

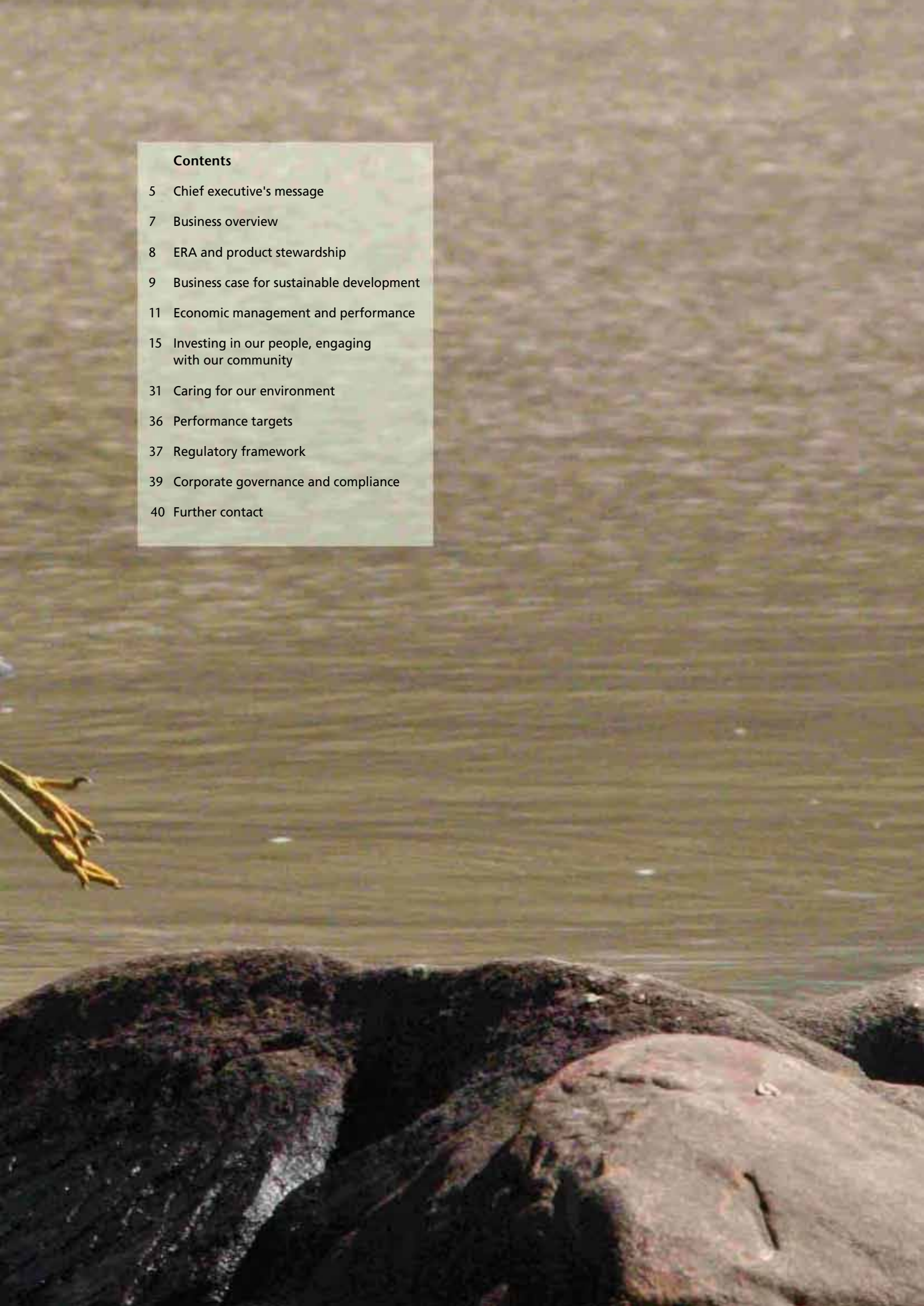


ERA

ERA Sustainable Development Report 2007








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A portrait of Chris Salisbury, a man with short dark hair and glasses, wearing an orange polo shirt. He is smiling slightly and looking towards the camera. The background is a blurred crowd of people.

"Caring for people, a basic premise of sustainable development, starts with the health and welfare of ERA's employees"

Chris Salisbury
ERA Chief Executive

CHRIS SALISBURY



Chief Executive's message

This report details ERA's efforts to extract value from an extraordinary natural resource in the Alligator Rivers region of the Northern Territory for the benefit of all stakeholders. In this report the focus is on the efforts made by the company to develop the resources responsibly and sustainably, with an understanding of, and respect for, the social, cultural and environmental implications.

