	350.5	359.3	45.9	46.6	90.9	91.3	6,190	6,280
			<b>Total</b>	<b>1,143.8</b>	<b>1,171.0</b>	<b>47.0</b>	<b>48.1</b>	<b>222.7</b>	<b>207.0</b>	<b>6,180</b>	<b>6,250</b>
<b>South Africa Thermal – Domestic</b>	91.7									kcal/kg	kcal/kg
			Proved	–	–	86.9	90.2	494.2	522.0	3,850	3,830
			Probable	–	–	87.2	86.2	184.1	205.5	4,820	4,840
			<b>Total</b>	<b>–</b>	<b>–</b>	<b>86.8</b>	<b>88.9</b>	<b>678.4</b>	<b>727.5</b>	<b>4,110</b>	<b>4,120</b>
<b>South Africa Synfuel</b>	100									kcal/kg	kcal/kg
			Proved	–	–	100	100	69.9	74.9	4,590	4,640
			Probable	–	–	–	–	–	–	–	–
			<b>Total</b>	<b>–</b>	<b>–</b>	<b>100</b>	<b>100</b>	<b>69.9</b>	<b>74.9</b>	<b>4,590</b>	<b>4,640</b>
<b>South Africa Metallurgical – Other</b>	100									kcal/kg	kcal/kg
			Proved	–	–	63.6	28.4	0.3	0.4	6,370	6,280
			Probable	–	–	–	–	–	–	–	–
			<b>Total</b>	<b>–</b>	<b>–</b>	<b>63.6</b>	<b>28.4</b>	<b>0.3</b>	<b>0.4</b>	<b>6,370</b>	<b>6,280</b>

## Thermal Coal – Operations

TOTAL COAL RESERVES <sup>(1)</sup>	Attributable% <sup>(2)</sup>	Classification	ROM Tonnes <sup>(3)</sup>		Yield <sup>(4)</sup>		Saleable Tonnes <sup>(3)</sup>		Saleable Quality <sup>(5)</sup>		
			2011	2010	2011	2010	2011	2010	2011	2010	
<b>Thermal – Export</b>	44.9		Mt	Mt	Plant %	Plant %	Mt	Mt	kcal/kg	kcal/kg	
			Proved	1,512.1	1,470.7	89.1	88.1	827.3	750.5	6,280	6,230
			Probable	436.5	423.3	70.2	66.2	174.2	153.1	6,210	6,260
			<b>Total</b>	<b>1,948.6</b>	<b>1,894.0</b>	<b>85.7</b>	<b>84.4</b>	<b>1,001.4</b>	<b>903.6</b>	<b>6,270</b>	<b>6,230</b>
<b>Thermal – Domestic</b>	91.7									kcal/kg	kcal/kg
			Proved	–	–	86.9	90.2	494.2	522.0	3,850	3,830
			Probable	–	–	87.2	86.2	184.1	205.5	4,820	4,840
			<b>Total</b>	<b>–</b>	<b>–</b>	<b>86.8</b>	<b>88.9</b>	<b>678.4</b>	<b>727.5</b>	<b>4,110</b>	<b>4,120</b>
<b>Synfuel</b>	100									kcal/kg	kcal/kg
			Proved	–	–	100	100	69.9	74.9	4,590	4,640
			Probable	–	–	–	–	–	–	–	–
			<b>Total</b>	<b>–</b>	<b>–</b>	<b>100</b>	<b>100</b>	<b>69.9</b>	<b>74.9</b>	<b>4,590</b>	<b>4,640</b>
<b>Metallurgical – Other</b>	100									kcal/kg	kcal/kg
			Proved	–	–	63.6	28.4	0.3	0.4	6,370	6,280
			Probable	–	–	–	–	–	–	–	–
			<b>Total</b>	<b>–</b>	<b>–</b>	<b>63.6</b>	<b>28.4</b>	<b>0.3</b>	<b>0.4</b>	<b>6,370</b>	<b>6,280</b>

Mining method: OC = Open Cast, UG = Underground. Mine Life = The extraction period in years for scheduled Ore Reserves comprising Proved and Probable Reserves only.

