METALLURGICAL COAL

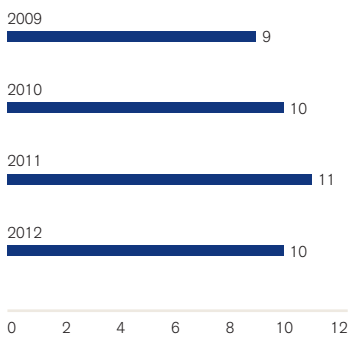
Anglo American is Australia's second largest metallurgical coal producer and third largest global exporter of metallurgical coal.

Metallurgical coal, composed of coking coal and PCI coal, is an essential raw material in blast-furnace steel production, which represents approximately 70% of global crude steel output.

FINANCIAL HIGHLIGHTS

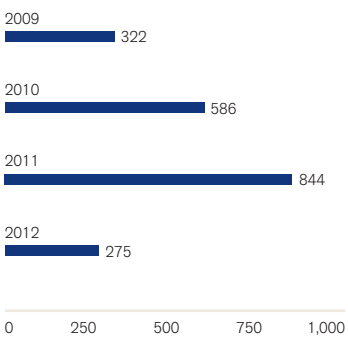
Share of Group net operating assets

%



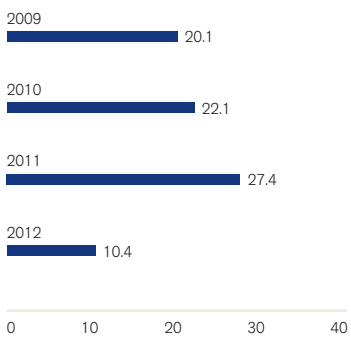
Underlying earnings

$ m



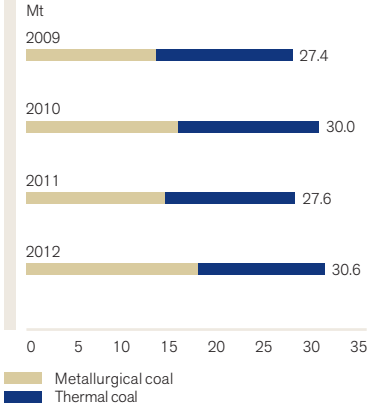
Operating margin

%



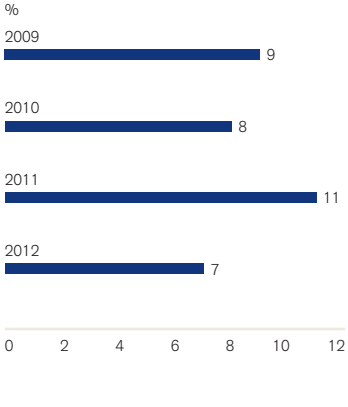
Anglo American coal production from Metallurgical Coal

Mt



Share of Group operating profit

%



FINANCIAL DATA

$ million	2012	2011	2010	2009
Turnover				
Subsidiaries/Joint Ventures	**3,574**	3,975	3,264	2,075
Associates	**315**	372	258	164
Total turnover	**3,889**	**4,347**	**3,522**	**2,239**
Of which:				
Australia	**3,657**	4,068	3,377	2,239
Canada	**232**	279	145	–
Projects and corporate	**–**	–	–	–
EBITDA	**877**	**1,577**	**1,134**	**706**
Of which:				
Australia	**940**	1,553	1,147	729
Canada	**13**	85	18	–
Projects and corporate	**(76)**	(61)	(31)	(23)
Depreciation and amortisation	**472**	**388**	**354**	**255**
Operating profit before special items and remeasurements	**405**	**1,189**	**780**	**451**
Of which:				
Australia	**519**	1,188	814	474
Canada	**(38)**	62	(3)	–
Projects and corporate	**(76)**	(61)	(31)	(23)
Operating special items and remeasurements	**(365)**	–	23	(28)
Operating profit after special items and remeasurements	**40**	**1,189**	**803**	**423**
Net interest, tax and non-controlling interests	**(130)**	(345)	(194)	(129)
Underlying earnings	**275**	**844**	**586**	**322**
Of which:				
Australia	**365**	850	616	345
Canada	**(27)**	46	1	–
Projects and corporate	**(63)**	(52)	(31)	(23)
Net operating assets	**5,219**	**4,692**	**4,332**	**3,407**
Capital expenditure	**1,028**	**695**	**235**	**96**

BUSINESS OVERVIEW

UNDERLYING OPERATING PROFIT
(2011: $1,189 m)

