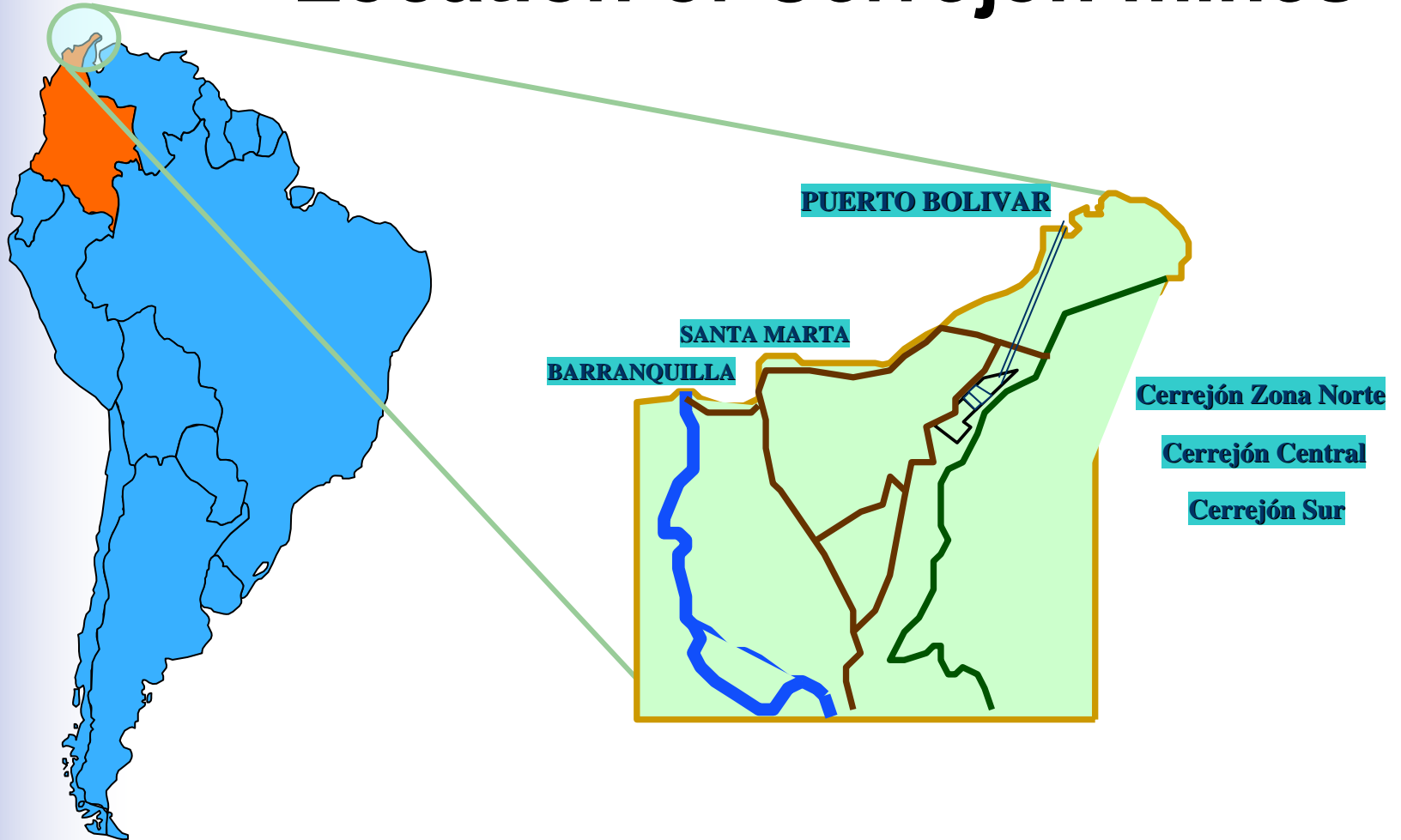


***CERREJÓN COAL***  
***- Steady Growth, Market Flexibility***

**A presentation to the NCCI – Fall Meeting**

October 2005

# Location of Cerrejón mines



# LOCATION



# The history of Cerrejón

- 1976 Cerrejón reserves were divided in North, Central and South zones. CARBOCOL and INTERCOR signed the Association Contract for the development of the North Zone.
- 1985 North zone production commenced.  
Annual production of 20 million tonnes in 2001.