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.

**Thermal – Export** refers to low- to high-volatile thermal coal primarily for export in the use of power generation; quality measured by calorific value (CV).**Thermal – Domestic** refers to low- to high-volatile thermal coal primarily for domestic consumption for power generation; quality measured by calorific value (CV).**Synfuel** refers to a coal specifically for the domestic production of synthetic fuel and chemicals; quality measured by calorific value (CV).**Metallurgical – Other** 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; quality measured by calorific value (CV).



# THERMAL COAL

Ore Reserve and Mineral Resource estimates as at 31 December 2011

## Thermal Coal – Colombia Operations

COAL RESOURCES <sup>(6)</sup>	Attributable% <sup>(2)</sup>	Classification	Tonnes		Coal Quality	
			2011	2010	2011	2010
<b>Cerrejón</b>	33.3		MTIS <sup>(6)</sup>	MTIS <sup>(6)</sup>	kcal/kg <sup>(7)</sup>	kcal/kg <sup>(7)</sup>
		Measured	907.2	870.4	6,460	6,420
		Indicated	173.9	194.4	6,370	6,490
		<b>Measured and Indicated</b>	<b>1,081.1</b>	<b>1,064.8</b>	<b>6,450</b>	<b>6,430</b>
		Inferred (in LOMP) <sup>(8)</sup>	69.2	47.7	6,750	6,910
<b>Colombia – Mine Leases</b>	33.3					
		Measured	907.2	870.4	6,460	6,420
		Indicated	173.9	194.4	6,370	6,490
		<b>Measured and Indicated</b>	<b>1,081.1</b>	<b>1,064.8</b>	<b>6,450</b>	<b>6,430</b>
		Inferred (in LOMP) <sup>(8)</sup>	69.2	47.7	6,750	6,910

THE COAL RESOURCES ARE REPORTED AS ADDITIONAL TO COAL RESERVES.