$405 m

SHARE OF GROUP UNDERLYING OPERATING PROFIT
(2011: 11%)

7%

UNDERLYING EBITDA
(2011: $1,577 m)

$877 m

Key financial and non-financial performance indicators

$ million (unless otherwise stated)	2012	2011
Underlying operating profit	**405**	1,189
Underlying EBITDA	**877**	1,577
Net operating assets	**5,219**	4,692
Capital expenditure	**1,028**	695
Share of Group underlying operating profit	**7%**	11%
Share of Group net operating assets	**10%**	11%

Non-financial indicators	2012	2011
Number of fatal injuries	**0**	0
Lost-time injury frequency rate	**1.75**	2.47
Total energy consumed in 1,000 GJ	**14,787**	13,695
Total greenhouse gas emissions in 1,000 tonnes CO_2e	**3,919**	3,629
Total water used for primary activities in 1,000 m^3	**14,717**	14,385

BUSINESS OVERVIEW continued

Anglo American is Australia's second largest metallurgical coal producer and third largest global exporter of metallurgical coal.(1)

Its coal operations in Australia are based on the east coast, from where the business serves a range of customers throughout Asia and the Indian sub-continent, Europe and South America. Our operation in Canada, Peace River Coal, mainly serves customers in Europe, Japan and South America.

Metallurgical Coal operates six mines in Australia and one metallurgical coal mine, Peace River Coal, in British Colombia, Canada. In Australia there is one wholly owned mine, and five in which Metallurgical Coal has a majority interest. Five of the mines are located in Queensland's Bowen Basin: Moranbah North (metallurgical coal), Capcoal (metallurgical and thermal coal), Foxleigh (metallurgical coal), Dawson (metallurgical and thermal coal) and Callide (thermal coal). Drayton mine (thermal coal) is in the Hunter Valley, New South Wales. All of the mines are in well-established locations and have direct access to rail and port facilities at Dalrymple Bay and Gladstone in Queensland and Newcastle in New South Wales.

Moranbah North (88%) is an underground longwall mining operation with a mining lease covering 100 km^2. Coal is mined from the Goonyella Middle Seam, approximately 200 metres below the surface. The mine's annual capacity is 4.5 million tonnes (Mt) of hard coking coal for steel manufacturing.

Capcoal (70%) operates two underground mines and an open cut mine. Together, they produced around 6.0 Mt of hard coking, pulverised coal injection (PCI) and thermal coals in 2012.

Dawson (51%) is an open cut operation, with production of 4.6 Mt of coking and thermal coal in 2012.

Foxleigh (70%) is an open cut operation which produced 1.9 Mt of high quality PCI coal in 2012.

Peace River Coal (100%) is an open cut operation in Canada, with an output of 1.4 Mt of metallurgical coal in 2012, an increase of 47% over the prior year.

Metallurgical Coal owns an effective 23% interest in the Jellinbah and Lake Vermont mines in Queensland, producing 2.1 Mt of coking, PCI and thermal coals in 2012.

Metallurgical Coal's resource base (including projects), consisting of Measured, Indicated and Inferred (in LOM) Resources additional to Coal Reserves, totals 3.8 billion tonnes on a 100% basis (2.7 billion tonnes on an attributable basis).

OUR METALLURGICAL COAL OPERATIONS

Key
- Open cut
- Underground
- Open cut and underground

Australia

Thermal
1. 100% Callide
2. 88% Drayton

Metallurgical
3. 51% Dawson Complex
4. 70% Foxleigh
5. 70% German Creek*
6. 23% Jellinbah
7. 88% Moranbah North

* The German Creek operation includes both Capcoal Open Cut and Underground operations.

Canada

Metallurgical
- 100% Peace River Coal*

* Peace River Coal includes Trend Mine and the Roman Mountain and Belcourt Saxon (50%) projects.

INDUSTRY OVERVIEW

Metallurgical coal, composed of coking coal and PCI coal, is an essential raw material in blast-furnace steel production, which represents approximately 70% of global crude steel output.

Global metallurgical coal supply amounts to approximately 1 billion tonnes per year. China is the biggest consumer of metallurgical coal, with total consumption of approximately 730 Mt[2] in 2012. Owing to its large domestic metallurgical coal production, China only needs to import about 7%, or 50 Mt[3], of its total metallurgical coal requirement. This, however, represents a significant portion (20%) of the total global seaborne metallurgical coal market.

In 2012, the international seaborne metallurgical coal market totalled around 250 Mt[2], the major consuming regions being Japan, South Korea, Taiwan, Europe, India, China and Brazil. On average, Australia supplies roughly two-thirds of the seaborne metallurgical coal market.

