

KUYASA MINING (PTY) LIMITED

JOINT NEWS RELEASE

BHP BILLITON'S INGWE COAL ANNOUNCES EMPOWERMENT DEAL WITH KUYASA MINING

BHP Billiton, the world's largest resources company, has announced that its subsidiary Ingwe Coal has entered into yet another successful empowerment deal in South Africa.

The deal involves the selling of Delmas Colliery in the Mpumalanga Province to Kuyasa Mining (Pty) Limited, one of the junior miners in the South African mining industry. The deal is worth US\$3 million. This operation has at least a fifteen-year life span and thus provides Kuyasa with a solid base for future development within the coal mining industry.

One of the previous mining related empowerment deals involved Kuyasa in their first mining venture, establishing the Ikhwezi Colliery next to Delmas five years ago. Ingwe, together with Anglo Coal, established Eyesizwe Coal in 2000 (in a deal worth US\$48 million). In addition to the abovementioned, Ingwe has made significant reserves available to another BEE junior miner, Endulweni Resources.

The sale of Delmas will allow Ingwe to concentrate its strategic focus on its largest domestic customer, Eskom, as well as their large-scale export steam coal ventures.

Handing over of the mine by Ingwe to Kuyasa will take place on Wednesday, 4th September 2002 at 12h00 in the Auditorium at 6 Hollard St., Johannesburg.

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NOTES TO EDITORS

INGWE

Ingwe Coal Corporation Limited, one of our largest energy coal exporters in the world, owns and operates eight collieries in Mpumalanga and Kwa Zulu Natal provinces in South Africa. Ingwe is a wholly owned subsidiary of BHP Billiton and forms the significant part of its Energy Coal Customer Sector Group.

Ingwe has a 37% stake in the Richards Bay Coal Terminal (RBCT) making it the single largest shareholder. RBCT is pivotal in Ingwe's exporting activities.

For the year ended 30 June 2002, Ingwe achieved turnover of US\$ 983 million (previous year US\$ 1039 million) and earnings before interest and tax of US\$ 302 million (previous year US\$ 223 million).

KUYASA

Kuyasa Mining (Pty) Limited, a private coal mining holding company, was registered in 1995. It was established by four former Ingwe middle managers, all of whom are current directors and owners of Kuyasa.

It is the holding company for its wholly owned Ikhwezi Colliery, which has been in production since 1997. Ikhwezi is the only operating coal mining company that is black owned and managed in South Africa. Kuyasa acts as manager to Ikhwezi in respect of Health and Safety, Environmental Management, Operation Systems, Financial and Product Controls and Marketing.

Kuyasa was the first black owned company to become a member of the Chamber of Mines of South Africa