## Thermal Coal – South Africa Operations

COAL RESOURCES <sup>(6)</sup>	Attributable% <sup>(2)</sup>	Classification	Tonnes		Coal Quality	
			2011	2010	2011	2010
<b>Goedehoop</b>	100		MTIS <sup>(6)</sup>	MTIS <sup>(6)</sup>	kcal/kg <sup>(7)</sup>	kcal/kg <sup>(7)</sup>
		Measured	79.8	111.2	5,470	5,460
		Indicated	75.6	79.9	5,480	5,280
		<b>Measured and Indicated</b>	<b>155.4</b>	<b>191.1</b>	<b>5,470</b>	<b>5,380</b>
		Inferred (in LOMP) <sup>(8)</sup>	–	–	–	–
<b>Greenside</b>	100					
		Measured	11.4	–	5,700	–
		Indicated	2.8	–	5,430	–
		<b>Measured and Indicated</b>	<b>14.2</b>	–	<b>5,650</b>	–
		Inferred (in LOMP) <sup>(8)</sup>	–	13.0	–	5,470
<b>Isibonelo</b>	100					
		Measured	–	–	–	–
		Indicated	20.9	20.3	5,210	5,360
		<b>Measured and Indicated</b>	<b>20.9</b>	<b>20.3</b>	<b>5,210</b>	<b>5,360</b>
		Inferred (in LOMP) <sup>(8)</sup>	–	–	–	–
<b>Kleinkopje</b>	100					
		Measured	28.5	30.2	4,970	5,020
		Indicated	–	–	–	–
		<b>Measured and Indicated</b>	<b>28.5</b>	<b>30.2</b>	<b>4,970</b>	<b>5,020</b>
		Inferred (in LOMP) <sup>(8)</sup>	–	–	–	–
<b>Kriel</b>	73.0					
		Measured	9.0	7.4	5,290	5,240
		Indicated	10.2	18.4	4,860	4,810
		<b>Measured and Indicated</b>	<b>19.3</b>	<b>25.8</b>	<b>5,060</b>	<b>4,930</b>
		Inferred (in LOMP) <sup>(8)</sup>	–	–	–	–
<b>Landau</b>	100					
		Measured	26.5	30.4	4,810	5,730
		Indicated	34.3	41.7	5,180	4,600
		<b>Measured and Indicated</b>	<b>60.8</b>	<b>72.1</b>	<b>5,020</b>	<b>5,080</b>
		Inferred (in LOMP) <sup>(8)</sup>	–	–	–	–
<b>Mafube</b>	50.0					
		Measured	2.5	79.9	5,090	5,320
		Indicated	7.4	–	5,250	–
		<b>Measured and Indicated</b>	<b>9.9</b>	<b>79.9</b>	<b>5,210</b>	<b>5,320</b>
		Inferred (in LOMP) <sup>(8)</sup>	17.0	–	5,170	–
<b>New Denmark</b>	100					
		Measured	–	–	–	–
		Indicated	–	–	–	–
		<b>Measured and Indicated</b>	–	–	–	–
		Inferred (in LOMP) <sup>(8)</sup>	17.0	18.6	5,310	5,220
<b>New Vaal</b>	100					
		Measured	–	–	–	–
		Indicated	–	–	–	–
		<b>Measured and Indicated</b>	–	–	–	–
		Inferred (in LOMP) <sup>(8)</sup>	–	–	–	–
<b>Nooitgedacht 5 Seam</b>	100					
		Measured	1.1	1.1	5,370	4,990
		Indicated	–	–	–	–
		<b>Measured and Indicated</b>	<b>1.1</b>	<b>1.1</b>	<b>5,370</b>	<b>4,990</b>
		Inferred (in LOMP) <sup>(8)</sup>	–	–	–	–
<b>Zibulo</b>	73.0					
		Measured	136.3	79.7	4,950	4,980
		Indicated	184.2	174.6	4,880	4,870
		<b>Measured and Indicated</b>	<b>320.6</b>	<b>254.3</b>	<b>4,910</b>	<b>4,900</b>
		Inferred (in LOMP) <sup>(8)</sup>	29.3	43.7	5,470	5,400
<b>South Africa – Mine Leases</b>	84.7					
		Measured	295.2	339.9	5,120	5,290
		Indicated	335.4	334.9	5,080	4,960
		<b>Measured and Indicated</b>	<b>630.6</b>	<b>674.8</b>	<b>5,100</b>	<b>5,130</b>
		Inferred (in LOMP) <sup>(8)</sup>	63.3	75.4	5,350	5,370

THE COAL RESOURCES ARE REPORTED AS ADDITIONAL TO COAL RESERVES.

## Thermal Coal – Operations

COAL RESOURCES <sup>(6)</sup>	Attributable% <sup>(2)</sup>	Classification	Tonnes		Coal Quality	
			2011	2010	2011	2010
<b>Total</b>	52.2		MTIS <sup>(6)</sup>	MTIS <sup>(6)</sup>	kcal/kg <sup>(7)</sup>	kcal/kg <sup>(7)</sup>
		Measured	1,202.4	1,210.3	6,130	6,100
		Indicated	509.3	529.2	5,520	5,520
		<b>Measured and Indicated</b>	<b>1,711.7</b>	<b>1,739.5</b>	<b>5,950</b>	<b>5,930</b>
		Inferred (in LOMP) <sup>(8)</sup>	132.4	123.0	6,080	5,970

THE COAL RESOURCES ARE REPORTED AS ADDITIONAL TO COAL RESERVES.

