



ANGLOGOLD ASHANTI

AngloGold Ashanti Limited

(Incorporated in the Republic of South Africa \ Reg. No. 1944/017354/06)

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Website: www.anglogoldashanti.com

News Release

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ANGLOGOLD ASHANTI LIMITED ANNOUNCES THE PRICING OF ITS EQUITY OFFERING AND MANDATORY CONVERTIBLE BONDS OFFERING AND CAUTIONARY ANNOUNCEMENT

Equity Offering

AngloGold Ashanti announces that its offering of 15,773,914 AngloGold Ashanti ordinary shares (“ordinary shares”) (and up to an additional 2,366,086 ordinary shares pursuant to an over-allotment option granted to the underwriters) in the form of ordinary shares or AngloGold Ashanti American Depositary Shares (“ADSs”) (currently each ADS represents one ordinary share) (the “Equity Offering”) has been priced at US\$43.50 per ADS and ZAR308.37 per ordinary share. AngloGold Ashanti expects to receive gross proceeds of approximately US\$686 million from the Equity Offering (assuming no exercise of the over-allotment option in respect of the Equity Offering).

Mandatory Convertible Bonds Offering

AngloGold Ashanti announces the final terms of the offering of US\$686,162,400 mandatory convertible subordinated bonds due 2013, which will initially be convertible into a maximum of 15,773,913 ADSs (and up to an additional US\$102,924,350 principal amount of such bonds which will initially be convertible into a maximum of 2,366,087 ADSs pursuant to an over-allotment option granted to the underwriters) (the “Mandatory Convertible Bonds”) by its wholly-owned subsidiary, AngloGold Ashanti Holdings Finance plc (the “Mandatory Convertible Bonds Offering”). The Mandatory Convertible Bonds are fully and unconditionally guaranteed by AngloGold Ashanti on a subordinated basis. The Mandatory Convertible Bonds will be convertible into ADSs (or, in certain circumstances, the cash value thereof), and pay a coupon of 6.00% per annum.

Conversion in full of the Mandatory Convertible Bonds (at the initial price of approximately US\$43.50 per ADS) would result in the issuance of a maximum of 15,773,913 ADSs. The initial price has been set at approximately US\$43.50, being the public offering price on the simultaneous ADS placement (equivalent to a maximum conversion rate of 1.14943 ADSs per US\$50 principal amount of Mandatory Convertible Bonds), and the threshold appreciation price has been set at approximately US\$54.375, a premium of 25% percent to the initial price (equivalent to a minimum conversion rate of 0.91954 ADSs per US\$50 principal amount of Mandatory Convertible Bonds). AngloGold Ashanti expects to receive gross proceeds of approximately US\$686 million from the Mandatory Convertible Bonds Offering (assuming no exercise of the over-allotment option in respect of the Mandatory Convertible Offering).

AngloGold Ashanti will apply to list the Mandatory Convertible Bonds on the New York Stock Exchange.

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AngloGold Ashanti shareholders will be requested to grant specific authority for the directors to issue ordinary shares underlying the ADSs deliverable upon conversion of the Mandatory Convertible Bonds.

In connection with the Equity Offering and Mandatory Convertible Bonds Offering, UBS AG (London Branch) and Morgan Stanley & Co. Incorporated, acting as stabilising managers on behalf of the underwriters, may over-allot or effect transactions which may support the market price of AngloGold Ashanti ordinary shares, ADSs and Mandatory Convertible Bonds at a level higher than that which might otherwise prevail for a limited period after the pricing date. However, there is no obligation of UBS AG (London Branch) or Morgan Stanley & Co. Incorporated to do so. Such stabilising action may under no circumstances continue beyond the 30th calendar day after the pricing date.

Purpose of the offerings and use of proceeds

AngloGold Ashanti intends to use the net proceeds from the Equity Offering and Mandatory Convertible Bonds Offering, together with funds drawn from its existing credit facilities and cash on hand, to effectively eliminate its gold hedging position while maintaining a strong balance sheet to fund its development projects and exploration initiatives, as described below.