Historically, annual contract pricing has predominated in the market. A shift to shorter term pricing in 2010–2012 saw the majority of contracts priced on a quarterly basis, with a growing proportion being priced on a monthly basis.

The Queensland State Budget was delivered in September 2012, with a royalty rate increase which equates to a 22% increase on the royalty rate payable per tonne of coal sold for $200/t or more, with effect from 1 October 2012.

Markets

Anglo American weighted average achieved sales prices ($/tonne)	2012	2011
Export metallurgical coal (FOB)	**178**	251
Export thermal coal (FOB)	**96**	101
Domestic thermal coal	**37**	35

Attributable sales volumes ('000 tonnes)	2012	2011
Export metallurgical coal	**17,413**	13,983
Export thermal coal	**6,043**	6,274
Domestic thermal coal	**6,921**	7,455

Prices for seaborne metallurgical coal dropped sharply in the latter half of the year, resulting in the average 2012 hard coking coal price falling by 27% to $210/t from the 2011 average hard coking coal benchmark price of $289/t. Overall supply of metallurgical coal was ahead of 2011 levels, owing to increased exports from the US, while Australian hard coking coal supply remained below 2010 levels.

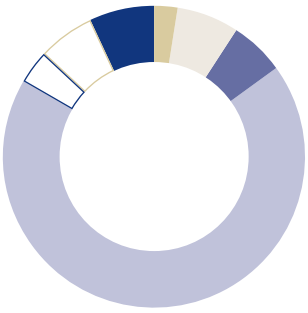
Hard coking coal prices fell, with lower quality PCI and semi-soft prices falling more significantly. The majority of Anglo American's metallurgical coal sales were placed against term contracts with quarterly negotiated price settlements.

Hard coking coal accounted for 67% of Metallurgical Coal's export metallurgical coal sales in 2012.

MARKET INFORMATION

2012 Metallurgical coal demand

Global 1,095 Mt

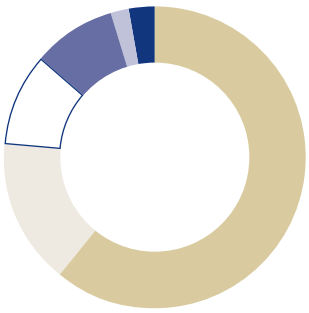


North America	29 Mt
Western Europe	73 Mt
Japan	65 Mt
China	746 Mt
India	41 Mt
CIS	66 Mt
Incorporating:	
South America	21 Mt
Other Asia	47 Mt
Rest of World	6 Mt

Source: AME, Wood Mackenzie, CRU, company reports and Anglo American estimates

2012 Metallurgical coal production

Global 1,095 Mt



China	669 Mt
Oceania	169 Mt
North America	109 Mt
CIS	100 Mt
Mongolia	20 Mt
Rest of World	29 Mt

Source: AME, Wood Mackenzie, CRU, company reports and Anglo American estimates

STRATEGY

Emerging markets, particularly in the Asia-Pacific region, are likely to remain the driving force behind metallurgical coal demand. In light of this, Metallurgical Coal's strategy is to increase the value of the business by optimising existing operations and investing in growth projects in the supply regions best placed to produce the high-margin export metallurgical coals sought by our customers. To implement this strategy:

- A structured programme of asset optimisation has been designed to deliver industry-best operational performance over the existing asset base, targeting longwall performance at the underground operations and key equipment at the open cut mines;
- An attractive organic growth pipeline of hard coking coal production to satisfy growing market demand, including opportunities in Australia and Canada. To underpin its industry leading growth plans, Anglo American has several export port options under study in Queensland, Australia, and has secured port access for the Roman Project in Canada;
- In line with demand from the steelmaking industry in both existing and emerging markets, Metallurgical Coal is realising increased value from developing superior specialised product offerings tailored to individual customers in the steel sector.

Projects

Phase 1 of our wholly owned Grosvenor project continues to be developed on schedule. All key permits and licences are in place and engineering and procurement activities are progressing. Construction has commenced on site, with the access road complete and bulk earthworks well under way. Production of longwall coal is forecast to commence in 2016.

Studies for the next phase of our investment programme include Grosvenor Phase 2, a 6 Mtpa second longwall; and Moranbah South, a 12 Mtpa (on a 100% basis), 50%-owned joint venture, comprising two longwalls. Exploration and environmental approval activities to support these projects are in progress. Concept studies are also under way to develop options to further expand our operations in Australia and British Columbia. The Drayton South project is planned to replace export thermal capacity for the Drayton mine in New South Wales.