In the Northern Territory, one of the best ways the mining industry can contribute to its sustainability is to increase Indigenous employment. Indigenous Australians experience chronic unemployment levels, and the mining industry is experiencing a period of labour scarcity. It makes good economic and social sense for ERA to employ and train more Indigenous people. This is particularly important for ERA, as our operations are carried out on Aboriginal land. I am pleased to report we have increased the overall percentage of Indigenous employees to 16 per cent in 2007, which represents a total of 65 employees. ERA has set a target of 20 per cent by the end of 2009, and with good mentoring, training and retention programmes, I am confident we can achieve this.

In the 12 months since the last sustainable development report, we have seen the world's need for clean energy sources increase. ERA is one of the world's leading suppliers of fuel for nuclear energy, an energy source with very low greenhouse gas emissions. Many parts of the world have renewed their interest in the nuclear energy option as fears grow about the effect of greenhouse gas emissions on climate. Sustainable development in the future will require increasing reliance on clean fuels and other non-carbon emitting renewable energy sources, and nuclear energy is a key part of the solution.

Mining operations that, from initial conception, are planned and carried out with a view to their post mining legacy are relatively recent phenomena, but are rapidly becoming the norm. ERA's Ranger mine already conforms strongly to this objective, with a comprehensive life of mine closure plan that will restore the mined area to a standard that will enable it to be included, potentially into the Kakadu National Park.

Caring for people, a basic premise of sustainable development, starts with the health and welfare of ERA's employees and everyone that works in our business. It is, therefore, gratifying to be able to report a 46 per cent improvement in the All Injury Frequency Rate in 2007, and a 74 per cent improvement in the Lost Time Injury Frequency Rate. While the results of 2007 are outstanding this was not taken as a reason for complacency and work continues to find ways to strengthen safety and health management systems. The only acceptable goal is to achieve zero occupational injuries.

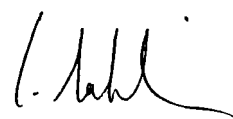
Surrounded as we are by the world heritage listed Kakadu National Park, ERA takes its responsibility to the natural environment very seriously. Among our environmental achievements in 2007 are:

- re-certification of ISO 14001 accreditation by external audit;
- expansion of the weed management plan and record decline in weed populations on the lease;
- waste management improvements on site with increased recycling; and
- impact of closure integrated into all aspects of Ranger operations and the closure model updated to incorporate the pit extension.

The 2007 wet season brought the heaviest rain ever recorded in the region. 750 millimetres fell in one 72 hour period during late February, translating to a one in two thousand year event. This tested the company's water management systems. However, the Office of the Supervising Scientist confirmed that the environment remained protected from the impacts of ERA's operations during the extreme rainfall event, and indeed throughout the year.

ERA is currently undertaking a mine extension that will prolong the life of mining operations from 2008 to 2012, creating 45 new jobs and yielding an additional 4,857 tonnes of contained uranium oxide. ERA is mindful of the impacts on the local economy and consequently any social and cultural impacts, and is working closely with all stakeholders to inform them of ERA's plans.

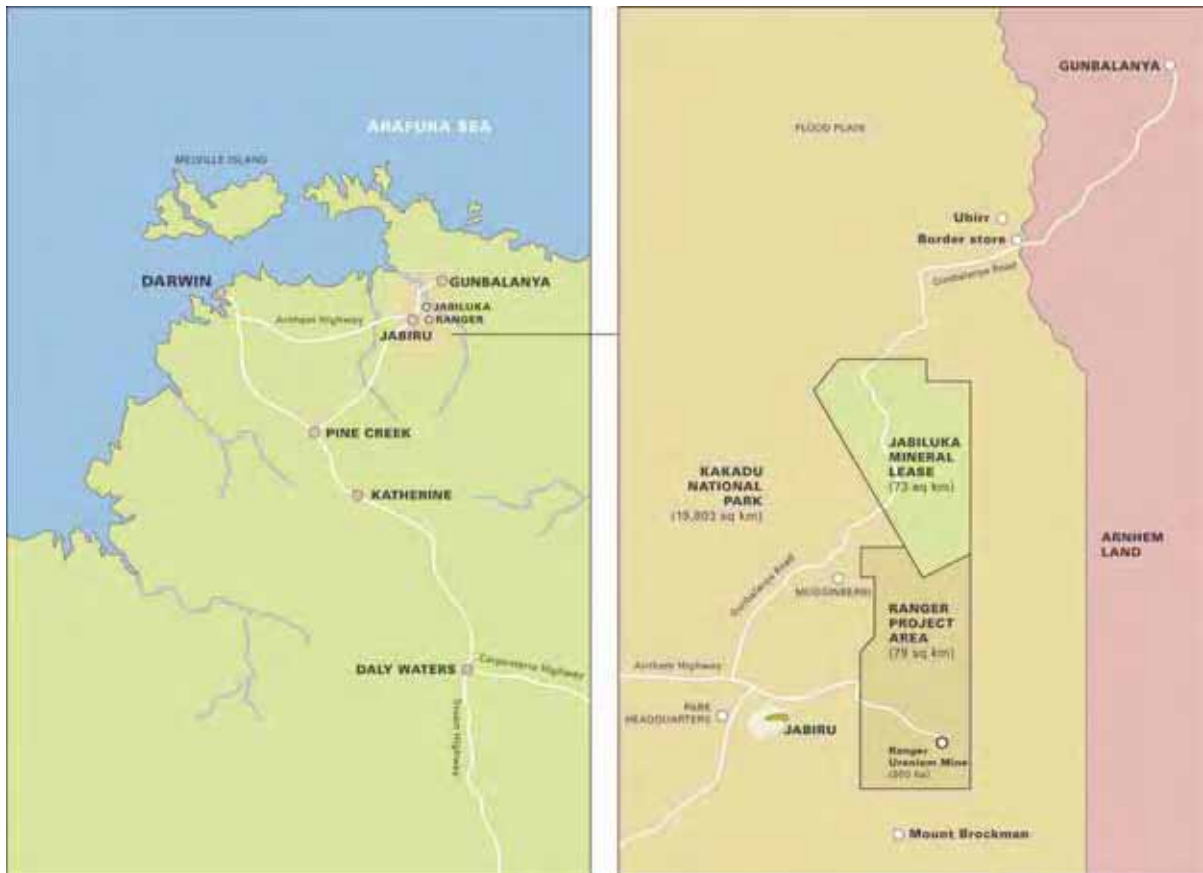
A commitment to sustainable development is a key part of our operations. Our unique regulatory environment, with regular stakeholder scrutiny and consultation, ensures that we take into account the region's future and community concerns in every major decision we make. ERA is determined to ensure that its operations leave a legacy of lasting social and economic benefits.