“Removing the hedge book represents the last phase of the balance sheet restructuring and once completed, is expected to give us full exposure to the gold price, widening profit margins and improving cash flow,” Chief Executive Officer Mark Cutifani said. “It will also enhance our ability to fund an exciting pipeline of organic expansion projects at a time many of our peers are forced to make expensive acquisitions to secure growth.”

AngloGold Ashanti’s strategy has the support of New York-based Paulson & Co. Inc., the company’s largest shareholder with 12.1% of its shares outstanding as per the latest filings, and Cape Town-based Allan Gray Limited, whose clients are the company’s second largest shareholder with a 9.5% shareholding.

“We are steadfast supporters of AngloGold Ashanti’s management team, its growth plans and its strategy of increasing its exposure to the gold price,” John Paulson, President of Paulson & Co. Inc. said.

“We support this move by AngloGold Ashanti in accordance with its strategy to remove the gold hedges” said Allan Gray Portfolio Manager, Sandy McGregor.

During 2009, AngloGold Ashanti continued to execute its strategy to reduce its outstanding gold hedging position, which resulted in its decision to accelerate the settlement of certain outstanding gold hedging positions. These accelerated settlements, together with the normal scheduled deliveries and maturities of other gold derivatives positions during 2009 and the first half of 2010, reduced the total committed ounces from 5.99 million ounces as at 31 December 2008 to 3.22 million ounces as at 30 June 2010 and to 2.72 million ounces as at 14 September 2010.

AngloGold Ashanti estimates that its current residual hedging position would likely result in it realising an effective discount to the gold spot price of approximately 6-11% until 2014 and an effective discount of less than 1% in 2015 if the hedge book were not restructured, assuming an annual production of 5.0 million ounces and a spot price of between US\$950 and US\$1,450 per ounce. AngloGold Ashanti believes that the outlook for the gold price remains robust, with strong physical and investment demand coupled with diminishing global mine supply. AngloGold Ashanti has therefore decided to accelerate the elimination of its residual gold hedging position and maximise its unhedged leverage to the spot gold price of its future gold production.

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AngloGold Ashanti intends to effectively eliminate all its remaining gold hedging position by early 2011, market conditions permitting, including by procuring early settlement of all existing contracts that mature in 2010 and beyond, or by purchasing off-setting derivatives, or both. AngloGold Ashanti believes that this would have the following benefits:

- AngloGold Ashanti would be fully exposed from 2011 to the spot price of gold in what it expects to be a strong gold price environment.
- AngloGold Ashanti expects to realise higher profit margins and cash flows from 2011 as a result of the low committed prices under existing contracts that would be removed.
- AngloGold Ashanti's strategic position would be enhanced with a more robust capital structure to fund the growth initiatives set out in more detail below as a result of the expected improvement in its profitability and cash flow. On a combined basis, AngloGold Ashanti believes that these growth initiatives, which it estimates will require project capital expenditure (excluding any stay in business or ore reserve development capital expenditure) of approximately US\$2,450 million over the next three years, have the potential to add significantly to its ore reserves as well as the potential to increase its annual gold production from current levels.

Due to the low committed prices under its current hedge contracts (at an average price of less than US\$450 per ounce) relative to the current market price, the elimination of AngloGold Ashanti's hedging arrangements will require a significant capital commitment. AngloGold Ashanti expects that it would have a significant one-off negative impact on its financial statements during each period in which the restructuring of its hedges is implemented. The exact nature, extent and execution of AngloGold Ashanti's gold hedge restructuring will depend upon the successful completion of the Equity Offering and the Mandatory Convertible Bonds Offering, as well as prevailing and anticipated market conditions at the time of restructuring, particularly prevailing gold prices and exchange rates and other relevant economic factors. As at 30 June 2010, the negative marked-to-market value of all hedge transactions making up AngloGold Ashanti's hedge position was approximately US\$2.41 billion.