ENERGY COAL

Sale of Delmas Colliery



INGWE

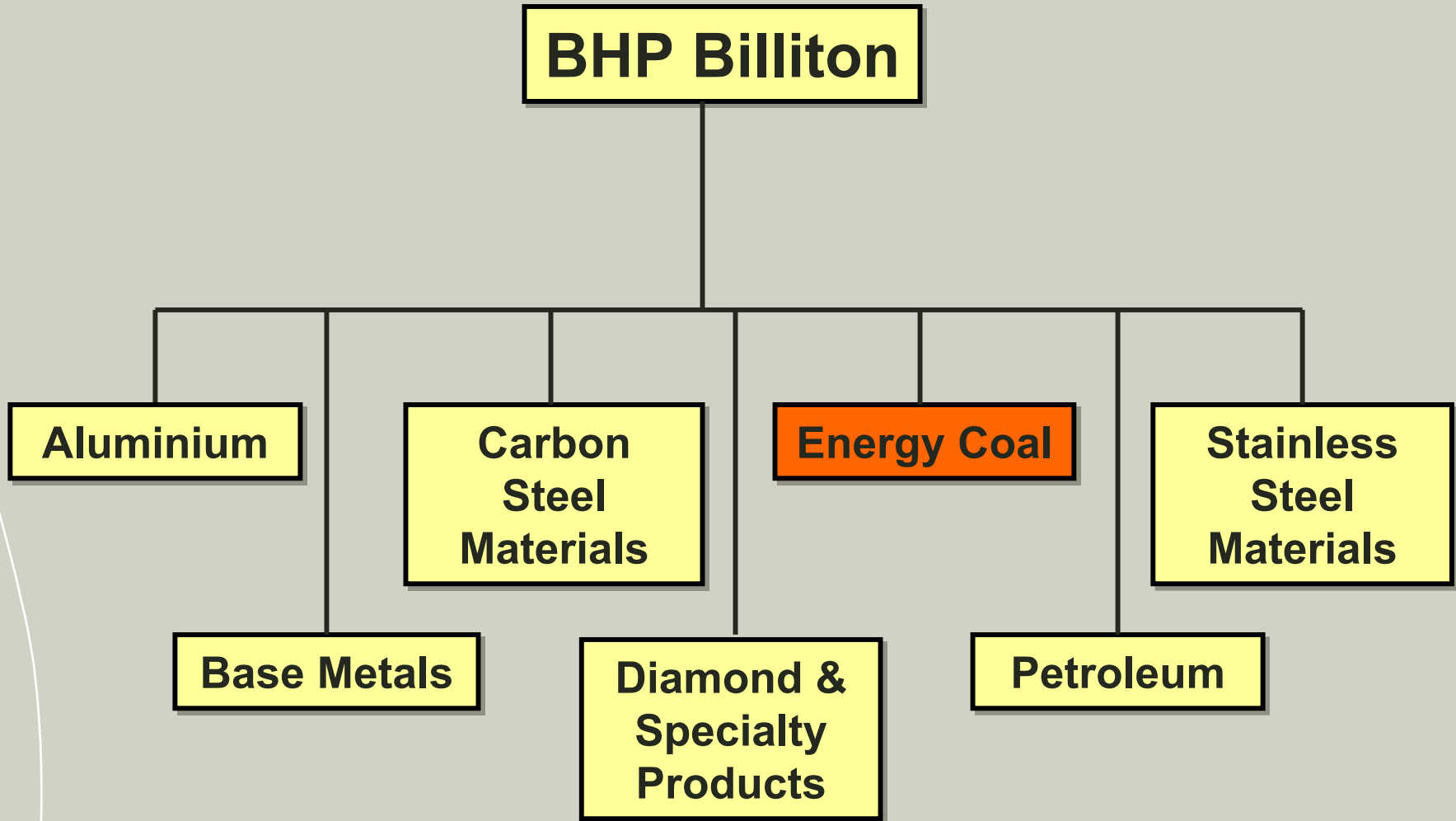