Chris Salisbury
Chief Executive



ERA's vision is to be a safe and successful business valued by customers, employees, shareholders and the community. Whilst respecting different cultures, traditions, and employment practices, we share common goals, in particular the elimination of workplace injuries, and are committed to good corporate values and ethical behaviour. We place paramount importance upon the safety and wellbeing of our people and our goal is zero harm to anyone while working at ERA. We conduct our affairs in an open and transparent manner, reflecting the interests of our shareholders, employees, and the community.



ERA respectfully acknowledges the Mirarr, Traditional Owners of the land on which ERA's operations occur.

Since 1980 ERA has mined uranium ore to produce uranium oxide (U_3O_8) at the Ranger mine, 260 kilometres east of Darwin, in Australia's Northern Territory. ERA is one of the largest uranium producers in the world, providing nearly 10 per cent of the world's mined uranium production.

ERA sells drummed uranium oxide to power utilities in Asia, Europe and North America under strict international safeguards. Uranium oxide from the Ranger mine is used solely to fuel nuclear power plants for the efficient generation of electricity.

The 520 hectare Ranger mine site is situated on a 79 square kilometre lease, most of which is undisturbed. The lease has been progressively surrounded by, but remains separate from, the Kakadu National Park. One of ERA's guiding principles is that the natural and cultural values of the surrounding world heritage listed Kakadu National Park must continue to be protected as they have been since the mine began.

ERA also holds title to the Jabiluka deposit, situated 22 kilometres north of Ranger. This project is under long term care and maintenance and will not be developed by ERA without the consent of the Mirarr Traditional Owners.

ERA is an Australian publicly listed company, with its shares traded on the Australian Stock Exchange. Its major shareholder is Rio Tinto, which holds 68.4 per cent of its shares.

ERA has a wholly owned subsidiary, Earth Water Life Sciences (EWLS), a specialist environmental consulting business based in Darwin. EWLS provides long term strategic environmental advice to ERA.

ERA and product stewardship

Product stewardship is an approach to sustainability and environmental protection that recognises that manufacturers, importers, governments and consumers have a shared responsibility for the impact of a product throughout its full lifecycle.

ERA's goal is to be recognised as a leader in the uranium mining industry on product stewardship issues as a demonstration of its commitment to sustainable development. To this end, it has worked closely during 2007 with its major shareholder Rio Tinto to commence the development of a Uranium Product Stewardship Strategy.

During 2007, ERA engaged with other participants in the Australian uranium mining industry to contribute to the national dialogue on the future of uranium mining. ERA has been an active participant in the Australian Government's Uranium Industry Framework (UIF).

ERA continues to actively participate in the work of the Australian Uranium Association (AUA). ERA is a major member of the AUA, which was established in September 2006. ERA's Chief Executive, Chris Salisbury, served as the Board Chairman of the Association throughout 2007. The AUA is committed to research based advocacy and during the year conducted quantitative opinion polling research on Australian public attitudes towards uranium mining. The research is reported on its website www.aua.org.au. The AUA also engaged in a range of policy discussions with State and Commonwealth governments and in public dialogue about the uranium industry.