AngloGold Ashanti's development projects and exploration initiatives

AngloGold Ashanti prioritises organic growth through greenfield exploration, brownfield exploration and project development, leveraging its current ground holding and asset position at, what AngloGold Ashanti believes, is the most value efficient path to growth.

During 2010, greenfield exploration activities are being undertaken in five regions: the Americas (including Canada and Colombia); Australia; Asia (including China and the Solomon Islands); Sub-Saharan, West and East Africa (including the Democratic Republic of Congo, Gabon, Guinea and Tanzania) and the Middle East/North Africa (including Egypt and Eritrea).

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Current key greenfield development initiatives approved or under consideration include the following projects:

- *Australia.* The Tropicana joint venture, in which AngloGold Ashanti holds a 70% interest, covers approximately 12,500 square kilometres and is located to the east and northeast of Kalgoorlie in Western Australia. Together with ongoing exploration, a pre-feasibility study was completed for Tropicana in the second quarter of 2009 and the favourable outcome of this study has resulted in a decision to proceed with a feasibility study which is scheduled for completion in the fourth quarter of 2010 when the partners will make a development decision. In July 2010, the Western Australia Environmental Protection Agency released its report and recommendation on the project and it is anticipated State and Federal Ministers will announce their decisions by year-end. If the necessary regulatory and board approvals are obtained by year-end, construction will start in early 2011, with gold production to begin in 2013. Finalisation of capital and operating costs are in progress and development of the implementation schedule and construction contracting strategies are underway. AngloGold Ashanti has estimated that Tropicana would produce between 330,000 and 410,000 ounces per annum (70% of which is attributable to AngloGold Ashanti) over its life. As part of the Tropicana project, scoping studies are expected to be completed in the second half of the year at both the Havana Deeps deposit and at the Boston Shaker deposit. The Havana Deeps prospect represents the potential higher-grade underground extension of the Havana open-pit orebody, which already forms part of the Tropicana project. The Boston Shaker deposit, located about 500 metres northeast of Tropicana, has now been defined over a 700 metre strike length, is open down dip and may be included in the Tropicana project. In addition to the Tropicana project, reconnaissance exploration drilling is also continuing in parallel within parts of the remaining 12,500 square kilometre area of the Tropicana joint venture.
- *Colombia.* In Colombia, AngloGold Ashanti has developed a “3 level participation model” comprising its own exploration initiatives, exploration joint ventures with established players and equity positions in other exploration companies that are also active in Colombia. AngloGold Ashanti’s land holding position in Colombia, which includes tenements held and under application and including tenements held with its joint venture partners, is approximately 16,100 square kilometres. Principal exploration initiatives in Colombia include AngloGold Ashanti’s wholly-owned La Colosa deposit as well as the Gramalote joint venture with B2Gold (in which AngloGold Ashanti now owns a 51% interest following its recent acquisition of an additional 2% interest from B2Gold Corp pursuant to the Gramalote joint venture agreement). On 20 October 2009, AngloGold Ashanti received a resolution from the Ministry of the Environment and Territorial Development of Colombia, which allowed for initiation of exploration permitting procedures for La Colosa before the regional environmental authority, Cortolima. Drill preparation work and regional exploration (including mapping and sampling) is in progress and further exploration drilling as part of ongoing pre-feasibility studies began in August 2010. Also in August 2010, AngloGold Ashanti entered into an amendment to the Gramalote joint venture agreement with B2Gold, pursuant to which it assumed operatorship of the Gramalote joint venture. Feasibility studies and further exploration drilling will now commence at Gramalote in September 2010 and are planned to continue into 2011 and 2012 with the goal of completing a final feasibility study by the end of 2012.
- *DRC.* After the findings of the DRC Mineral Review Commission were completed in February 2009, AngloGold Ashanti engaged with the DRC government and L’Office des Mines d’Or de Kilo-Moto, or OKIMO (the DRC state gold mining company and shareholder with AngloGold Ashanti in Ashanti Goldfields Kilo (AGK)) to negotiate a definitive joint venture agreement and supporting documentation with OKIMO for the development, in accordance with the DRC mining code, of the AGK project in which AngloGold Ashanti holds an 86.22% interest, as well as the transfer of exploitation permits covering an area of 5,866 square kilometres as part of the original Concession 40 tenement to AGK. These agreements were entered into on 20 March 2010.