# Company History

- 2000 Anglo Coal, BHPBilliton and Glencore acquired the CARBOCOL 50% stake in Cerrejón Norte.
- 2002 Consortium acquired Intercor (ExxonMobil share of Cerrejón).
- Late 2002 Integration of all Cerrejón mining operations completed.
- Jan 2003 Coal Marketing Company Ltd (CMC Dublin) took on exclusive marketing and sales of Cerrejón Coal.
- July 2005 Coal Marketing Company (USA) Inc. began commercial operation.

# Communities & Support Services



- **Community and Business Services**

- Houses (Family, Bachelor s) 694
- School (Bilingual) 680 Students
- Recreational Facilities



- **Air and Land Transportation Business**

- Aircrafts 2 (54 Passengers)
- Airports 2
- Air Transport (Passenger/Month) 7K
- Land Transport (Passenger/Month) 82K

# Geology and Quality of Reserves

## Location

- **Narrow basin bounded by Sierra Nevada and Perijá Mountains**
- **Coal bearing formation**
  - **900m thick, 40 minable seams ranging from 0.7m to 7.0m**
- **Structure**
  - **Average dip 16°**
  - **Reverse and normal faults**
- **Reserves**
  - **Proven reserves of about 3 billion tons to a depth of 300 m**
  - **Stripping ratio 6.4:1**
- **Quality**
  - **Sub-bituminous thermal coal**
  - **Average ROM calorific value of about 11,400 BTU/lb GAR**
  - **Total moisture of 12%**
  - **Total ash of 8%**
  - **Total sulfur 0.6%**

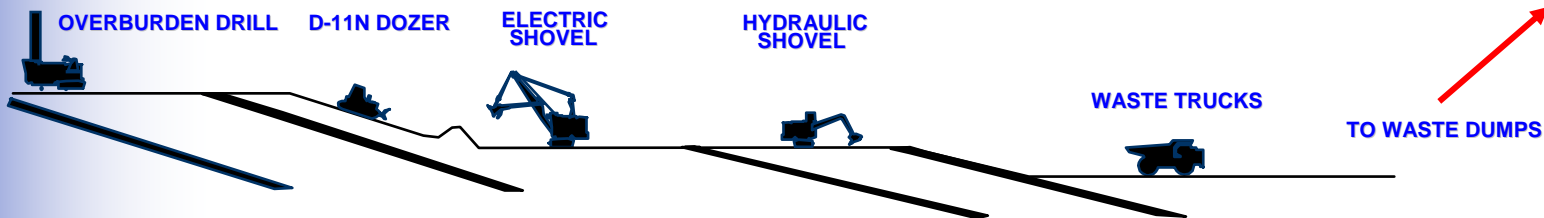
# Mining Equipment Fleet

Units	Number	Comments
P&H 2800 Electric Shovels	12	27.5 M <sup>3</sup>
Komatsu PC8000 Electric Shovels	3	42 M <sup>3</sup>
Hitachi EX 3500 Hydraulic Shovels	7	20.5 M <sup>3</sup>
Demag 285 Hydraulic Shovels	5	19 M <sup>3</sup>
Liebherr Hydraulic Shovels	7	12 M <sup>3</sup> & 14 M <sup>3</sup>
O&K RH340 Hydraulic Shovel	1	34 M <sup>3</sup>
Marathon Le Tourneau Front End Loaders	9	
Coal Buckets	4	25 M <sup>3</sup>
Combi Buckets	5	17 M <sup>3</sup>
Hitachi-Euclid EH 5000 Haulage Trucks	33	291 Tonne / 320 ST
CAT 793 Haulage Trucks	103	219 Tonne / 240 ST
Euclid-Wabco R170/170D Haulage Trucks	70	154 Tonne / 170 ST
CAT 789 Coal Trucks	9	172 Tonne / 190 ST
Ingersoll Rand Drills	14	9" Hole
CAT Track Dozers	55	646 HP – 935 HP
CAT Wheel Dozers	25	554 HP – 880 HP
CAT 777 Tank Water	17	18K Gallons Capacity
CAT 16 G/H Motor Graders	26	265 HP / 16ft blade width