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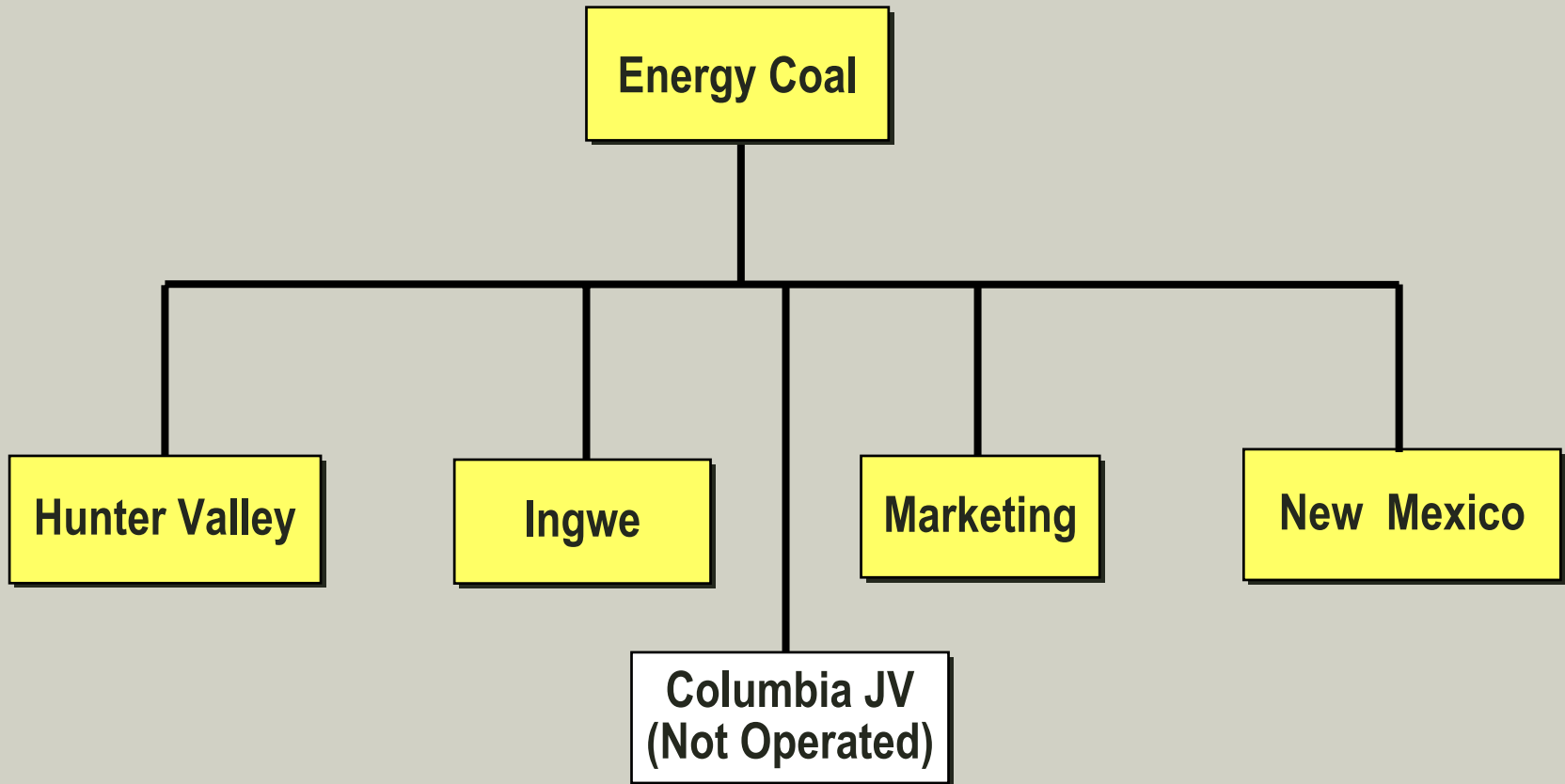
Program

