**News Release**

31 July 2009

**Anglo American announces new Los Sulfatos copper prospect in Chile with Inferred Resources of 1.2 billion tonnes**

Anglo American announces a significant and high quality new copper prospect at Los Sulfatos in Chile, near its existing Los Bronces copper operation, with an Inferred Resource of 1.2 billion tonnes.

The Los Sulfatos porphyry copper and breccia complex is located approximately 6km south of Anglo American’s Los Bronces mine and some 50km to the north-east of Santiago in central Chile. Results of recent exploration drilling programmes demonstrate the existence of a world class copper deposit.

Based on 22,000 metres of drilling, the current Inferred Mineral Resources are estimated at 1.2 billion tonnes at 1.46% Cu and 0.02% Mo containing an estimated 17.5 million tonnes of copper. The resource estimates are compliant with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) and are quoted above a zero cut-off but are contained within a nominal 1% Cu envelope. The deposit is open in various directions and in terms of overall potential for the Los Sulfatos exploration target, the tonnage is expected to be between four and five billion tonnes at grades of between 0.8% Cu and 1.0% Cu.

The Chief Executive of Anglo American’s Base Metals business, Brian Beamish, said, “I am pleased to announce the results of the Los Sulfatos exploration work, showing a further very sizeable and high quality copper prospect near our Los Bronces operation. Anglo American has a proud heritage of building and operating safe, modern mines in Chile and we look forward to working with the regulatory authorities and local stakeholders to develop Los Sulfatos in a similar way.”

In order to delineate this deposit more efficiently and safely, Anglo American will be developing an exploration tunnel from which to drill the deposit. The tunnel is expected to cost in the order of $60 million and will be excavated by a tunnel boring machine which is currently being assembled on site. The excavation of the tunnel is expected to take two years.

**Location and Geology**

The Los Sulfatos prospect sits within and under high mountain ridges at altitudes between 4,000 and 4,500 metres. Anglo American recognises the environmentally challenging and sensitive location of the Los Sulfatos prospect and, as with other operations, remains committed to working with the regulatory authorities and other stakeholders to achieve high standards of environmental stewardship during all phases of project development.

The porphyry copper mineralisation is contemporaneous and closely associated to the mineralisation at Los Bronces and the adjacent Rio Blanco deposit and is part of a district that is developing into one of the largest known concentrations of copper mineralisation in the world.

Copper sulphide mineralisation is hosted in a multi-phase porphyry stock and breccia complex. The central and deeper portions are characterised by disseminated hypogene bornite-
chalcopyrite-(digenite)-molybdenite mineralisation, hosted in porphyry intrusive and strongly altered andesite volcanics. Selected drill intercepts in this part of the deposit include Hole 10, from 13 to 1,003m, 990m @ 1.26% Cu (including 522-1003m, 481m @ 1.53% Cu) and Hole 22, from 516 to 1,003 metres, 487 metres @ 1.74% Cu.

To the north, the mineralisation style is dominated by high grade geometrically complex breccia bodies with chalcopyrite-pyrite mineralisation, cut by low-grade late stage porphyry intrusions. Hole 13 in this area intersected from 81m to 798m, 717m @ 3.6% Cu (including 81-363m – 282m @ 6.1% Cu) in a tourmaline-chalcopyrite breccia body.

A smaller porphyry stock with disseminated chalcopyrite-bornite mineralisation and grades averaging close to 1% Cu, outcrops in the south of the prospect. The porphyry complex extends a further one kilometre to the north on Anglo American property. Due to access difficulties, this extension has not been drilled and remains untested.

Drilling Campaigns

The first drilling in the prospect was carried out between 1965 and 1967 by the French company Peñarroya, at that time owner of Cia Minera Disputada de Las Condes. This was followed by drill campaigns in 1991 by Exxon and Anglo American from 2005 to 2008.

To date, just over 22,000 metres have been drilled in 39 holes on the prospect. The most recent drilling in 2008 successfully confirmed the extents and continuity of the high grade mineralisation extending the outline of the bornite-rich ~1.5% Cu mineralisation, which is still open in a number of directions.

The mineralisation in the central high grade core shows higher molybdenum contents averaging >0.03% Mo. Gold and/or silver credits are also expected.