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Following the conclusion of these agreements, AngloGold Ashanti, in partnership with OKIMO is scheduled to complete a feasibility study at the Mongbwalu-Adidi project in the first quarter of 2011. A 20,000 metre combined drilling programme is currently underway at Mongbwalu-Adidi and a further 5,000 metre programme is planned for early phase drill-testing of regional targets within the broader 5,866 square kilometre area during 2010. In addition to the 86.22% interest in AGK, AngloGold Ashanti also holds a 45% interest in the Kibali Gold Project (45% held by Randgold Resources Limited and 10% by OKIMO) where, as at 31 December 2009, the 45% attributable share of AngloGold Ashanti's ore reserves of Kibali was 4.14 million ounces and where exploration and feasibility studies continue. An updated feasibility study, which will optimise the mining plan and the size of the plant, is on track for completion by the end of 2010. Pre-construction preparations have run ahead of plan given positive interaction with local communities and rapid development of associated infrastructure allowing the start of construction to be brought-forward by six months to mid-2011. The project is on track to produce its first gold in January 2014.

Brownfield exploration, which is aimed at identifying ounces for production at or around existing mines, is being undertaken around all of AngloGold Ashanti's current operations. In 2009, the most successful brownfield exploration results from AngloGold Ashanti's existing programmes were achieved in Guinea, Mali, South Africa and the United States. In the first six months of 2010, AngloGold Ashanti's most successful brownfield exploration results were achieved at Sunrise Dam in Australia, at its Siguirí mine in Guinea and in Brazil, particularly at Córrego do Sítio (including the Saõ Bento mine).

Current key brownfield development initiatives approved or under consideration include the following projects:

- *Mponeng Ventersdorp Contact Reef, or VCR, below 120 Level project (South Africa):* Approved in February 2007, this project entails exploiting the VCR ore reserves located from 120 Level to 126 Level at Mponeng and is estimated to recover 2.7 million ounces of gold with first production scheduled for 2013 and full production in 2015.
- *Mponeng Carbon Leader Reef, or CLR, below 120 Level project (South Africa):* A feasibility study is in progress to exploit the CLR ore reserves located below 120 Level at Mponeng. Estimates are that 14.7 million ounces of gold could be recovered from this project, which is anticipated to be developed in the medium term, with annual production of approximately 450,000 ounces.
- *Moab Khotsong phase II (Zaaipplaats) (South Africa):* A feasibility study has been completed on the optimal extraction of the ore body within the lower mine area of Moab Khotsong which, if developed, will further extend the life of Moab Khotsong recovering an estimated 5.1 million ounces of gold with an average annual production of 370,000 ounces. This project is anticipated to be developed in the medium term with further underground exploration and some pre-development approved by AngloGold Ashanti's board of directors in August 2010 to commence in the second half of 2010.
- *Cerro Vanguardia (Argentina):* The underground mining project at Cerro Vanguardia in Argentina will involve underground mining below seven of the deeper high-grade open pits that have been or are currently being mined by way of open-pit techniques. Underground mining is expected to be cheaper than open-pit mining in these deeper pits. A feasibility study, including trial mining below one of the existing pits, is scheduled to be completed in the second half of 2010. If approved by AngloGold Ashanti's board of directors in the short term following the completion of the feasibility study, it is expected that this project, which has the potential to produce 613,000 ounces of gold and 6.1 million ounces of silver over the anticipated life of the project, will be developed from early 2011.

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Similar underground production at other pits at Cerro Vanguardia may be considered in the future. In addition, a feasibility study for a heap leach project at Cerro Vanguardia, based on the treatment of low grade ore through a small heap leaching operation, was completed in 2009. The feasibility study indicated that Cerro Vanguardia's annual gold production could rise by an additional 20,000 ounces per annum through the employment of this process. The project was approved by AngloGold Ashanti's board of directors in February 2010 and production is scheduled to begin in the second quarter of 2011.