During 2007, ERA worked with other members of the AUA to develop both a set of product stewardship principles for the industry, as well as a code of practice. It is anticipated that this work will be completed in 2008.

ERA regularly engages with the Australian Safeguards and Non-Proliferation Office (ASNO) to review security conditions at the Ranger uranium mine and of transportation facilities. ASNO's Annual Report contains a comprehensive overview of non-proliferation issues and can be found at http://www.asno.dfat.gov.au/annual_report_0607/ASNO_2006_07_ar.pdf

ERA was visited during the year by Swedish nuclear power producer, Vattenfall. The company conducted an environmental health and safety audit on ERA, as a part of its own product stewardship processes. At the conclusion of the audit, ERA remains qualified as a supplier of Vattenfall.



Business case for sustainable development

ERA understands that sustainable development is fundamental to the way that socially responsible mining companies conduct their business. Sustainable development is not a public relations exercise, nor is it philanthropy. It is based on a philosophy of creating value for all of the stakeholders in the company's business, be they shareholders, the local community, suppliers, customers and government.

The Bruntland Commission* in 1987 defined sustainable development as a "system of development that meets the basic needs of all people without compromising the ability of future generations to meet their own life sustaining needs".

Sustainable development attends to economic, social and environmental factors which are each distinct, yet inter-related elements. Further, these elements are supported by rigorous corporate governance practices.

Governments and civil society now clearly expect that responsible businesses conduct themselves in a way that yields benefits to shareholders, but also understands and mitigates environmental and social impacts.


Economic sustainability has long been understood by companies. Without prudent investment and an appropriate return on shareholder funds, a company will either go out of business or find itself acquired by another company more capable of managing its assets.

What is not so clearly understood is that businesses that take environmental and social sustainability seriously are actually aligned with the objectives of maximising long term benefit to shareholders.

There is ample evidence to support the proposition that, rather than being a cost to business, social and environmental competencies are strongly aligned with maximising returns to shareholders. There is evidence that demonstrates a link between sustainable development and profitability. The management processes that are employed to drive superior safety and environmental performance also increase output and lower operating costs.

In terms of social outcomes the story is similar. In democratic societies governments and regulators are responsive to community concerns. If the community perceives a company to be acting in a way that is not supportive of the community's values, the company's ongoing ability to operate will inevitably be compromised. For mining companies in general, and ERA in particular, this support for the community means a commitment to the economic development of the region in which it operates through a range of practices including fostering local employment and supporting local businesses.

Throughout this report, ERA seeks to examine in a transparent manner how it's progressing in its ambition to be a leading example of sustainable development. The company is making significant progress towards becoming a leader in safe working practices. Environmental performance continues to be strong, verified by a high level of independent monitoring and audit. The company also makes a significant financial contribution to the economies of Jabiru, the Northern Territory and Australia.

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- New processing facilities are being constructed to treat laterite ore and to upgrade low grade primary ore using radiometric sorting to add significant value and provide environmental benefits on closure.
 - A vigorous exploration drilling programme around the current mining pit is refining knowledge about the distribution and extent of mineralisation at Ranger.
 - Water treatment capacity is being up scaled to provide confidence that water management is best practice, and to provide further protection from climate related interruption.
 - A \$10 million pre-feasibility study has been initiated on a possible expansion of Ranger operations to produce additional uranium oxide while prices remain high.
 - Planning for the eventual closure of Ranger mine continues in parallel with operational changes to ensure that closure concepts and strategies are well developed and agreed with all stakeholders.
 - Environmental investigations relating to land resource and biodiversity management will continue to be a strong focus in 2008.

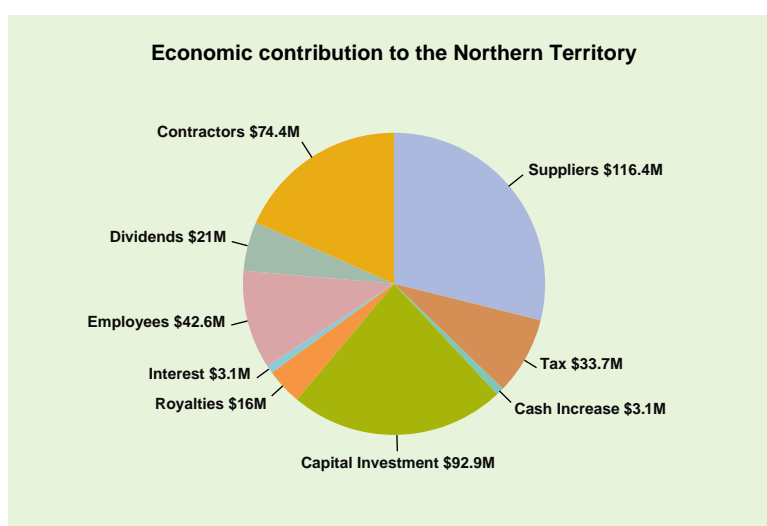
Economic management and performance

ERA contributes to the sustainable development of its resources by maximising its economic performance and management. This is achieved by continually striving to maintain long term profitability. This profitability is made possible by the company's rigorous investment criteria and the implementation of value creating projects.