The assays for the 2007 and 2008 drill campaigns, which form the basis of the resource statement, have been subjected to strict quality control and quality assurance.

Mineral Resource Estimation

For the estimation of mineral resources, grade envelopes were interpreted manually based on the local geology and assisted by “indicator” techniques. The grade envelopes were at nominal cut-offs of 0.5% Cu, 0.7% Cu, 1% Cu and 1.5% Cu. There is excellent continuity of the grades in some parts of the deposit.

Copper and molybdenum grades were interpolated into blocks using ordinary kriging. Model validation was carried out visually, comparing sample and block grades on plan and section and no obvious errors were noted. The average grades within the different zones for both copper and molybdenum also compare well between blocks and composites.

The mineralisation shows good continuity of grade and therefore, in spite of relatively limited drilling, the mineralisation within the 1% Cu envelope is able to be considered as Inferred Resources under the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code – 2004). Only blocks above 3,200 metres above sea level are classified as resources and are reported at zero cut-off within the envelope. The 3,200m level is the level of deepest drilling and the deposit is open in depth. Preliminary mine scoping and valuation studies have shown that the mineralisation is amenable to open pit and underground mining methods, confirming that the resources have “reasonable prospects for eventual economic extraction” as required by the JORC Code.
As such, the Inferred Mineral Resources at Los Sulfatos are currently estimated at 1.2 billion tonnes at a grade of 1.46% Cu and 0.02% Mo containing an estimated 17.5 million tonnes of copper. Considering that the deposit remains open in a number of directions, the overall exploration target of Los Sulfatos, including the current resources, is expected to contain between four and five billion tonnes at grades of between 0.8% Cu and 1.0% Cu.

**Competent Person Statement**

The information in this press release that relates to Resources is based on information compiled by Graeme Lyall, who is a member of the Australasian Institute of Mining and Metallurgy. Mr. Lyall is a full-time employee of Anglo American Chile and has experience which is relevant to the style of mineralisation and type of deposit under consideration and is qualified as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Graeme Lyall consents to the inclusion in this press release of the matters based on his information in the form and context in which it appears.

This mineralisation is defined as Resources under the JORC Code and therefore is considered to have a reasonable prospect of being economically extracted in the foreseeable future. Estimates of such mineralisation are based largely on geological information and sampling with only preliminary consideration of mining, economic and other factors and are not yet classified as Proved or Probable Reserves. While in the judgment of the Competent Person there are reasonable expectations that all or part of the Resources will eventually become Proved or Probable Reserves, there is no guarantee that this will occur as the result depends on further technical and economic studies and prevailing economic conditions in the future.

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Under the provisions of Rule 8.1 of the Code, all “dealings” in “relevant securities” of either Anglo American or Xstrata by Anglo American or Xstrata, or by any of their respective “associates”, must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel’s website at www.thetakeoverpanel.org.uk.

"Interests in securities” arise, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Code, which can also be found on the Takeover Panel’s website. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8, you should consult the Panel.

Forward-looking statements

This announcement includes forward-looking statements. All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding Anglo American’s financial position, business and acquisition strategy, plans and objectives of management for future operations (including development plans and objectives relating to Anglo American’s products, production forecasts and reserve and resource positions), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Anglo American, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding Anglo American’s present and future business strategies and the environment in which Anglo American will operate in the future. Important factors that could cause Anglo American’s actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, levels of actual production during any period, levels of global demand and commodity market prices, mineral resource exploration and development capabilities, recovery rates and other operational capabilities, the availability of mining and processing equipment, the ability to produce and transport products profitably, the impact of foreign currency exchange rates on market prices and operating costs, the availability of sufficient credit, the effects of inflation, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by governmental authorities such as changes in taxation or safety, health, environmental or other types of regulation in the countries where Anglo American operates, conflicts over land and resource ownership rights and such other risk factors identified in Anglo American’s most recent Annual Report. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this announcement. Anglo American expressly disclaims any obligation or undertaking (except as required by applicable
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Nothing in this announcement should be interpreted to mean that future earnings per share of Anglo American will necessarily match or exceed its historical published earnings per share.

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