- **Welcome – Muriel Dube, Ingwe Sustainable Development Manager**
- **Ingwe Overview – Eddie Scholtz, Ingwe President and COO**
- **Delmas Colliery Empowerment Deal – Eddie Scholtz**
- **Kuyasa Mining Overview – Ayanda Bam, Kuyasa Chairman**
- **Signing Ceremony – Eddie Scholtz and Ayanda Bam**
- **Closing – Muriel Dube**

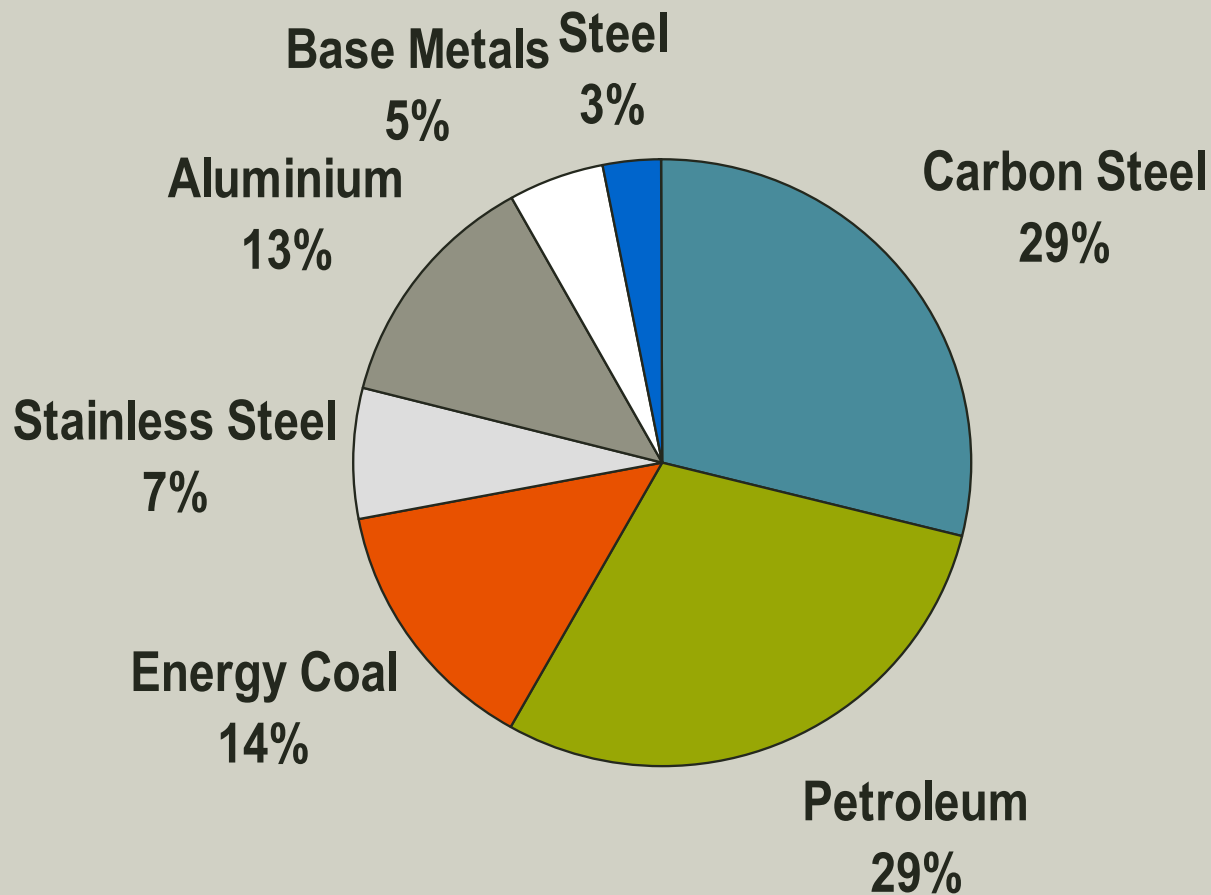
Company Structure



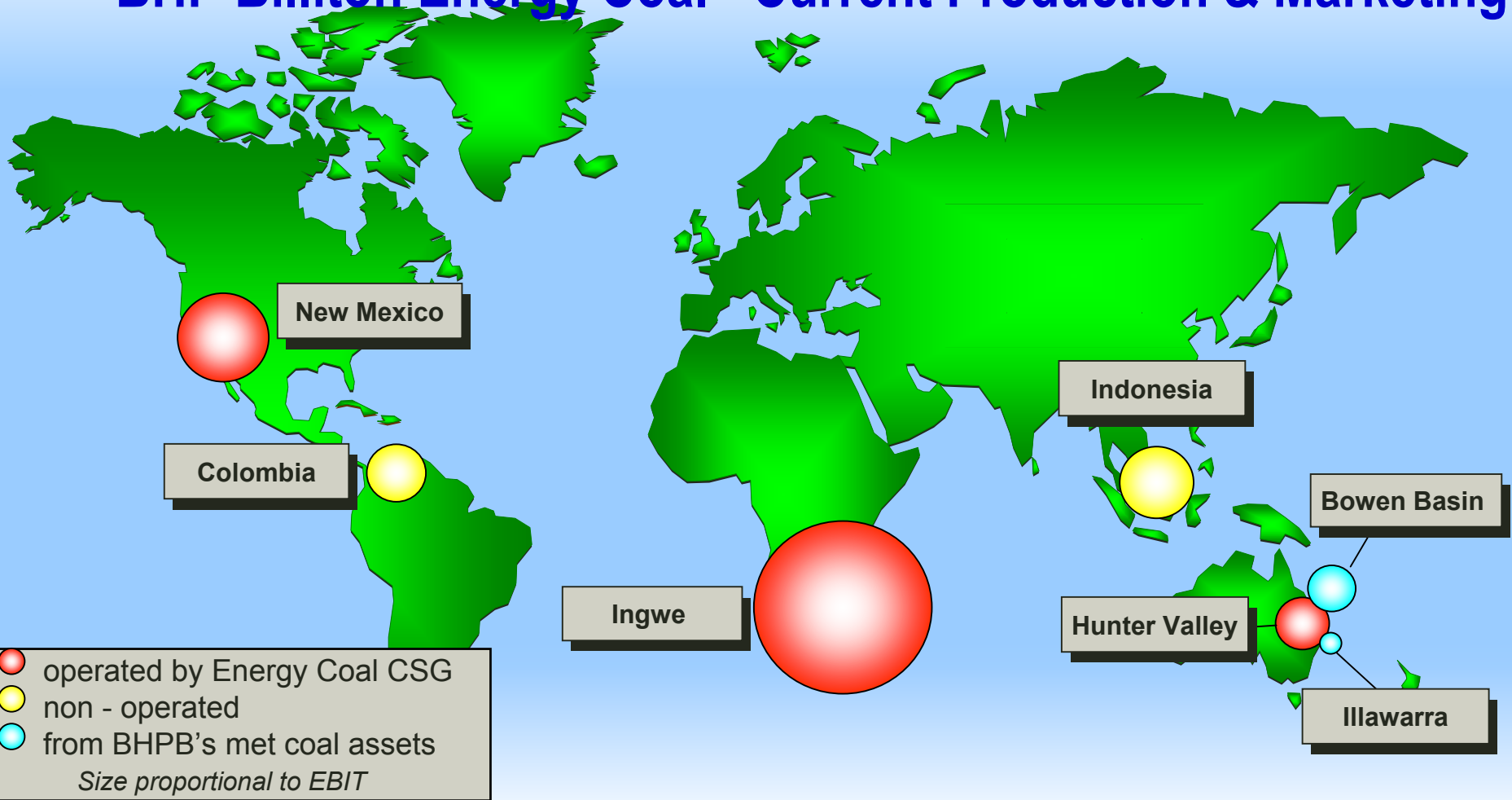
Energy Coal Customer Sector Group



EBIT contributions by customer sector group 2001/02



BHP Billiton Energy Coal - Current Production & Marketing



Ingwe portfolio from 1994

Delmas	Sale to BEE 2002
Douglas	Multi Product 8.5 mtpa Saleable
Ermelo Mines	Closed 1999
Glisa Colliery	Sold to Eyesizwe Coal 2000
Khutala Colliery	Eskom Supplier 12.3 mtpa Saleable
Koornfontein	Multi Product 6.1 mtpa Saleable
Matla Coal	Sold to Eyesizwe Coal 2000
Middelburg Mine	Multi Product 16.8 mtpa Saleable
Rietspruit Mine	Export 2.9 mtpa (In 2001/02 - Now closed)
Savmore Colliery	Sold to Kangra 1996
Welgedacht Colliery	Sold to Kangra 1998
Zululand Anthracite	Anthracite Producer - 0.6 mtpa Saleable
Ingwe Saleable Tonnage mtpa	61.2 mtpa (Managed in 2001/02)