ERA recorded a net profit for 2007 of \$76.1 million from sales of \$362.4 million. The company has a strong balance sheet with no long term debt. ERA has adopted a conservative approach to future obligations, including fully providing for the future cost of closure and ongoing rehabilitation on the balance sheet.

ERA paid \$47 million in wages and salaries to employees, as well as injecting approximately \$123 million directly into the Northern Territory economy via the purchase of goods and services. It paid \$18 million in royalties to the Commonwealth and Northern Territory Governments.

The programmes and initiatives (listed opposite) were undertaken by ERA in 2007. They include projects to increase recoverable ore and process it more effectively, and to insure the Ranger mine against the extremes of the Northern Territory climate.



Growth – extending the current pit

In September 2007, the ERA Board approved an extension of the current Ranger open cut pit to access more of the orebody at depth and after comprehensive assessment, a case was submitted to the regulators for approval to proceed. The mine extension will increase Ranger mine's productive life from 2008 to 2012, and provide another 45 full time jobs. The pit extension will generate an additional 4,857 tonnes of uranium oxide at a capital cost of \$57 million.

The year also saw the start of a \$10 million pre-feasibility study of further expansion opportunities for Ranger mine. Possibilities being examined include further extensions of the current mine pit or an underground mine, increasing the capacity of the processing plant, and treatment of low grade ores, including those in existing stockpiles, by the potential introduction of heap leaching technology. Associated investigations are focused on environmental management and impacts of potential expansion on the local community and the closure strategies for the mine. A decision on whether to move to a full feasibility study will be made around the middle of 2008.

Improving ore grades

Two projects began in 2007 that will enable the company to get a better return from its existing ore stockpile. ERA started construction on a laterite treatment plant and a radiometric sorting facility. The former will treat the 1.6 million tonnes of lateritic material that has been stockpiled since the mine began production, while the latter is intended to bring forward production of another 1,100 tonnes of uranium oxide by 2013 by increasing the grade of lower grade ore. The clay like nature of the lateritic ore requires a dedicated handling facility before it can be introduced into the main processing plant. It is anticipated that once this treatment plant is commissioned in 2008 it will produce up to 400 tonnes of uranium oxide annually from 2008 to 2013.



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Economic Management and Performance

Exploration

Exploration within the Ranger project area (RPA) was further increased in 2007, with drilling being carried through both the wet and the dry seasons in order to identify extensions of the existing resource base. Drilling focused on the area immediately adjacent to the existing operating pit and east of the access road. Exploration expenditure was \$14.1 million, as opposed to \$7.2 million in 2006, and resulted in the net addition to the resource base of 7,314 tonnes of contained uranium oxide.

There was no drilling at the Jabiluka project, which remains under long term care and maintenance. A desktop exercise was carried out which applied knowledge gained at Ranger to the previous exploration results. This resulted in a significant remodelling of the Jabiluka resource.

Closing the acid plant

ERA's acid plant was decommissioned in late 2007 after 21 years of operation. Sulphuric acid is now sourced externally and trucked from a bulk storage facility in Darwin to Ranger in purpose built road trains. Unloaded acid feeds directly into existing sulphuric acid storage infrastructure, consisting of 3 x 3000 tonne acid storage tanks located in a fully bunded area within the processing plant area at the Ranger mine.

Payment of royalties

ERA's royalty arrangements for the Ranger operations were set in 1979 by the terms of the Section 41 Authority issued by the Commonwealth to ERA to mine Ranger, and the agreement between the Commonwealth and the Northern Land Council under Section 44 of the *Aboriginal Land Rights (Northern Territory) Act*. Accordingly, ERA pays 5.5 per cent of its revenue from Ranger to the Commonwealth as royalties. Of the 5.5 per cent, 1.25 per cent is remitted directly by the Commonwealth to the Northern Territory Government. The remaining 4.25 per cent is paid by the Commonwealth to the Aboriginal Benefits Account, which in turn distributes the money to Aboriginal groups in the Northern Territory. The Gundjeihmi Aboriginal Corporation representing the Mirarr Traditional Owners of the Ranger project area receives 30 per cent of these monies.

In 2007, ERA's royalty contribution totalled \$18.3 million (2006: \$12.4 million) which resulted in payments to Northern Territory based Aboriginal groups of \$14.1 million.