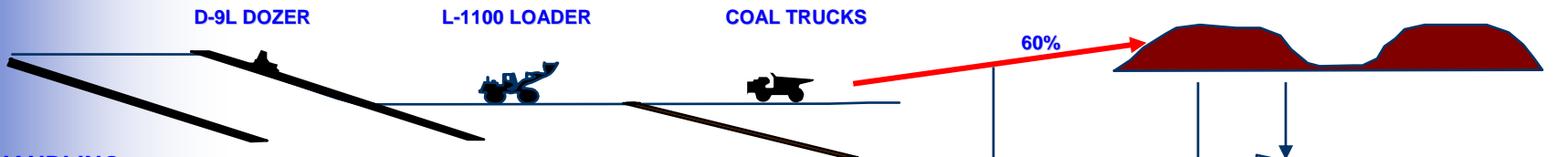


# Mining and Handling Process

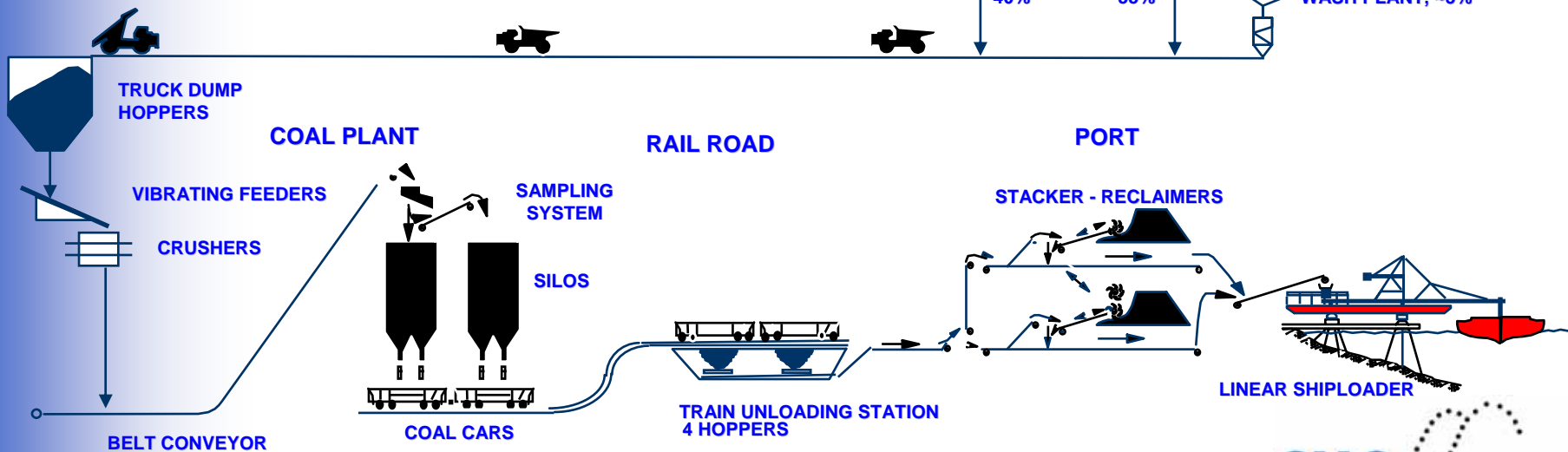
## WASTE REMOVAL



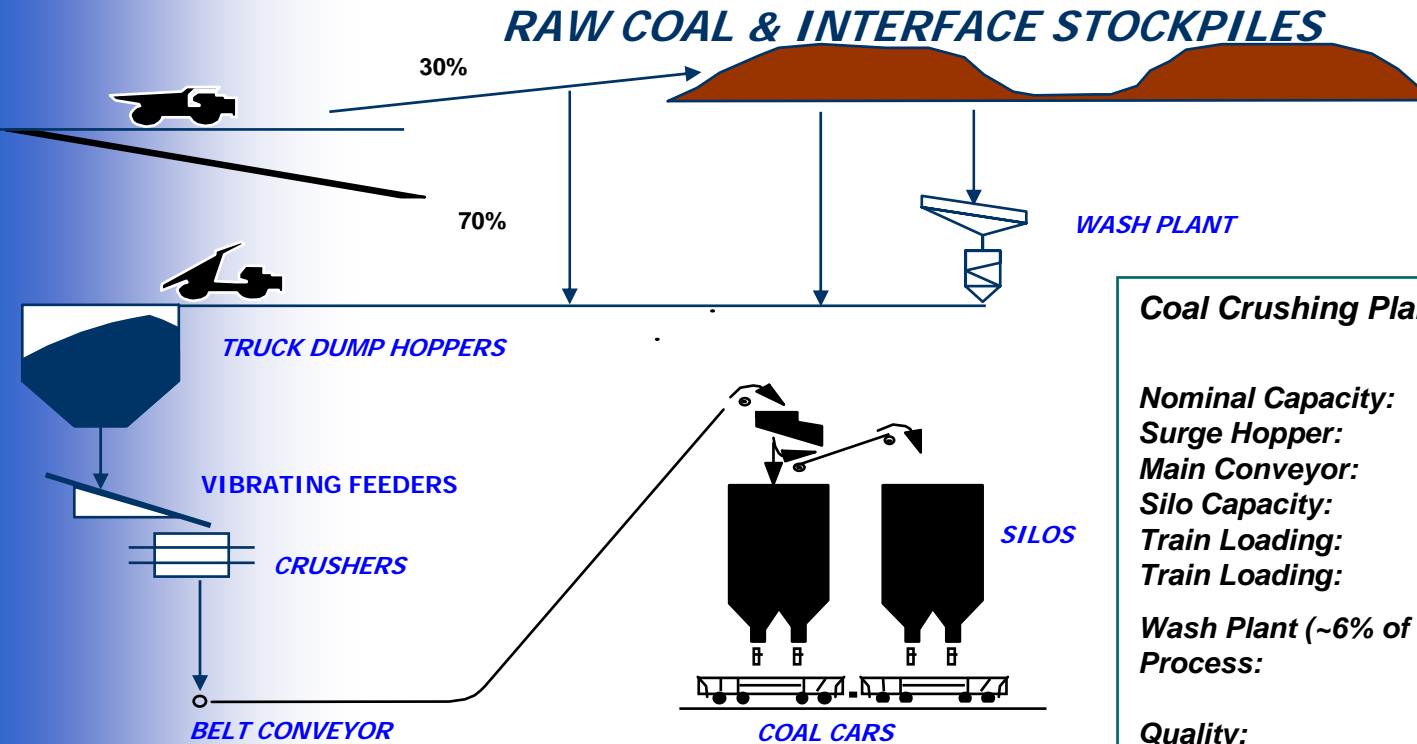
## COAL MINING



## COAL HANDLING



# Coal Crushing & Wash Plant



<b>Coal Crushing Plant:</b>		
	No. 1	No. 2
<b>Nominal Capacity:</b>	3200 TPH	2200 TPH
<b>Surge Hopper:</b>	3 x 500 T	400 T
<b>Main Conveyor:</b>	3450 TPH Design	2300 TPH
<b>Silo Capacity:</b>	2 @ 13 KT Each	
<b>Train Loading:</b>	9,500 TPH	
<b>Train Loading:</b>	72 Minutes	
<b>Wash Plant (~6% of Coal Production):</b>		
<b>Process:</b>	Heavy Media Spirals & Cyclones	
<b>Quality:</b>	8500 Btu Feed; 11350 Btu Clean	
<b>Feed Capacity:</b>	350 TPH; 1.8 MT/Yr @73% recovery	