DELMAS SALE TO KUYASA

SALIENT FEATURES

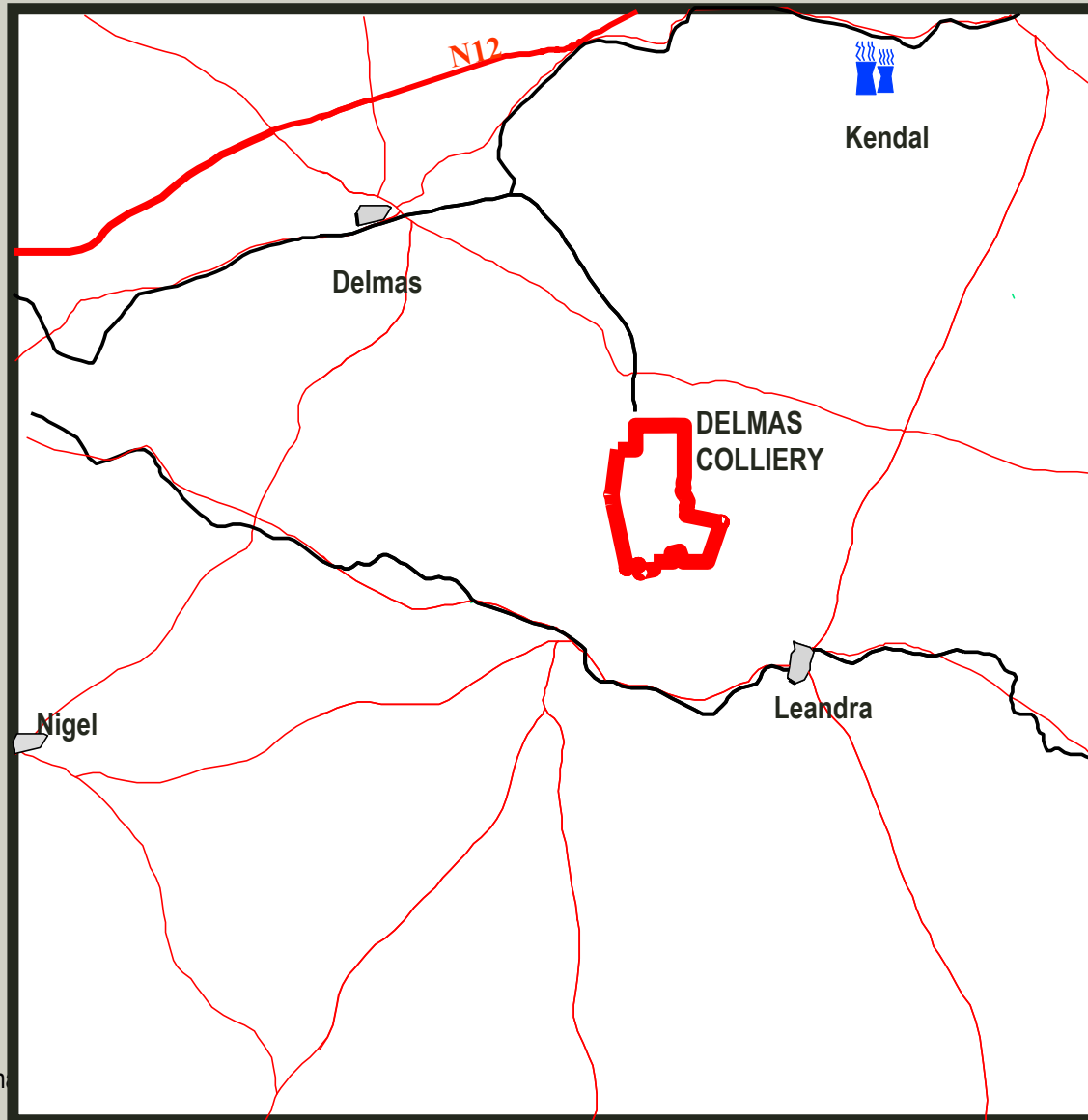


INGWE



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Locality Plan



Delmas

- 30 years of experience in domestic market
 - Underground mine
 - 1.2 Mtpa sales to inland market
 - Wholly owned
 - In excess of 15 years life
 - 174 Employees
 - 74 Underground Contractors
- 
- An aerial photograph showing a large industrial complex, possibly a coal processing plant, with several large buildings and conveyor systems. The facility is surrounded by green agricultural fields. In the background, a town or city is visible under a clear sky.

Delmas Colliery Achievements

- **Opened 1964**
- **One of first SA Mines to have EMPR approved**
- **Been mainstay of domestic inland market for 30 yrs**
- **Stable workforce – no hostel**
- **First Mine 100% Unionised after Labour Relations Act.**
- **One of first to appoint full time shaft stewards**
- **NUM Highveld regional chairman a previous Delmas employee**
- **NUM Chief Whip is the present Delmas full time shaft steward**
- **LTIFR 0,2 (SA Industry >2.0)**
- **Closure liabilities fully funded**
- **First mine to conclude agreement under L.R. Act for sale as “going concern”**

Strategic Rationale

- **Delmas not core business within Ingwe portfolio**
- **Restructuring of Delmas over the years**
- **Ingwe supports BEE**
- **In line with New Minerals Bill**
- **Complements Ingwe strategy for the region**
- **Previous Empowerment mining deals**
 - **Ikhwezi Colliery – Kuyasa (1995)**
 - **Establishment of Eyesizwe Coal (2000)**
 - **Endulweni Resources (2000-2002)**
- **Ingwe annual BEE Expenditure: R 149 million/annum**