The Ranger mine's emergency response team competed successfully in the 11th Northern Territory mines rescue competition in August, winning the road accident rescue event. The team was also placed second in the team safety and theory event. An ERA team member won the overall best individual award.

This was an opportunity for ERA to showcase its abilities and improve skills in emergency response by competing against the best of the mine emergency response teams from the Northern Territory and the top end of Western Australia.



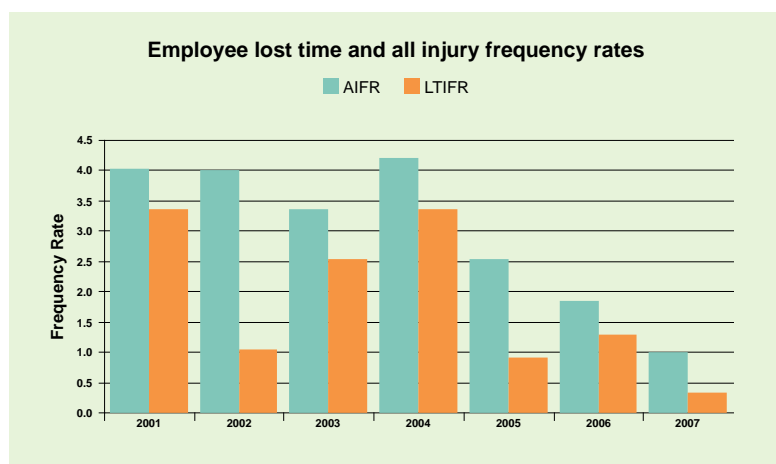
Safety and health

ERA recorded a 74 per cent improvement in safety performance as a pre eminent achievement of 2007. This statistic refers to the reduction in Lost Time Injury Frequency Rate and was accompanied by a 46 per cent reduction in the All Injury Frequency Rate. The Injury Severity Rate, a measure of the seriousness of injuries, also reduced by a factor of more than three. What is noteworthy about these figures is that they were achieved despite abnormal operating conditions brought about by the rainfall event in February and increased construction and exploration activity.

In this respect, the company has fulfilled its intentions to continually improve its safety performance; a result attested to by the retention of ERA's AS4801 certification for health and safety management systems.



For the second year in succession, ERA was recognised in the Northern Territory Minerals Council Resource Awards of Excellence for Safety and Health. The award was given for the practical and innovative way that the company recognised and encouraged initiatives that helped to reduce the All Injury Frequency Rate in 2006 and 2007.



Investing in our people, engaging with our community

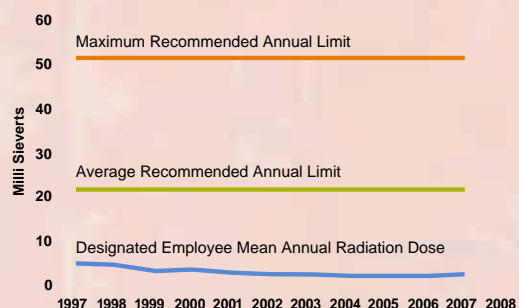
Radiation management

The radiation management system forms part of the safety and health management system that was audited during 2007. The radiation exposure pathways at ERA's operations are comprehensively measured and reported throughout the year. The results of this monitoring are compared to limits recommended by the International Commission on Radiological Protection (ICRP) for exposure of people. These limits are 100 millisieverts (mSv) over five years (average of 20 mSv per year) or a maximum of 50 mSv in any one year. Designated workers are those employees and contractors who have the potential to exceed 5mSv per year from occupational exposure to radiation. There are over 240 designated employees at the Ranger operation and they received a mean radiation dose of 1.3 mSv during 2007. The following graph depicts the mean annual radiation dose assessed for designated workers throughout the operation in comparison with the recommended limits.

Workers at the mine site who are not working in areas of high exposure (non-designated workers) are subject to the same dose limits as designated workers, and in 2007 the maximum dose was 0.6 mSv. The exposure of Jabiru residents and surrounding communities is also monitored and the contribution from the mine was assessed as 0 mSv in 2007. The natural background in the area is 2-3 mSv. A radiation practice must not expose members of the public to more than 1 mSv per year above natural background under ICRP recommendations.

The United Nations scientific committee on the effects of atomic radiation reports (2000 report to the UN General Assembly) that the "worldwide annual exposures to natural radiation sources would generally be expected to be in the range 1 to 10 mSv, with 2.4 mSv being the present estimate of the central value".

