

**ERA****Energy Resources of Australia Ltd**

ABN 71 008 550 865

COMPLIANCE SUB-COMMITTEE CHARTER

1 ROLE OF THE COMPLIANCE SUB-COMMITTEE

The Sub-Committee is an assurance body which assists Management oversee and monitor the Company's Compliance System.

2 OBJECTIVE

The Sub-Committee has been established by Management with the objective of providing assurance that the Company is meeting its obligations in relation to compliance with:

- relevant legal and regulatory requirements;
- the operating Policies, Standards and Procedures implemented by the Company, including where applicable Rio Tinto Group Policies, Standards and Procedures;
- such other voluntary codes or practices that have been adopted by the Company.

3 TERMS OF REFERENCE

The following activities constitute the terms of reference for the Sub-Committee:

- To oversee the management of ERA's Compliance System;
- To ensure areas of legal compliance risk in operations and/or corporate functions are identified, including in particular following changes in the internal (operating) or external (regulatory) environments;
- To review compliance risk management in operations and/or corporate functions and make recommendations for appropriate action where necessary, including but not limited to recommending review of procedures, policies or operations, and the identification of potential training needs;
- To review company policies and systems to ensure that they provide an adequate safeguard against breaches of compliance obligations and are consistent with applicable standards;
- To review the effectiveness of the Compliance System including the range, content, frequency and competency levels of training and identify and support implementation of improvement opportunities;

- To ensure that actual or potential breaches of relevant legal or regulatory requirements, Rio Tinto standards and voluntary codes adopted by the Company are investigated;
- To review significant breaches of compliance obligations and to make recommendations for corrective action and measures to prevent recurrence;
- To arrange periodic reviews and audits of ERA's Compliance System to confirm the integrity of the programme, and to measure adherence; and
- To ensure that the structure and purpose of the Compliance System is communicated effectively to all relevant employees.

4 MEMBERSHIP OF THE COMPLIANCE SUB-COMMITTEE

The Sub-Committee shall consist of the Chief Executive, General Managers and Legal Counsel, as well as others as appointed from time to time by the Chief Executive.

5 CONDUCT OF COMPLIANCE SUB-COMMITTEE MEETINGS

5.1 Chair

The Chief Executive will chair the Sub-Committee.

5.2 Secretarial

The Legal Counsel will be responsible for drawing up and circulating the agenda together with supporting documents to the Sub-Committee prior to each meeting.

The Legal Counsel will also be responsible for co-ordinating the recording and keeping minutes of meetings and circulating them to the Sub-Committee members, as well as to the ERA Board and ERA Board Audit Committee and external and internal auditors as required by the Chief Executive.

5.3 Attendance

Sub-Committee members are expected to personally attend the meetings, but may on occasion substitute a suitably senior representative to attend on their behalf if necessary.

Other persons may be requested to attend Sub-Committee meetings to discuss or report on particular agenda items.

The external or internal auditors may be invited to attend meetings of the Sub-Committee if appropriate.

5.4 Frequency of Meetings

The Sub-Committee will hold quarterly meetings and such additional meetings as determined by the Sub-Committee necessary to fulfil its duties.

5.5 Engagement of External Resources

The Sub-Committee may engage external consultants as necessary for the purposes of meeting its obligations.

5.6 REPORTING REQUIREMENTS

The Chief Executive shall:

- Provide minutes of all meetings to the ERA Board and ERA Board Audit Committee; and
- Bring particular matters arising from the activities of the Sub-Committee to the attention of the Audit Committee and/or Board and make recommendations as appropriate.

14 JULY 2008