## THERMAL COAL

Ore Reserve and Mineral Resource estimates as at 31 December 2011

## Thermal Coal – South Africa Projects

COAL RESOURCES <sup>(6)(8)</sup>	Attributable% <sup>(2)</sup>	Classification	Tonnes		Coal Quality	
			2011	2010	2011	2010
<b>Elders</b>	73.0		MTIS <sup>(6)</sup>	MTIS <sup>(6)</sup>	kcal/kg <sup>(7)</sup>	kcal/kg <sup>(7)</sup>
		Measured	218.1	207.9	5,110	4,980
		Indicated	107.9	30.8	5,400	5,390
		<b>Measured and Indicated</b>	<b>326.0</b>	<b>238.6</b>	<b>5,210</b>	<b>5,030</b>
<b>Kriel Block F</b>	100					
		Measured	–	–	–	–
		Indicated	62.8	62.8	5,310	5,310
		<b>Measured and Indicated</b>	<b>62.8</b>	<b>62.8</b>	<b>5,310</b>	<b>5,310</b>
<b>Kriel East</b>	73.0					
		Measured	81.5	81.5	4,940	4,940
		Indicated	36.0	36.0	4,950	4,950
		<b>Measured and Indicated</b>	<b>117.5</b>	<b>117.5</b>	<b>4,940</b>	<b>4,940</b>
<b>New Largo</b>	73.0					
		Measured	484.9	350.8	4,300	4,400
		Indicated	159.3	286.0	3,920	4,230
		<b>Measured and Indicated</b>	<b>644.3</b>	<b>636.8</b>	<b>4,210</b>	<b>4,320</b>
<b>Nooitgedacht 2+4 Seam</b>	100					
		Measured	34.7	55.5	5,310	5,330
		Indicated	10.6	3.4	5,450	5,300
		<b>Measured and Indicated</b>	<b>45.3</b>	<b>59.0</b>	<b>5,340</b>	<b>5,330</b>
<b>South Rand</b>	73.0					
		Measured	78.6	78.9	4,850	4,870
		Indicated	168.1	142.2	4,770	4,840
		<b>Measured and Indicated</b>	<b>246.7</b>	<b>221.1</b>	<b>4,800</b>	<b>4,850</b>
<b>Vaal Basin</b>	100					
		Measured	208.2	128.9	3,980	3,730
		Indicated	362.5	149.3	4,140	4,000
		<b>Measured and Indicated</b>	<b>570.7</b>	<b>278.2</b>	<b>4,080</b>	<b>3,870</b>
<b>South Africa – Projects</b>	82.1					
		Measured	1,106.0	903.5	4,520	4,580
		Indicated	907.2	710.5	4,500	4,490
		<b>Measured and Indicated</b>	<b>2,013.2</b>	<b>1,613.9</b>	<b>4,510</b>	<b>4,540</b>

## Thermal Coal – Operations and Projects

COAL RESOURCES <sup>(6)</sup>	Attributable% <sup>(2)</sup>	Classification	Tonnes		Coal Quality	
			2011	2010	2011	2010
<b>Total</b>	68.4		MTIS <sup>(6)</sup>	MTIS <sup>(6)</sup>	kcal/kg <sup>(7)</sup>	kcal/kg <sup>(7)</sup>
		Measured	2,308.3	2,113.8	5,360	5,450
		Indicated	1,416.6	1,239.7	4,860	4,930
		<b>Measured and Indicated</b>	<b>3,724.9</b>	<b>3,353.5</b>	<b>5,170</b>	<b>5,260</b>
		Inferred (in LOMP) <sup>(8)</sup>	132.4	123.0	6,080	5,970

THE COAL RESOURCES ARE REPORTED AS ADDITIONAL TO COAL RESERVES.

Attributable percentages for country totals are weighted by Measured and Indicated MTIS.

- <sup>(1)</sup> 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.
- <sup>(2)</sup> Attributable (%) refers to 2011 only. For the 2010 Reported and Attributable figures, please refer to the 2010 Annual Report.
- <sup>(3)</sup> The tonnage is quoted as metric tonnes. ROM tonnages on an As Delivered moisture basis, and Saleable tonnages on a Product moisture basis.
- <sup>(4)</sup> 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.
- <sup>(5)</sup> 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. 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.
- <sup>(6)</sup> 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.
- <sup>(7)</sup> 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.
- <sup>(8)</sup> Inferred (in LOMP) 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 Life of Mine 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