Designated employee mean annual radiation dose

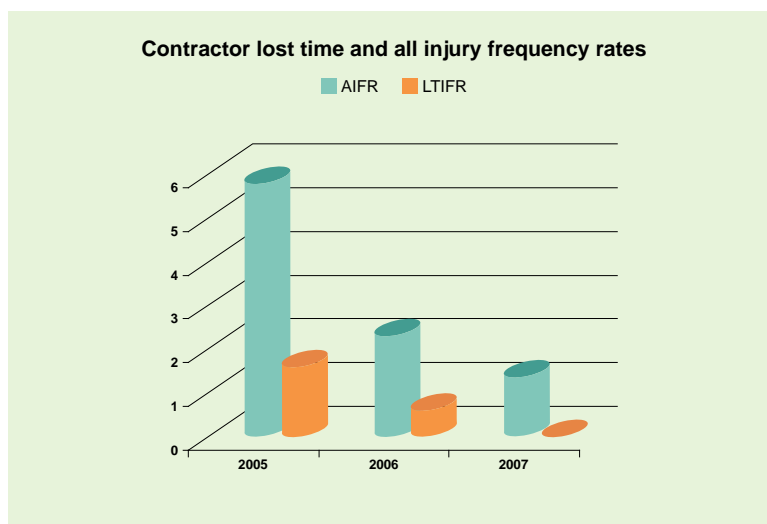


Investing in our people, engaging with our community

Semi-quantitative risk assessment

In the middle of 2007, Ranger mine undertook a semi-quantitative risk assessment (SQRA), which is a rigorous risk assessment process used to analyse potential major hazards and the consequences at ERA operations. The purpose of this exercise was to analyse ERA's business operations in order to identify major hazards, and determine the effectiveness of existing controls.

A series of workshops conducted with a cross section of employees across the company identified opportunities to further increase risk controls to prevent serious injuries or a fatality. A list of risk reduction actions was drawn up by workshop participants to deal with those aspects of the company's operations that were identified as presenting greater exposure. These risk reduction measures will be progressively implemented.




Contractor management system upgrade

Two years ago, ERA sought to improve its management of its contractors. The resulting contractor management system (CMS) seeks continuous improvement in safety in the workplace, as well as improving the effectiveness of contractors engaged for work at ERA's operations.

A cross functional team of employees, supported by consultants, talked to more than 60 contractor employees and ERA staff in order to identify opportunities to improve existing practices. After six months of design and testing, an improved system was introduced. By the end of 2007, staff and contractors had been trained in the new procedures.

The continual improvement aspect of the programme includes inspections of contractors' facilities. In 2007, inspections were conducted along with two external audits, one internal audit conducted by an external auditor, and two reviews undertaken by Rio Tinto covering sustainable development and critical risk.

The upgrade has considerably increased safety consciousness among ERA's contractors and both the number and severity of injuries have fallen significantly. In the two years since the improvements to the system were initiated, a 77 per cent improvement in the contractor All Injury Frequency Rate (AIFR) was recorded, together with a 100 per cent improvement in the Lost Time Injury Frequency Rate (LTIFR). Without the CMS upgrade, ERA's overall safety record would not have improved as markedly as it did in 2007.



Geoff Akers – ERA Contractor

G & K Akers commenced services to ERA in October 2004 providing mining infrastructure support from upgrading the car park to major tailings dam construction.

- workforce totalling 71 in 2007;
- a large amount of plant and equipment including 11 trucks, five 50 tonne dump trucks and three 35 tonne dump trucks; and
- Geoff has been involved in the continuous improvement of contractor safety management on site and G & K Akers achieved an impressive 85,000 man hours injury free in 2007.

The new pre-qualification system developed as part of the CMS requires all contractors engaged to work on an ERA site to be assessed to ensure that they are qualified to perform such work. The system has helped G & K Akers' business, and by 2008 they will achieve the Category 2 certification under the system.

"G & K Akers and its employees consider safety to be of paramount importance. We are happy to participate in all facets of ERA's safety programmes and work collaboratively with the company to maximise the benefits for all involved"

Geoff Akers

Investing in our people, engaging with our community

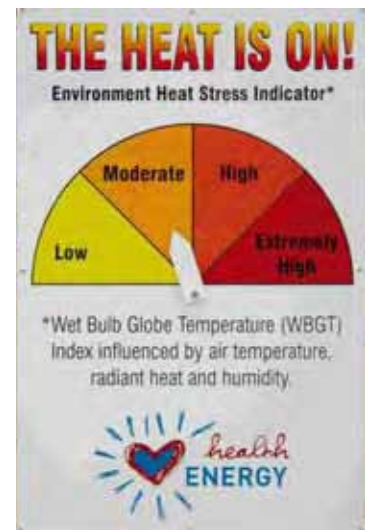
Myth Busting – “Say no to the Build Up Blues”

In 2007 ERA introduced a programme to address the seasonal deterioration in safety performance that has traditionally occurred during the period known in the Northern Territory as the “build up”. This period of increasing temperatures and humidity, often typified by electrical storms, as the wet season approaches is a period during which historic trends show that injuries increase.