PROJECT PIPELINE – KEY PROJECTS

Grosvenor Phase 1 (approved)

Overall capex: $<2bn

Country
Australia

Ownership
100%

Incremental production
5.0 Mtpa metallurgical coal

Full project capex
$<2bn

First production
2016

In December 2011, the development of the $1.7 billion, 5 Mtpa Grosvenor Phase 1 metallurgical coal project was approved. The greenfield Grosvenor project is situated immediately to the south of Anglo American's Moranbah North metallurgical coal mine and is expected to produce 5 Mtpa of metallurgical coal from its underground longwall operation over a projected life of 26 years.

Grosvenor Phase 2 (unapproved)

Overall capex: TBD

Country
Australia

Ownership
100%

Incremental production
6.0 Mtpa metallurgical coal

Full project capex
TBD

First production
TBD

Grosvenor Phase 2, currently at the pre-feasibility stage, will expand on the Grosvenor Phase 1 project by adding a second longwall. Grosvenor Phase 2 is expected to produce 6 Mtpa of metallurgical coal over a projected life of 25 years.

Drayton South (unapproved)

Overall capex: TBD

Country
Australia

Ownership
88.2%

Incremental production
4.0 Mtpa thermal coal

Full project capex
TBD

First production
TBD

Drayton South will replace mining capacity at Drayton mine, leveraging existing site infrastructure and the coal handling processing plant.

Moranbah South (unapproved)

Overall capex: TBD

Country
Australia

Ownership
50%

Incremental production
12.0 Mtpa metallurgical coal

Full project capex
TBD

First production
TBD

Moranbah South is a potential new mine located in the north Bowen Basin of Queensland and, once commissioned, is expected to produce 12 Mtpa of metallurgical coal from two longwalls.

PRODUCTION DATA

Production (tonnes)	2012	2011	2010	2009
Metallurgical Coal segment				
Australia				
Export Metallurgical	**16,287,400**	13,253,400	14,701,800	12,622,600
Thermal	**12,970,500**	13,426,500	14,460,500	14,051,800
Canada				
Export Metallurgical	**1,376,900**	936,300	868,000	718,300
Total Metallurgical Coal segment	**30,634,800**	**27,616,200**	**30,030,300**	**27,392,700**
Australia				
Callide	**7,464,000**	8,038,700	8,515,600	8,766,400
Capcoal	**6,022,400**	5,047,900	5,460,300	4,598,900
Dawson	**4,593,500**	3,904,600	3,584,900	3,756,200
Drayton	**3,663,300**	3,991,900	4,206,000	3,630,200
Foxleigh	**1,896,000**	1,417,100	1,665,700	1,595,900
Jellinbah	**2,073,200**	1,829,600	1,792,500	1,745,800
Moranbah North	**3,545,500**	2,450,100	3,937,800	2,581,000
Canada				
Peace River Coal	**1,376,900**	936,300	868,000	718,300
Total	**30,634,800**	**27,616,200**	**30,030,300**	**27,392,700**

METALLURGICAL COAL

Coal Reserve and Coal Resource estimates as at 31 December 2012

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 and Canada.