<b>Cerrejón:</b>	Increase in Coal Reserves due to conversion of Resources resulting from changes in mine design to enable expansion from 32 mtpa to 40 mtpa.
<b>Goedeheop:</b>	Decrease in Coal Reserves resulting from the transfer of Resources to Deposit due to re-evaluation of market potential, limited washability data and remnant blocks which have been removed from the mine plan.
<b>Greenside:</b>	Increase in Coal Reserves primarily due to conversion of Resources as result of increased geological confidence. Increase in Coal Resources as a result of model update and interpretation.
<b>Kleinkopje:</b>	Decrease in Coal Reserves resulting from the removal of the pre-mined 3A East 2 & 1 seam from the mine plan, which was transferred to Deposit due changes in economic assumptions and the transfer of virgin 3A East 4 seam to Greenside Colliery.
<b>Kriel:</b>	Decrease in Coal Reserves primarily due to production. Decrease in Coal Resources attributed to re-evaluation of mini-pits and removal of remnant blocks due to lack of accessibility.
<b>Landau:</b>	Decrease in Coal Reserves primarily due to production. Decrease in Coal Resource primarily due to Concept study on Landau Life Extension which resulted in additional surface and environmental changes being considered.
<b>Mafube:</b>	Following the submission of the Mining Right Application, Nooitgedacht 2 seam Resources were converted to Probable Reserve. Inferred Resources in Mine Lease were moved to Inferred (in LOMP). The conversion to reserves resulted in the increase of Mine Life from 6 to 19 years. Inferred Resources in Mine Plan comprise of 15% of the Reserves, however these Resources are outside of the five year horizon. Drilling is planned to reduce proportion to below 10% by mid 2012.
<b>New Denmark:</b>	Decrease in Coal Reserves primarily due to transfer of Resources to Deposit resulting from change in the reserve thickness cut-off parameter, previously applied a standard 1.5 m cut-off, now applying the mining layout and practical equipment limits. Consequently Mine Life has been reduced from 27 to 23 years.
<b>Nooitgedacht:</b>	Decrease in 5 seam Coal Reserves primarily due to production. Decrease in 2 and 4 seam Coal Resources attributed to reclassification of resources using an alternative methodology.
<b>Zibulo:</b>	Increase in Coal Resources due to upgrade of Zondagsfontein West resources resulting from increased drilling and geological confidence. Inferred Resources in Mine Plan comprise 12% of the Reserves, however these Resources are outside of the five year horizon. Drilling is planned to reduce proportion to below 10% by mid 2012.
<b>Elders:</b>	Upgrade of Coal Resources resulting from additional drilling and washability data.
<b>South Rand:</b>	Upgrade of Coal Resources resulting from additional drilling.
<b>Vaal Basin:</b>	Increase in Coal Resources as estimates are now based on raw qualities due to proven lack of export potential. There are significantly more boreholes with raw qualities, hence resource categories were upgraded.

## Assumption with respect to Mineral Tenure

<b>Cerrejón:</b>	Reserves are estimated for the area defined by the current approved Mining Right which expires in 2033. In order to exploit the Coal Resources, a renewal will be applied for at the appropriate time, Anglo American Thermal Coal has reasonable expectation that such renewal will not be withheld.
<b>Mafube:</b>	Application for conversion to a Mining Right has been submitted; in addition the environmental permitting applications will be submitted in 2012 as per legislative requirements. There is a reasonable expectation that such conversion will not be withheld.
<b>New Largo:</b>	The New Largo Mining Right Application was submitted in April 2011. The relevant South African Departments responsible for approvals, as well as key stakeholders, have been actively engaged with regard to the Colliery's potential impacts on wetlands. There is a reasonable expectation that such conversion will not be withheld.

## Royalty Payment

**South Africa:** Royalty payments commenced in February 2010 in accordance with the Royalties Act (No. 28 of 2008) and have been taken into consideration in economic assessment of the reserves.

Reviews by independent third parties were carried out in 2011 on the following operations and project areas:  
Goedeheop, Greenside, Mafube and New Denmark.



01 Members of the Survey Team at Greenside Colliery, South Africa, in conversation in the survey office.