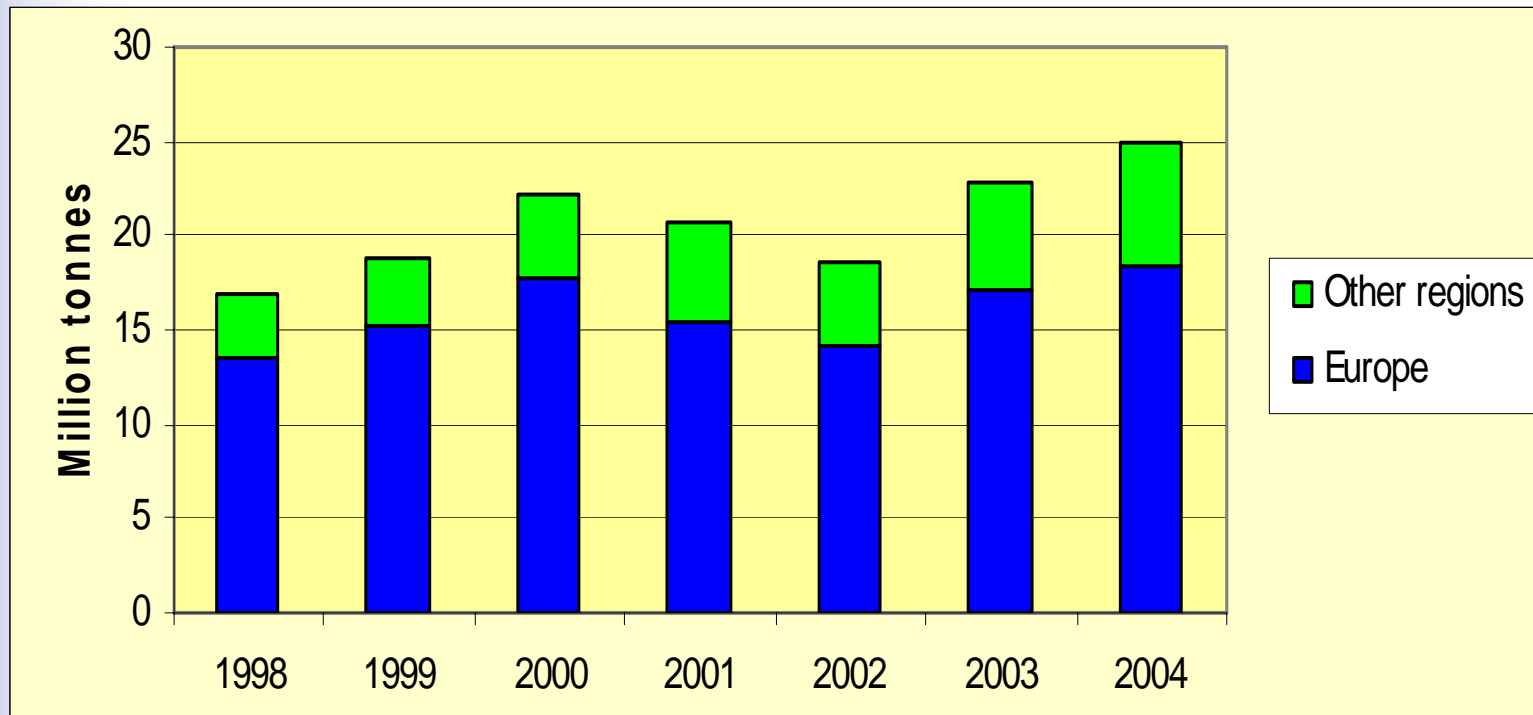
**Coal Stockpiles (Mine Only):**  
**Number of Piles (North Zone): 21**  
**Range of Quality: 9,500 Btu/lb to 12,000 Btu/lb**  
**3% Ash to 25% Ash**  
**Stockpile Capacity: 2.4MT**



# Quality Control at Puerto Bolívar

- Port independent inspector (INSPECTORATE)
- Sampling System:
  - J. B. Long Co. Clean sweep sampling system
  - Cross belt sampler with two crushing stages
  - Installed downstream of the surge silo on the shiploader conveyor
  - Fully commissioned and put into permanent service in November 2000
- Collection and preparation of samples as per ASTM-Standard D-2234 and ISO 1988 / 9411