Metallurgical Coal – Australia Operations				ROM Tonnes[3]		Yield[4]		Saleable Tonnes[3]		Saleable Quality[5]	
COAL RESERVES[1]	Attributable %[2]	Mine Life	Classification	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
Callide (OC)	100	24		Mt	Mt	ROM %	ROM %	Mt	Mt	kcal/kg	kcal/kg
Thermal – Domestic			Proved	192.2	199.9	97.9	98.0	188.2	195.8	4,380	4,380
			Probable	52.0	52.0	98.0	98.0	51.0	51.0	4,250	4,250
			Total	**244.2**	**251.9**	**97.9**	**98.0**	**239.2**	**246.8**	**4,350**	**4,350**
Capcoal (OC)	76.8	23								CSN	CSN
Metallurgical – Coking			Proved	69.9	77.1	19.8	20.4	14.4	16.3	7.0	7.0
			Probable	72.5	72.5	16.4	16.4	12.3	12.3	6.5	6.5
			Total	**142.4**	**149.5**	**18.0**	**18.5**	**26.7**	**28.6**	**7.0**	**7.0**
										kcal/kg	kcal/kg
Metallurgical – Other			Proved			46.3	46.3	33.6	37.0	6,970	6,970
			Probable			46.5	46.5	35.0	35.0	6,990	6,990
			Total			**46.4**	**46.4**	**68.7**	**72.1**	**6,980**	**6,980**
										kcal/kg	kcal/kg
Thermal – Export			Proved			2.7	2.8	2.0	2.3	7,070	7,060
			Probable			2.3	2.3	1.7	1.7	7,030	7,030
			Total			**2.5**	**2.6**	**3.7**	**4.0**	**7,050**	**7,050**
Capcoal (UG)	70.0	11								CSN	CSN
Metallurgical – Coking			Proved	36.0	40.6	75.1	73.7	28.5	31.6	9.0	9.0
			Probable	14.7	14.7	72.0	72.0	11.2	11.2	9.0	9.0
			Total	**50.7**	**55.3**	**74.2**	**73.2**	**39.7**	**42.7**	**9.0**	**9.0**
Dawson (OC)	51.0	35								CSN	CSN
Metallurgical – Coking			Proved	180.7	15.0	24.0	19.9	44.7	3.1	7.5	7.5
			Probable	227.2	149.0	21.0	16.0	49.1	24.5	7.5	7.5
			Total	**407.9**	**163.9**	**22.4**	**16.4**	**93.8**	**27.5**	**7.5**	**7.5**
										kcal/kg	kcal/kg
Thermal – Export			Proved			51.6	65.2	95.8	10.0	5,440	6,500
			Probable			53.6	59.4	125.3	90.9	5,340	6,500
			Total			**52.7**	**59.9**	**221.1**	**101.0**	**5,380**	**6,500**
Drayton (OC)	88.2	2								kcal/kg	kcal/kg
Thermal – Export			Proved	7.9	3.2	76.0	75.3	6.0	2.4	6,650	6,260
			Probable	4.2	19.7	76.0	75.6	3.2	14.9	6,600	6,260
			Total	**12.0**	**22.9**	**76.0**	**75.6**	**9.2**	**17.3**	**6,630**	**6,260**
Foxleigh (OC)	70.0	3								kcal/kg	kcal/kg
Metallurgical – Other			Proved	1.9	4.1	83.0	79.3	1.7	3.5	6,870	6,940
			Probable	12.6	13.7	77.7	77.2	10.4	11.3	6,800	6,810
			Total	**14.5**	**17.8**	**78.4**	**77.7**	**12.1**	**14.8**	**6,810**	**6,840**
Moranbah North (UG)	88.0	17								CSN	CSN
Metallurgical – Coking			Proved	109.5	114.8	76.6	76.4	88.5	92.6	8.0	8.0
			Probable	11.3	11.3	72.7	72.7	8.7	8.7	8.0	8.0
			Total	**120.8**	**126.1**	**76.2**	**76.1**	**97.2**	**101.3**	**8.0**	**8.0**
Australia Metallurgical – Coking	70.6			Mt	Mt	Plant %	Plant %	Mt	Mt	CSN	CSN
			Proved	598.0	454.6	58.4	68.2	176.0	143.5	8.0	8.0
			Probable	394.4	332.8	32.9	35.8	81.3	56.6	7.5	7.5
			Total	**992.5**	**787.4**	**50.3**	**59.0**	**257.3**	**200.1**	**8.0**	**8.0**
Australia Metallurgical – Other	75.8									kcal/kg	kcal/kg
			Proved			48.1	49.1	35.3	40.5	6,970	6,970
			Probable			53.7	54.0	45.5	46.3	6,940	6,940
			Total			**51.2**	**51.7**	**80.8**	**86.8**	**6,950**	**6,960**
Australia Thermal – Export	52.9									kcal/kg	kcal/kg
			Proved			52.0	57.3	103.8	14.7	5,540	6,550
			Probable			53.5	60.7	130.2	107.5	5,390	6,480
			Total			**52.9**	**60.3**	**233.9**	**122.2**	**5,460**	**6,480**
Australia Thermal – Domestic	100									kcal/kg	kcal/kg
			Proved			97.9	98.0	188.2	195.8	4,380	4,380
			Probable			98.0	98.0	51.0	51.0	4,250	4,250
			Total			**97.9**	**98.0**	**239.2**	**246.8**	**4,350**	**4,350**

Metallurgical Coal – Canada Operations				ROM Tonnes[3]		Yield[4]		Saleable Tonnes[3]		Saleable Quality[5]	
COAL RESERVES[1]	Attributable %[2]	Mine Life	Classification	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
Trend (OC)	100	10		Mt	Mt	ROM %	ROM %	Mt	Mt	CSN	CSN
Metallurgical – Coking			Proved	17.9	20.3	66.3	65.0	12.4	13.9	7.0	7.0
			Probable	2.3	2.3	61.7	61.7	1.5	1.5	7.0	7.0
			Total	**20.2**	**22.6**	**65.8**	**64.7**	**14.0**	**15.4**	**7.0**	**7.0**
										kcal/kg	kcal/kg
Thermal – Export			Proved			0.7	0.7	0.1	0.1	5,070	5,070
			Probable			0.8	1.1	0.0	0.0	5,070	5,070
			Total			**0.7**	**0.7**	**0.2**	**0.2**	**5,070**	**5,070**

