



## ASX Announcement

---

30 April 2014

### NEW SALES AND MARKETING AGREEMENT

- Energy Resources of Australia Ltd (**ERA**) has entered into a new sales and marketing agreement (**New Marketing Agreement**) with Rio Tinto Marketing Pte Ltd (doing business as **Rio Tinto Uranium**)
- Under the New Marketing Agreement, Rio Tinto Uranium will purchase uranium oxide produced from ERA's Ranger mine and pool it with uranium oxide produced from the Rössing mine in Namibia
- The combined pool will be marketed and sold by Rio Tinto Uranium to global uranium customers
- The New Marketing Agreement will provide ERA's customers with the benefit of multi-sourced supply
- Under the New Marketing Agreement benefits accrue to all ERA shareholders. ERA has the right to audit the performance of the agreement over time

ERA has entered into a New Marketing Agreement with Rio Tinto Uranium, a wholly owned subsidiary of Rio Tinto plc.

Following an extensive process of negotiation, ERA has executed the New Marketing Agreement on the basis that it represents superior value to both ERA's existing marketing arrangements and the alternative marketing arrangements that were considered.

ERA has undertaken a rigorous internal assessment in deciding to enter into the New Marketing Agreement. As part of this process, ERA sought and obtained a waiver from ASX in relation to Listing Rule 10.1 (which applies to related party transactions).

Under the New Marketing Agreement, uranium oxide produced by ERA will be sold to Rio Tinto Uranium and pooled with uranium oxide produced from the Namibian operations of Rössing Uranium Limited (**Rössing**), a related party of Rio Tinto plc. For the purposes of establishing the combined pool, Rio Tinto Uranium has entered into a sales and marketing agreement with Rössing on the same commercial terms as the New Marketing Agreement with ERA.





Rio Tinto Uranium will market the combined pool of uranium oxide as principal to global uranium customers.

It is proposed that all of ERA's sales (including sales under existing contracts) will be made through the new arrangement from 1 July 2014. The price received by ERA for sales into the combined pool will reflect the price received from customers by Rio Tinto Uranium, less an arm's length marketing fee.

The New Marketing Agreement will provide ERA's customers with multi-sourced supply.

In addition to the benefits to be derived from providing multi-sourced supply to customers, the New Marketing Agreement will provide a number of other benefits to ERA. These include working capital benefits and optimised logistics, the latter to be achieved by ERA and Rössing delivering to customers that are geographically closer to their respective operations. ERA has the right to audit the performance of the agreement against these benefits over time.

ERA and Rio Tinto Uranium commenced formal discussions in relation to the New Marketing Agreement in January 2013. Responsibility for the evaluation, negotiation and approval of the new arrangement was delegated by the ERA Board to a Subcommittee of the Board comprised only of independent Directors.

The New Marketing Agreement is subject to conditions precedent, which include export and regulatory approvals. Subject to the satisfaction of all conditions precedent, implementation of the New Marketing Agreement is scheduled to commence on 1 July 2014. There is no fixed term for the New Marketing Agreement, although ERA may terminate for convenience at any time.





### **About Energy Resources of Australia Ltd**

Energy Resources of Australia Ltd (ERA) is one of the nation's largest uranium producers and Australia's longest continually operating uranium mine.

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.

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.

For further information, please contact:

### **Media Relations**

Carl Kitchen  
Office: +61 8 8924 3550  
Mobile: +61 401 691 342  
Email: [carl.kitchen@era.riotinto.com](mailto:carl.kitchen@era.riotinto.com)

Dan Hall  
Office: +61 8 8924 3514  
Mobile: +61 457 532 270  
Email: [daniel.hall@era.riotinto.com](mailto:daniel.hall@era.riotinto.com)

### **Investor Relations**

Christopher Maitland  
Office: +61 3 9283 3063  
Mobile: +61 459 800 131  
Email: [chris.maitland@riotinto.com](mailto:chris.maitland@riotinto.com)

Website: [www.energyres.com.au](http://www.energyres.com.au)  
Twitter: Follow @ERARangerMine on Twitter