# Exports of Cerrejón coal 1998 – 2004



\* Europe includes Mediterranean countries

# Colombian Coal Exports 1994-2004

Colombian Coal Exports 1994-2004



# Statistics 2004

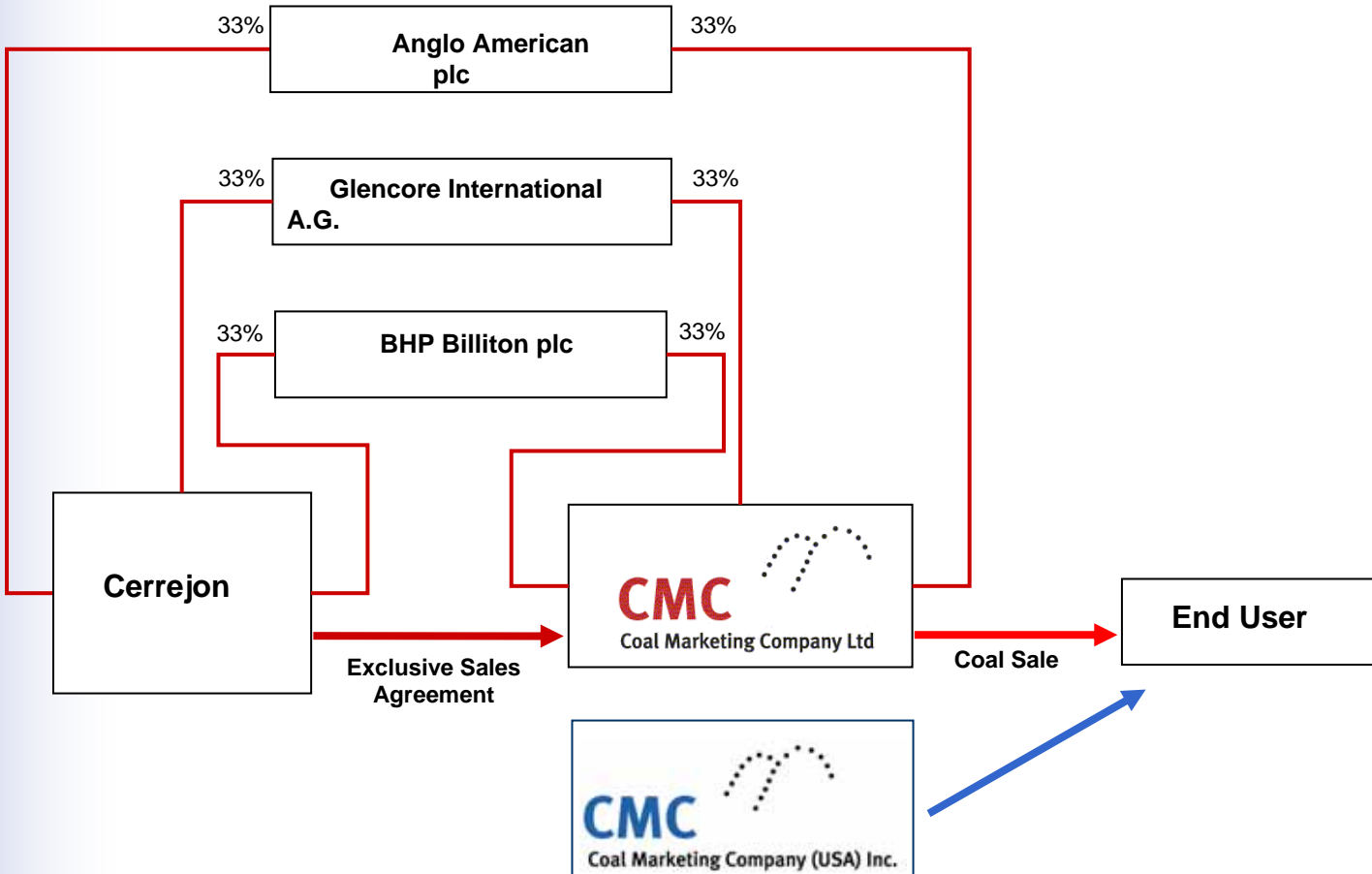
EXPORTERS	CCC (Santa Marta)	CDC (Baq-Ctg-Tolu Smt)	CERRIBON COAL COMPANY (Puerto Bolivar)	DRUMMOND (Puerto Drummond)	PRODECO (Puerto Prodeco)	Others (B/ tura - Baq - Ctg)	TOTAL	%
<b>NORTH AMERICA</b>	52,423	-	5,051,042	8,987,347	816,230	51,579	14,958,620	30%
Canada			1,602,693		58,972		1,661,665	
USA	52,423		3,448,349	8,987,347	757,258	51,579	13,296,956	
<b>CENTRAL AMERICA</b>	-	31,576	465,797	-	-	-	497,373	1%
Costa Rica			58,012				58,012	
Guatemala			407,785				407,785	
Honduras		31,576					31,576	
<b>SOUTH AMERICA</b>	-	162,501	1,140,743	131,373	286,061	290,171	2,010,849	4%
Brazil		144,929		82,975	211,946		439,850	
Chile			726,509	48,398	45,104		820,011	
Perú		17,572	414,234		29,012	290,171	750,988	
<b>CARIBBEAN</b>	-	683,713	203,698	1,313,248	97,464	-	2,298,123	5%
Cuba			24,147				24,147	
Dominican Republic		553,197	179,551		52,413		785,162	
Guadalupe		130,516			18,850		149,366	
Puerto Rico				1,313,248	26,201		1,339,449	
<b>EUROPE &amp; AFRICA</b>	537,884	880,573	14,553,208	8,686,561	1,245,124	12,324	25,915,674	51%
<b>MIDDLE EAST</b>	-	-	3,252,587	1,723,636	-	-	4,976,223	10%
<b>FAR EAST ASIA</b>	-	-	36,299	-	-	-	36,299	0%
<b>TOTAL</b>	590,307	1,758,364	24,703,374	20,842,165	2,444,879	354,074	50,693,162	100%
<b>TTL SHARE</b>	1%	3%	49%	41%	5%	1%	100%	