Mining method: OC = Open Cut, 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 tonnes apply to each product.
The Saleable tonnes cannot be calculated directly from the ROM reserve tonnes 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 tonnes.
Footnotes appear at the end of the section.

Metallurgical – Coking refers to a high-, medium- or low-volatile semi-soft, soft or hard coking coal primarily for blending and use in the steel industry; quality measured as Crucible Swell Number (CSN).
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 – 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).

METALLURGICAL COAL

Coal Reserve and Coal Resource estimates as at 31 December 2012

Metallurgical Coal – Operations TOTAL COAL RESERVES[1]	Attributable %[2]	Classification	ROM Tonnes[3] 2012	ROM Tonnes[3] 2011	Yield[4] 2012	Yield[4] 2011	Saleable Tonnes[3] 2012	Saleable Tonnes[3] 2011	Saleable Quality[5] 2012	Saleable Quality[5] 2011
			Mt	Mt	Plant %	Plant %	Mt	Mt	CSN	CSN
Metallurgical – Coking	72.1									
		Proved	615.9	474.9	58.9	68.0	188.5	157.4	8.0	8.0
		Probable	396.8	335.1	33.4	36.5	82.8	58.1	7.5	7.5
		Total	**1,012.7**	**810.0**	**51.1**	**59.5**	**271.3**	**215.5**	**8.0**	**8.0**
Metallurgical – Other	75.8								kcal/kg	kcal/kg
		Proved			48.1	49.1	35.3	40.5	6,970	6,970
		Probable			53.7	54.0	45.5	46.3	6,940	6,950
		Total			**51.2**	**51.7**	**80.8**	**86.8**	**6,950**	**6,960**
Thermal – Export	52.9								kcal/kg	kcal/kg
		Proved			52.0	56.7	103.9	14.8	5,540	6,530
		Probable			53.5	60.7	130.2	107.6	5,390	6,470
		Total			**52.8**	**60.2**	**234.1**	**122.4**	**5,460**	**6,480**
Thermal – Domestic	100								kcal/kg	kcal/kg
		Proved			97.9	98.0	188.2	195.8	4,380	4,380
		Probable			98.0	98.0	51.0	51.0	4,250	4,250
		Total			**97.9**	**98.0**	**239.2**	**246.8**	**4,350**	**4,350**

Metallurgical Coal – Australia Operations COAL RESOURCES[6]	Attributable %[2]	Classification	Tonnes 2012	Tonnes 2011	Coal Quality 2012	Coal Quality 2011
			MTIS[6]	MTIS[6]	kcal/kg[7]	kcal/kg[7]
Callide (OC)	100	Measured	260.7	260.7	4,940	4,940
		Indicated	265.1	265.1	4,810	4,810
		Measured and Indicated	**525.7**	**525.7**	**4,870**	**4,870**
		Inferred (in LOM Plan)[8]	15.3	15.3	4,240	4,240
Capcoal (OC)	76.8	Measured	13.8	13.8	7,080	7,080
		Indicated	27.9	27.9	7,080	7,080
		Measured and Indicated	**41.7**	**41.7**	**7,080**	**7,080**
		Inferred (in LOM Plan)[8]	36.6	36.6	6,710	6,710
Capcoal (UG)	70.0	Measured	76.3	76.3	6,730	6,730
		Indicated	68.0	68.0	6,620	6,620
		Measured and Indicated	**144.3**	**144.3**	**6,680**	**6,680**
		Inferred (in LOM Plan)[8]	0.3	0.3	6,630	6,630
Dawson (OC)	51.0	Measured	134.2	163.1	6,630	6,670
		Indicated	177.0	278.6	6,680	6,660
		Measured and Indicated	**311.1**	**441.7**	**6,660**	**6,660**
		Inferred (in LOM Plan)[8]	97.1	103.5	6,750	6,870
Drayton (OC)	88.2	Measured	3.7	2.4	6,490	6,870
		Indicated	8.0	12.3	6,580	6,850
		Measured and Indicated	**11.8**	**14.7**	**6,550**	**6,850**
		Inferred (in LOM Plan)[8]	0.0	0.4	5,820	6,050
Foxleigh (OC)	70.0	Measured	17.3	17.3	7,130	7,130
		Indicated	16.1	16.1	7,090	7,090
		Measured and Indicated	**33.3**	**33.3**	**7,110**	**7,110**
		Inferred (in LOM Plan)[8]	7.0	7.0	6,830	6,830
Moranbah North (UG)	88.0	Measured	55.7	55.7	6,670	6,670
		Indicated	21.3	21.3	6,570	6,570
		Measured and Indicated	**76.9**	**76.9**	**6,640**	**6,640**
		Inferred (in LOM Plan)[8]	0.1	0.1	6,980	6,980
Australia – Mine Leases	80.3	Measured	561.6	589.2	5,890	5,940
		Indicated	583.3	689.2	5,850	5,970
		Measured and Indicated	**1,144.9**	**1,278.4**	**5,870**	**5,960**
		Inferred (in LOM Plan)[8]	156.4	163.3	6,500	6,580