Basis of Deal

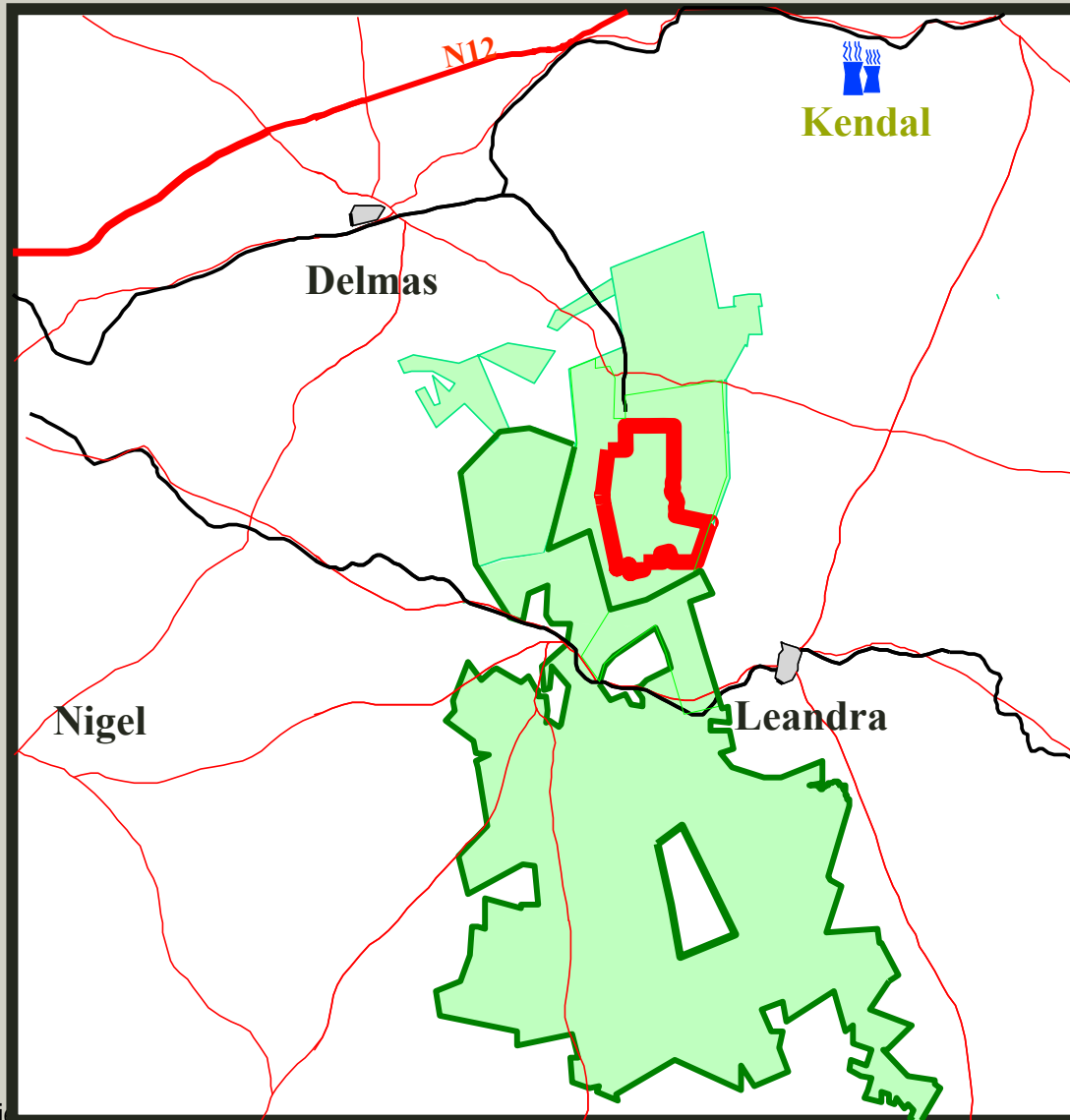
- R 30.5 million consideration for assets
- Assets included
 - 56 Million insitu tons of coal
 - Two operating shaft systems
 - Two underground production sections
 - Wash plant
 - Rail and road loadout facility
 - Offices, workshops and supporting infrastructure
 - Fully funded closure liability



Employee Agreements

- **Sale of Delmas as a going concern, from 1 July 2002**
- **Transitional period of 6 months**
- **Agreement signed by all Unions and Associations**
- **Management stay in place**
- **Technical and Marketing support from Ingwe during transition phase**

Expansion Potential – Reserve Plan



An Introduction to Kuyasa Mining (Pty) Ltd



04 September 2002

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1. Background
2. Business Imperatives
3. History
4. Management Team
5. Ikhwezi Colliery
6. Delmas Coal (Pty) Ltd
7. Future Plans

KUYASA MINING

1. Background

- Private coal mining holding company registered in August 1995
- Formed by four ex-Ingwe middle managers, whom are the current directors and owners of Kuyasa Mining
- Its wholly-owned operating subsidiary Ikhwezi Colliery has been in production since 1997
- Kuyasa Mining acts as manager to Ikhwezi, and is responsible for:
 - Health and Safety Financial control
 - Environmental Management Product Control
 - Operation Systems Marketing
- Kuyasa was the first black-owned member of the Chamber of Mines of South Africa

Ikhwezi is the only operating coal mining company owned and managed by black people in South Africa

KUYASA MINING

2. Business Imperatives

- **Vision**

Kuyasa Mining sees itself recognised as a significant mining house within the next ten years. By 2008 it is targeting a total annual run of mine output of twelve million tonnes. It aims to create an environment in South Africa that will be conducive to aspirant black entrepreneurs to join the industry as owners, without sacrificing the profitability of its operations.

- **Mission**

Kuyasa Mining will always strive to be a competitive, profitable and a respected coal producer with sound business ethics. Respect for human dignity is our guiding philosophy.

- **Business philosophy**

In realising its vision of substantial growth, Kuyasa will seek to maintain its independence and will not accept a role in a partnership where it will be reduced to the position of performing certain processes for the other party. Kuyasa will always endeavor to retain the largest share in any partnership so that it can achieve its objectives.