- *Córrego do Sítio (including the Saõ Bento mine) (Brazil)*: AngloGold Ashanti acquired the former Saõ Bento property from Eldorado Gold Corporation in December 2008 and subsequently this was renamed AngloGold Ashanti Córrego do Sítio Mineração. This acquisition resulted in the consolidation and doubling in size of the Córrego do Sítio project (Phase II), adding mineral potential and infrastructure. The project plan for Phase I of the project (which includes only the original Córrego do Sítio property) covers potential mining of the Cachorro Bravo, Laranjeiras and Carvoaria Velha ore bodies. The Córrego do Sítio Phase I feasibility study, which included an assessment of the metallurgical process for production of 140,000 ounces of gold annually and 1.9 million ounces over life, has been finalised and the project was approved by AngloGold Ashanti's board of directors in May 2010. Detailed engineering commenced immediately after the project was approved. Underground development is progressing to schedule and various environmental licenses have been obtained. The refurbishment and upgrade of the Saõ Bento plant (also part of the 2008 acquisition) is currently in process, while the contracts for the design and manufacture of the autoclaves have already been awarded. Production is expected to commence in early 2012.
- *Lamego (Brazil)*: A feasibility study for the Lamego project was approved by AngloGold Ashanti's board of directors in September 2008 and is currently being implemented. The planned ramp up in production at Lamego resulted in production of 18,000 ounces in 2009, with 33,000 ounces expected in 2010 and full production of 48,000 ounces expected in 2011. It is estimated that Lamego will produce approximately 469,000 ounces of gold over an anticipated life of project of nine years.
- *Nova Lima Sul (Brazil)*: The objective of this project is to mine a number of target areas in the vicinity of AngloGold Ashanti Brazil Mineração's current operations and process the ore utilising idle capacity at AngloGold Ashanti Brazil Mineração's Queiroz processing plant. The project consists of three phases and a feasibility study for phase 1 of the project, which is estimated to have the potential to produce approximately 880,000 ounces of gold, is expected to be completed in early 2011. If phase 1 is approved by AngloGold Ashanti's board of directors following completion of the feasibility study, development of this phase of the project will then commence. The feasibility studies for phases 2 and 3 of the project are expected to be completed by the end of 2013.
- *Obuasi and Obuasi Deeps (Ghana)*: Brownfields exploration and studies for the exploitation of the vast ore body below 50 Level at Obuasi continue, in addition to business improvement initiatives and other mine design and operating plans to establish sustained improvements in operational performance and efficiencies in existing operations at Obuasi.
- *Sadiola Deeps (Mali)*: The objective of this project is to treat the hard sulphide ore from the main pit through a new plant in parallel with the current oxide plant thus increasing the overall processing capacity at Sadiola. Iamgold, AngloGold Ashanti's equivalent 41% partner in Sadiola, is currently undertaking a feasibility study for Sadiola Deeps, which is expected to be completed in late 2010.

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- *Mine Life Extension projects at Cripple Creek & Victor, or CC&V (United States):* The required permits have been granted from the State of Colorado and Teller County and construction has begun on the first mine life extension project at the Cripple Creek & Victor mine as approved by AngloGold Ashanti's board of directors in October 2008, which includes the development of new sources of ore and an extension to the existing heap-leach facility. The project has been accelerated and is now scheduled to be commissioned by the end of 2010 and is expected to extend the mine life, resulting in the recovery of 1.4 million ounces of gold. In addition, development drilling continues to define areas of interest for which engineering analysis and permitting requirements are being evaluated in a feasibility study for a second mine life extension project at the Cripple Creek & Victor mine.

Cautionary announcement

The Mandatory Convertible Bonds Offering may have a material effect on the price of AngloGold Ashanti's securities. Accordingly, AngloGold Ashanti shareholders are advised to exercise caution when dealing in AngloGold Ashanti's securities until a further announcement is made in relation to the request to grant specific authority for the directors to issue ordinary shares underlying the ADSs deliverable upon conversion of the Mandatory Convertible Bonds.