# CMC – Coal Marketing Company

- CMC is the exclusive supplier of coal produced in the Cerrejón mining complex.
- CMC – like Cerrejón – is owned in equal parts (33% each) by Anglo Coal, BHP Billiton and Glencore.
- CMC is an independent marketing company, operating in the term and spot markets and competing in many cases with shareholders.



# CMC – Coal Marketing Company



# Objectives of CMC

- Profitable and optimal marketing of Cerrejón coal to end-users of high repute.
- Successful placing of growing supply – from 18.5 million mt (2002) to 25 million mt (2004).
- 27 million mt projected for 2005 with steady growth toward 32 million mt by 2008-2009.
- Feasibility study for further expansion under way.

# CMC's Position in North America

- More than 20 million tonnes delivered during 1998 – 2004 period.
- Main products supplied into this market:
  - B product basis 11,800 Btu/lb GAR.
  - C product basis 11,600 Btu/lb GAR.
  - D product basis 11,300 Btu/lb GAR.
  - Compliance & Super Compliance SO<sub>2</sub>.
- Flexibility of sales basis: FOB Bolivar, CIF, DES, FOB Railcar or barge or delivered.

# What we offer: Security of Supply

- Cerrejón began operations in 1983: we have exported over 300 million mt of coal and have never declared force majeure.
- Guerrilla activity in Colombia has had minimal impact on the ability of Cerrejón to mine, transport and export coal.
- Responsible business practices, prosperity in La Guajira, community programs and good security combine to make Cerrejón a robust operation.

# What we offer: Flexibility

- Cerrejón is an integrated operation (mine, own railway and port). This provides flexibility to react immediately to customers' needs and changing schedules.
- In our business portfolio we have incorporated different contractual schemes ranging from spot to multi-year contracts, implementing diverse pricing schemes (fixed, formula and index linked).

# What we offer: Reliable Performer

- Customers have chosen Cerrejón as supplier precisely because of our ability to meet our commitments professionally and in full.
- We have long-lasting relationship with the many North America customers, in some cases dating from the late 80's.
- Customers know that we will continue to be there for them in the long term.