COAL RESOURCES ARE REPORTED AS ADDITIONAL TO COAL RESERVES.

Metallurgical Coal – Canada Operations COAL RESOURCES[6]	Attributable %[2]	Classification	Tonnes 2012	Tonnes 2011	Coal Quality 2012	Coal Quality 2011
			MTIS[6]	MTIS[6]	kcal/kg[7]	kcal/kg[7]
Trend (OC)	100	Measured	15.9	15.9	6,500	6,500
		Indicated	5.3	5.3	6,500	6,500
		Measured and Indicated	**21.2**	**21.2**	**6,500**	**6,500**
		Inferred (in LOM Plan)[8]	1.4	1.4	6,500	6,500

COAL RESOURCES ARE REPORTED AS ADDITIONAL TO COAL RESERVES.

Metallurgical Coal – Operations COAL RESOURCES[6]	Attributable %[2]	Classification	Tonnes 2012	Tonnes 2011	Coal Quality 2012	Coal Quality 2011
			MTIS[6]	MTIS[6]	kcal/kg[7]	kcal/kg[7]
TOTAL	80.6	Measured	577.5	605.1	5,910	5,950
		Indicated	588.6	694.5	5,850	5,980
		Measured and Indicated	**1,166.1**	**1,299.6**	**5,880**	**5,960**
		Inferred (in LOM Plan)[8]	157.8	164.7	6,500	6,580

COAL RESOURCES ARE REPORTED AS ADDITIONAL TO COAL RESERVES.

Footnotes appear at the end of the section.

METALLURGICAL COAL

Coal Reserve and Coal Resource estimates as at 31 December 2012

Metallurgical Coal – Australia Projects COAL RESERVES[1]	Attributable %[2]	Mine Life	Classification	ROM Tonnes[3] 2012 Mt	ROM Tonnes[3] 2011 Mt	Yield[4] 2012 ROM %	Yield[4] 2011 ROM %	Saleable Tonnes[3] 2012 Mt	Saleable Tonnes[3] 2011 Mt	Saleable Quality[5] 2012 CSN	Saleable Quality[5] 2011 CSN
Grosvenor	100	21									
Metallurgical – Coking			Proved	76.1	76.1	66.2	66.2	53.2	53.2	8.5	8.5
			Probable	62.6	62.6	65.2	65.2	43.1	43.1	8.0	8.0
			Total	**138.7**	**138.7**	**65.7**	**65.7**	**96.3**	**96.3**	**8.5**	**8.5**

Metallurgical Coal – Australia Projects COAL RESOURCES[6][8]	Attributable %[2]	Classification	Tonnes 2012 MTIS[6]	Tonnes 2011 MTIS[6]	Coal Quality 2012 kcal/kg[7]	Coal Quality 2011 kcal/kg[7]
Dartbrook	83.3					
		Measured	386.1	386.1	5,720	5,720
		Indicated	24.8	24.8	5,460	5,460
		Measured and Indicated	**410.9**	**410.9**	**5,700**	**5,700**
Drayton South	88.2	Measured	492.1	405.7	6,240	6,580
		Indicated	189.0	173.4	6,260	6,540
		Measured and Indicated	**681.1**	**579.2**	**6,250**	**6,570**
Grosvenor	100	Measured	145.1	145.1	6,420	6,420
		Indicated	72.5	72.5	6,550	6,550
		Measured and Indicated	**217.6**	**217.6**	**6,460**	**6,460**
		Inferred (in LOM Plan)[8]	9.5	9.5	6,330	6,330
Moranbah South	50.0	Measured	349.6	191.5	6,180	6,050
		Indicated	302.3	307.1	6,410	6,350
		Measured and Indicated	**651.8**	**498.6**	**6,290**	**6,230**
Theodore	51.0	Measured	–	–	–	–
		Indicated	258.5	258.5	6,260	6,260
		Measured and Indicated	**258.5**	**258.5**	**6,260**	**6,260**
Australia – Projects	72.9	Measured	1,372.9	1,128.4	6,100	6,180
		Indicated	847.0	836.3	6,310	6,350
		Measured and Indicated	**2,219.9**	**1,964.7**	**6,180**	**6,250**
		Inferred (in LOM Plan)[8]	9.5	9.5	6,330	6,330

