JOINT ANNOUNCEMENT REGARDING IRON ORE SUPPLY ARRANGEMENTS

ArcelorMittal South Africa Limited
(Incorporated in the Republic of South Africa)
(Registration number 1989/002164/06)
JSE Share code: ACL
ISN: ZAE 000134961
("ArcelorMittal”)

Kumba Iron Ore Limited
A member of the Anglo American plc group
(Incorporated in the Republic of South Africa)
(Registration number 2005/015852/06)
JSE Share code: KIO
ISN: ZAE000085346
("Kumba")

IRON ORE SUPPLY AGREEMENT

ArcelorMittal and Sishen Iron Ore Company (Pty) Ltd ("SIOC"), a subsidiary of Kumba, (collectively the "Parties") previously advised that they were engaged in negotiations regarding the long term supply of iron ore to ArcelorMittal from SIOC's mines, including the Sishen and Thabazimbi mines.

The parties are pleased to announce that an agreement ("the Agreement") regulating the sale of iron ore by SIOC to ArcelorMittal has now been concluded and will become effective from 1 January 2014.

The Agreement also settles various disputes between the Parties.

The Agreement regulates the sale of up to 6.25 mtpa of iron ore by SIOC to ArcelorMittal complying with agreed specifications and lump-fine ratios. This volume of iron ore includes any volumes delivered by SIOC to ArcelorMittal from the Thabazimbi Mine.

Whilst the Agreement is subject to confidentiality undertakings by the Parties, the material terms of the Agreement are as summarised below –

1.1 the price of iron ore sold to ArcelorMittal by SIOC will be determined with reference to the cost (including capital costs) associated with the production of iron ore from the DMS Plant at the Sishen Mine plus a margin of 20% subject to a ceiling price equal to the Sishen Export Parity Price at the mine gate;

1.2 whilst all prices will be referenced to Sishen Mine costs (plus 20%), there is an agreed floor price for 1.6 Mt and 2.0 Mt of iron ore for the first two years of the Agreement;

1.3 although the Agreement settles all existing disputes between the Parties, the Agreement is subject to a number of resolutive conditions, including that SIOC retains the entire Sishen mining right. In addition, it is assumed that the amendments to new legislation will not have a material effect on the terms of supply;

1.4 should SIOC become entitled to terminate the Agreement following the occurrence of any of the resolutive conditions, the Sishen arbitration, which commenced in April 2010, will proceed to determine AMSA's entitlement to receive iron ore from SIOC on the terms of the Agreement.

The Parties are confident that the Agreement will ensure the long term sustainable domestic sale of iron ore to ArcelorMittal, through the cycle for the life of the Sishen Mine, at favourable prices. The Agreement will regulate all sales of iron ore on a holistic basis that is consistent with South Africa's beneficiation aspirations. In addition, the Agreement will provide ArcelorMittal with security of iron ore supply – at market related prices at the mine gate - for volumes in excess of 6.25mtpa.

The Agreement may also enable an opportunity for the extension of the life of Thabazimbi Mine which, based on its current operating configuration, is currently nearing the end of its economic life, with unit costs having increased materially. SIOC has embarked upon studies to evaluate the viability of extending the life of Thabazimbi Mine through the introduction of certain low grade beneficiation technologies, and early indications in this regard are promising. A potential mine life extension at Thabazimbi will impact positively on the 1,300 employees, including 850 permanent staff, who are currently employed at the mine.

The Thabazimbi Mine has operated under the current agreement as a captive cost-plus mine with the costs borne by ArcelorMittal. Under the Agreement, the operational and financial risks will pass to Kumba and Thabazimbi Mine will become an alternative source of iron ore to ArcelorMittal from the Kumba portfolio of mines.

ArcelorMittal Media and investor queries:
For further information contact:
Themba Hlengani
Manager: Corporate Communications
Tel: (016) 889 2425 or 083 440 0158

Kumba Investor/Analyst queries:
Esha Mansingh
Investor Relations
Kumba Iron Ore Limited
Tel: (012) 683 7257 / 083 488 9427

Kumba Media queries
Yvonne Mfolo
Public Affairs
Kumba Iron Ore Limited
Tel: (012) 683 7074 / 083 469 4566

Sandton

5 November 2013

Sponsor to ArcelorMittal
Deutsche Securities (SA) (Proprietary) Limited

Sponsor to Kumba
RAND MERCHANT BANK (A division of FirstRand Bank Limited)