Kuyasa seeks active management of production, beneficiation and marketing.

Kuyasa believes that control is of critical importance

KUYASA MINING

3. History: Major hurdles overcome

- **Mineral rights**
 - After the formation of Kuyasa, approaches and offers to purchase coal rights from the major mining houses and government were slow to bear fruit
 - November 1996: formal agreement reached with Ingwe Coal regarding Ikhwezi coal rights

- **Financing**
 - A debt facility which was finalised in 1998 with the Commonwealth Development Corporation and was settled a year later.

- **Technical hurdles in planning of Ikhwezi**
 - River diversions
 - EMPR commenced in late 1996 and fully approved in 1997 prior to start of mining

Kuyasa's management has successfully negotiated a steep learning curve

KUYASA MINING

4. Founding Directors and Management

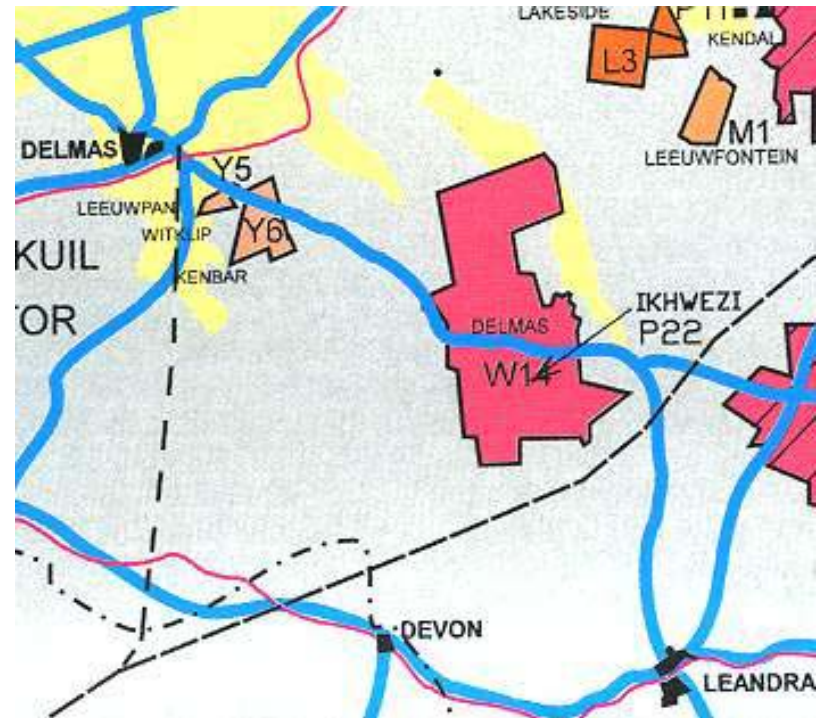
- **Ayanda Bam** : Executive Chairman
 - BSc Computer Science (1985)
 - Previously head of Ingwe's Rietspruit colliery IT department
- **Thabo Sibeko**: Director, Operations
 - BSc Mathematics (1987), BSc Electrical Engineering (1992)
 - Previously at Eskom, prior to this an engineer at Ingwe's Middelburg colliery
 - Managing Director of Ikhwezi colliery
- **Joseph Ndaba**: Director, Financial Services
 - BComm (Accounting) (1982)
 - Previously cost and management accountant at Ingwe's Rietspruit colliery
- **Wendy Gobey**: Director , Corporate Affairs
 - IPM diploma in Human Resources
 - Previously at Ingwe's Rietspruit colliery



KUYASA MINING

5. Ikhwezi Colliery

- 25 km South East of Delmas
- 2 deposits of bituminous coal
- Opened in March 1997
- Opencast truck and shovel operation
- Production 1,3 to 1,8 million sales tonnes per annum
- Run of mine coal sold directly to Ingwe and Eskom (domestic markets)
- ± 100 people employed



KUYASA MINING

Ikhwezi Colliery



KUYASA MINING

Production and Marketing

- No beneficiation plant
- Sales profile :
 - Ingwe's Delmas Colliery purchased some 75kt/month of raw No. 2 and No. 4B coal under contract.
 - In addition, Eskom purchased some 63 kt/month of raw No. 4 seam coal for Kendal and Majuba power stations.



KUYASA MINING

7. Future Plans

- To increase our coal sales to Eskom and other local utilities.
- To secure a sound base locally.
- To acquire more reserves from the existing major mining companies, discussions are on going .
- To export coal from South Africa.