COAL RESOURCES ARE REPORTED AS ADDITIONAL TO COAL RESERVES.

Metallurgical Coal – Canada Projects COAL RESOURCES[6][8]	Attributable %[2]	Classification	Tonnes 2012 MTIS[6]	Tonnes 2011 MTIS[6]	Coal Quality 2012 kcal/kg[7]	Coal Quality 2011 kcal/kg[7]
Belcourt Saxon	50.0					
		Measured	166.7	166.7	6,500	6,500
		Indicated	4.3	4.3	6,500	6,500
		Measured and Indicated	**171.0**	**171.0**	**6,500**	**6,500**
Roman Mountain	100	Measured	30.6	20.0	6,290	6,640
		Indicated	6.4	6.8	6,300	6,660
		Measured and Indicated	**37.0**	**26.7**	**6,290**	**6,650**
Canada – Projects	58.9	Measured	197.3	186.7	6,470	6,510
		Indicated	10.7	11.0	6,380	6,600
		Measured and Indicated	**208.0**	**197.7**	**6,460**	**6,520**

Footnotes appear at the end of the section.

METALLURGICAL COAL

Coal Reserve and Coal Resource estimates as at 31 December 2012

(1) Coal Reserves are quoted on a Run Of Mine (ROM) reserve tonnes basis, which represents the tonnes delivered to the plant. Saleable reserve tonnes represents the product tonnes produced. Coal Reserves (ROM and Saleable) are on the applicable moisture basis.

(2) Attributable (%) refers to 2012 only. For the 2011 Reported and Attributable figures, please refer to the 2011 Annual Report.

(3) ROM tonnes quoted on an As Delivered moisture basis, and Saleable tonnes 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 Tonnes In-Situ (MTIS) basis in million tonnes, which are in addition to those resources that 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 Plan) 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.

Jellinbah is not reported as Anglo American's shareholding is below the internal threshold for reporting.

Estimates for the following operations were updated by depletion and new geological models and revised Life of Mine Plans are scheduled for 2013:
Callide, Capcoal OC, Capcoal UG, Foxleigh, Moranbah North and Trend.

Summary of material changes (±10%) in estimates at reporting level

Dawson:	Coal Reserves – The increase is primarily due to the conversion of resources to reserves as a result of additional exploration drilling, a revised mine plan with an extended geographical area and extraction schedule as well as revised economic parameters. Coal Resources – The decrease is a result of the exploration programme and the subsequent resource model update. The increased resource confidence enabled additional resources to be converted to reserves. The extended geographical area resulted in replacement of Inferred due to the additional drilling.
Drayton:	Coal Reserves – Estimates from first principles using a revised mine plan results in a material decrease in reserves due to revised economic assumptions and additional exploration data. Coal Resources – The material decrease is due to conversion of Coal Reserves and revised economic assumptions.
Drayton South:	Coal Resources – The increase is primarily due to model refinement (combination of plies into working sections for underground and open cut seams) as well as additional exploration drilling and changes in geotechnical, environmental and resource utilisation considerations.
Moranbah South:	Coal Resources – The increase is due to additional exploration drilling and changed resource classification methodology to be consistent with Moranbah North and Grosvenor areas.
Roman Mountain:	Coal Resources – The increase is due to reinterpretation of the geological model and model refinement.

Assumption with respect to Mineral Tenure

Callide:	A Mining Lease Application has been lodged for the southern and eastern part of the Boundary Hill area and Metallurgical Coal has reasonable expectation that it will be granted.
Foxleigh:	Mining Lease Applications have been submitted for part of the Plains and Eagles Nest areas, and Metallurgical Coal has reasonable expectation that they will be granted.

Audits related to the generation of the Coal Resource estimates were carried out by independent consultants during 2012 at the following operations and projects:
Capcoal OC, Capcoal UG, Dawson and Foxleigh.