Johannesburg
15 September 2010

Financial adviser and sponsor: UBS

Underwriters and bookrunners: Morgan Stanley & Co. Incorporated and UBS AG (London Branch)

Co-bookrunners: Citigroup Global Markets Limited and Deutsche Bank AG, London Branch

South African legal advisers: Taback and Associates (Pty) Limited

United States of America and United Kingdom legal advisers: Shearman & Sterling LLP

Underwriters' United States of America legal advisers: Davis Polk & Wardwell LLP

Reporting accountants and auditors: Ernst & Young Inc

UBS AG (London Branch), Morgan Stanley & Co. Incorporated, Citigroup Global Markets Limited and Deutsche Bank AG, London Branch are acting for AngloGold Ashanti and no one else in connection with the Equity Offering and Mandatory Convertible Offering and will not be responsible to anyone other than AngloGold Ashanti for providing the protections afforded to clients of UBS AG (London Branch), Morgan Stanley & Co. Incorporated, Citigroup Global Markets Limited and Deutsche Bank AG, London Branch nor for providing advice in connection with the Equity Offering and Mandatory Convertible Bonds Offering.

This announcement shall not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of the securities described herein, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

The offerings described in this announcement will only be addressed to and directed at persons in member states of the European Economic Area, or EEA, who are "Qualified Investors" within the meaning of Article 2(1)(e) of the European Parliament and Council Directive 2003/71/EC, including any measure implementing such Directive in any member state of the EEA (the "Prospectus Directive"). In addition, in the United Kingdom, the offer will only be addressed to and directed at (1) Qualified Investors who are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), or high net worth entities falling within Article 49(2)(a)-(d) of the Order or (2) persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "Relevant Persons"). The Mandatory Convertible Bonds will only be available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, (1) in the United Kingdom, Relevant Persons and (2) in any member state of the EEA other than the United Kingdom, Qualified Investors. The offering as described in this announcement will not be addressed to the public in South Africa (as defined in, and in accordance with the terms of, Chapter VI of the South African Companies Act 1973 (as amended)).

This announcement includes "forward-looking information" within the meaning of Section 27A of the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, including, without limitation those concerning: AngloGold Ashanti's strategy to reduce its gold hedging positions including the extent and effect of the reduction of its gold hedging positions; the economic outlook for the gold mining industry; expectations regarding gold prices, production, cash costs and other operating results; growth prospects and outlook of AngloGold Ashanti's operations, individually or in the aggregate, including the completion and commencement of commercial operations at AngloGold Ashanti's exploration and production projects; the completion of announced mergers and acquisitions transactions; AngloGold Ashanti's liquidity and capital resources and expenditure; the outcome and consequences of any pending litigation proceedings; and AngloGold Ashanti's Project One performance targets. These forward-looking statements are not based on historical facts, but rather reflect AngloGold Ashanti's current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or other similar words and phrases. Similarly, statements that describe AngloGold Ashanti's objectives, plans or goals are or may be forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the AngloGold Ashanti's actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied by these forward-looking statements. Although AngloGold Ashanti believes that the expectations reflected in these forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

AngloGold Ashanti and AngloGold Ashanti Holdings Finance plc intend to register the securities described herein for offer and sale in the United States. Any public offering of securities to be made in the United States will be made by means of a prospectus and a related prospectus supplement that will contain detailed information about AngloGold Ashanti and its management, as well as financial statements. Such prospectus may be obtained from AngloGold Ashanti at 76 Jeppe Street, Newtown, Johannesburg, South Africa.

For a discussion of such risk factors, shareholders should refer to the annual report on Form 20-F for the year ended 31 December 2009, which was filed with the Securities and Exchange Commission on 19 April 2010 and amended on 18 May 2010 and the preliminary prospectus supplement referenced above. These factors are not necessarily all of the important factors that could cause AngloGold Ashanti's actual results to differ materially from those expressed in any forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results.

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