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Leach tank incident update

27 March 2014

Energy Resources of Australia (ERA) has today announced the findings of an independent investigation commissioned by ERA into the Leach Tank failure at Ranger Mine on 7 December 2013.

The investigation was undertaken in two phases and led by independent experts with experience in major incident investigation and asset integrity and maintenance respectively.

The first phase assessed the root cause and this investigation found that the rubber lining inside Leach Tank 1, which protects the tank structure from corrosion, had been damaged as a result of wear from a partially failed baffle inside the tank.

The damaged rubber lining allowed the acidic slurry mixture to come into contact with the tank's steel wall, which subsequently corroded and ultimately led to the failure of the tank.

Phase two of the investigation assessed the condition of critical assets at Ranger processing plant, including equipment and systems, and examined the asset maintenance strategies associated with the assets.

Commenting on the investigation ERA Chief Executive, Andrea Sutton, said: "This investigation has been extremely rigorous and assessed the integrity of our plant."

"The detailed review is an important part of helping restore community and stakeholder confidence in the Ranger plant operations," Ms Sutton said. "We have taken this incident very seriously and we intend to prevent anything similar from happening in the future."

Leach Tank 1 was the only one of Ranger Mine's seven leach tanks which had been modified to process laterite ore. The change in ore type involved modifications to Leach Tank 1 including the addition of a higher powered agitator. The investigation found that the partial failure of the baffle was most likely attributable to these modifications.

The other six leach tanks have been emptied and thorough inspections are underway. These inspections identified the occurrence of metal fatigue in the baffle supports in Leach Tank 6.

"While the baffles in Leach Tank 6 were operative, ERA has decided to redesign and replace the baffle supports in all of the leach tanks before they are returned to service," Ms Sutton said.

Phase two of the investigation assessed 8,827 assets with 1,138 classified as critical assets.

"The asset integrity and maintenance investigation team has made a series of recommendations which we have accepted in their entirety and are now implementing," Ms Sutton said.

"They identified seven critical actions that are required before any plant start-up. The critical actions identified relate to tank inspections and thickness testing for all leach tanks and other processing plant tanks."



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The report recommended a further 28 actions to be undertaken on specific assets or systems before they are returned to service.

The restart of the plant remains subject to ERA Board and Ministerial and regulatory approvals.

The investigation commissioned by ERA is separate from, and has been run in parallel with, the joint investigation being undertaken by the Government-appointed taskforce charged with overseeing the regulatory response to the leach tank incident.

“ERA will continue to work with key stakeholders and members of the Government-appointed taskforce as they continue with their own investigations,” Ms Sutton said.

ERA has also announced that the work to dismantle and remove Leach Tank 1 and its associated infrastructure from the Ranger processing area is complete. The removal of Leach Tank 1 was carried out safely within an established exclusion zone. The failed tank sections have been preserved and stored on site for inspection.

“The full financial and production impact for 2014 of the leach tank failure will depend on a range of factors, including the reparation works required on processing plant infrastructure and when ERA is authorised to recommence processing operations,” Ms Sutton said.

The leach tank incident released a slurry of ground ore, water and acid within the processing area, but the release was fully contained on site with no impact to Kakadu National Park.

“Ongoing monitoring confirms that the surrounding area has not been affected by the tank failure and that ERA’s containment systems worked to design, with no impact on Kakadu National Park.”

Click [here](#) to view ERA’s statement to the Australian Securities Exchange.

What is a baffle?

A baffle is a plate that is used in many applications, usually to influence the movement of air or material to support mixing. In ERA’s leach tanks the baffles are used to influence the movement of slurry material in the tanks to ensure effective mixing.

About Energy Resources of Australia Ltd (ERA)

Energy Resources of Australia Ltd is one of the nation’s largest uranium producers and Australia’s longest continually operating uranium mine.

ERA has an excellent track record of reliably supplying customers. Uranium has been mined at Ranger for three decades. Ranger mine is one of only three mines in the world to produce in excess of 110,000 tonnes of uranium oxide.

ERA’s Ranger mine is located eight kilometres east of Jabiru and 260 kilometres east of Darwin, located in Australia’s Northern Territory.

ERA is a major employer in the Northern Territory and the Alligator Rivers Region. ERA is proud of its diverse workforce of more than 500 people, of which 16 per cent are Indigenous people.

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Located on the 79 square kilometre Ranger Project Area, Ranger mine is surrounded by, but separate from, the World Heritage listed Kakadu National Park.

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