



Media Release

September 21, 2006

SHELL AND ANGLO AMERICAN JOIN FORCES TO PROGRESS AN AUSTRALIAN CLEAN COAL TO LIQUIDS PROJECT

Shell Energy Investments Australia Pty Ltd (Shell) and Anglo American plc today announced the signing of a joint development agreement (JDA) for the two companies to further advance the Monash Energy clean coal-to-liquids project in the state of Victoria, Australia. This agreement is the first under a clean coal energy alliance formed by Shell and Anglo American in May 2006.

The JDA covers a number of project development phases. In the initial concept phase, which is expected to conclude during 2007, Monash Energy in conjunction with technical advisers from Anglo American and Shell, will carry out a study of the commercial and technical aspects, including carbon capture and storage. If successfully concluded, the study would form the basis for the feasibility phase and demonstration activities.

The Monash Energy project would involve the gasification – via Shell’s proprietary coal gasification process – of Anglo American’s brown coal from Victoria’s Latrobe Valley for further conversion into clean transportation fuels, including virtually zero sulphur, synthetic diesel, using Shell’s proprietary gas-to-liquids technology. A number of locations have been identified as potential sites for the storage of CO₂ from the process.

“The combination of Anglo American’s resource capabilities with Shell’s technological leadership in clean coal energy will be important factors as we aim to progress the Monash Energy project from concept to feasibility stage. Anglo American is aiming to be at the forefront of the movement that is ensuring coal remains an important and sustainable energy source for the future. The development of technologies for clean coal and carbon capture are vital to addressing concerns around climate change.” said Tony Redman, Technical Director of Anglo American and Chairman of Anglo Coal, at the JDA signing in Melbourne today.

Shell Gas & Power Executive Vice President for Global Businesses, Peter de Wit, said: “Shell is growing its clean coal energy portfolio from its strong position in China where we have granted 15 licenses for the use of our proprietary coal gasification technology. The Monash Energy project is evidence of our plan to expand our clean coal operations in other parts of the world and I hope today’s announcement will be one of many for Shell in the growing clean coal energy sector.”

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Note to Editors:

Anglo American plc is one of the world's largest mining and natural resource groups. With its subsidiaries, joint ventures and associates, it is a global leader in platinum group metals, gold and diamonds, with significant interests in coal, base and ferrous metals, industrial minerals and paper and packaging. The group is geographically diverse, with operations in Africa, Europe, South and North America, Australia and Asia. (www.angloamerican.co.uk)

Anglo Coal is a member of the FutureGen Industrial Alliance, a public-private partnership involving the US Department of Energy that aims to build a near zero emission coal-fired power plant employing carbon capture and storage technology. Anglo Coal Australia participates in the Coal21 Fund, established by the black coal mining industry to develop technologies for reducing greenhouse gas emissions from coal utilisation.

The **Monash Energy** project is helping to meet the challenges of energy security and climate change by applying to brown coal advanced drying and gasification technologies to produce large volumes of ultra-clean synthetic diesel. Critically, the technologies chosen by the Monash Energy project enable separation of a concentrated stream of CO₂ that can be transported to injection wells in deep underground geological formations for secure storage. The core of the project is a large-scale commercial plant in Victoria's Latrobe Valley, drawing coal from Anglo American's mine and then drying and gasifying the coal for conversion into transport fuels.

Monash Energy is the short form name for Monash Energy Holdings Ltd, a member of the Anglo American group of companies. The company initiated the Monash Energy Project which was named after General Sir John Monash, the first Chairman (1921 – 1931) of the State Electricity Commission of Victoria, and supporter of the development of the Latrobe Valley's brown coal resources. Monash Energy Holdings Ltd is focussed on the development of the Monash Energy Project and has no other significant activities. Anglo American has had an interest in the Monash Energy Project since 2003 and acquired 100% ownership at the end of 2004. Prior to this time the company was known as "Australian Power and Energy Ltd" (APEL), and had started to develop the project in 1999. (www.monashenergy.com.au)

Shell Gas & Power is one of the four main businesses of Royal Dutch Shell plc. and is engaged in natural gas activities in more than 30 countries. In addition to its clean coal energy activities, it holds leading positions in all three key natural gas markets (Asia Pacific, Europe and North America) and owns interests in six operating LNG joint ventures that together produced approximately one-third of the world's LNG in 2005. Through the Pearl gas to liquids (GTL) project in Qatar, Shell Gas & Power is also building on its leading position in the emerging GTL sector.