To this end, ERA developed the “Say no to the Build Up Blues” campaign. It consisted of the following activities, both awareness and practically oriented, that assisted in reducing the likelihood of injuries:

- increasing monitoring of thermal stress and hydration;
- installing additional shade awnings and fans;
- adapting hazard identification training;
- making solute drinks freely available to all employees and contractors;
- specifically tailored tool box talks and education sessions for all employees;
- erecting environmental heat stress indicator boards;
- sending out letters to family members and a pamphlet on “Hot tips to beat the heat”;
- distributing banners, posters, screen savers and reminder cards; and
- running a safety slogan competition.

As a result, ERA made it through the build up with no recordable injuries. The increased focus of the ERA team members on looking after themselves and their team mates was a huge contributor to this excellent outcome.



Speak-OUT

The company has a confidential whistleblower programme known as Speak-OUT. Employees are encouraged to report any suspicion of unethical or illegal practices.

Speak-OUT is a reporting programme that provides ERA employees and others with a confidential, anonymous and independent means of raising issues of concern and communicating ideas. It complements existing reporting procedures and provides a guaranteed direct line of communication to senior management. At least once a year, the programme and contractor performance is evaluated and reviewed.



'Wellness' in the workplace

ERA recognises that employees need to be in good health to work at their full potential. In the sometimes uncomfortable climatic conditions experienced in northern Australia, it is important to be aware of the threats to health brought about by work, lifestyle and environment. Building on the results of the health and work survey carried out in 2006, ERA has prepared a wellness strategy to target sedentary lifestyles and other factors that contribute to poor health. In 2007, additional programmes to improve health and wellbeing included:

- fitness for work – targeting healthy lifestyle promotion for better health and fitness, improved work performance and overall improvement in quality of life;
- routine medicals - the objective is to ensure that the health effects and demands of the work environment are identified, assessed, monitored and controlled using medical examinations. Initial, periodic and exit medical examinations are carried out, based on the occupational demands of an employee's role. Aggregated data collected from medical examinations enables appropriate evidence based management decisions relating to control measures. Individual confidential data obtained during a medical examination provides an opportunity for a health professional to facilitate occupational rehabilitation and reinforce specific preventative measures and safe work practices;
- thermal stress - heat stress occurs when heat is absorbed from the environment faster than the body can eliminate it. The resulting strain on the body comes from the combined contributions of work activity, environmental factors such as air temperature and humidity, and other factors such as hydration. Over the period of September to April the Northern Territory experiences high temperatures. A targeted education campaign was undertaken to ensure that heat was an important consideration during risk assessments prior to and during work activities;
- vaccination - employees were offered the opportunity to be immunized against influenza, a disease estimated to be responsible annually for more than one million lost working days in Australia. More than 170 employees and contractors took advantage of the offer;
- onsite physiotherapist - in late 2007, ERA arranged for a Darwin physiotherapy practice to provide a weekly service onsite. Before this, it was necessary to travel to Darwin for a consultation; a minimum of a day's absence from work and a source of added discomfort. The service has allowed early intervention with musculoskeletal injuries, reduced absenteeism and improved workplace productivity;
- skin cancer screening - in early 2007, specialist consultants were engaged to carry out skin cancer screening of ERA employees, their families, and contractors – both onsite and at Jabiru. Over 300 people were screened, with a small number requiring further treatment; and
- health week - during August 2007 a number of events were held at the mine site and at Jabiru to promote employee health. Among the activities was a ride to work event where employees were encouraged to cycle to site with the incentive of a free barbeque breakfast. A dietician spoke with people from the mining, processing and maintenance departments during their lunch breaks. A psychologist advised mining crews on stress management. Comprehensive individual health risk assessments were available. Each evening, free public yoga classes were held at the Jabiru town hall.

Career path opportunities at ERA

Employees come to work at ERA along various pathways. They range from traineeships, apprenticeships, graduate programmes to conventional recruitment of skilled and professional staff. One pathway that ERA is keen to promote to locals is the school based traineeships offered to students at high school. The programme offers students the opportunity to continue at school whilst also gaining valuable on-site training.

Thomas Chapman is now a full time employee who went through the entire process starting as a school based trainee, moving into an apprenticeship and finally working at Ranger in 2007.

"My family came to Jabiru in 1991 when my Dad started working at Ranger as a Plant Operator. I attended Jabiru Area School and whilst I was in Year 10 I was offered a 12 month school based traineeship at Ranger. It meant that I attended school for three days and then went to site to complete my traineeship for two days. I enjoyed the challenge of working in an adult environment and it meant that what I was learning, even at school, seemed much more relevant.

The opportunity not only gave me practical skills. I also learnt how to interact with adults who would eventually become my peers. When I completed the 12 month programme I was fortunately offered a 2 year apprenticeship. In September 2007 I was then offered a full time position.

The programme gave me a fantastic pathway into full time work – I would recommend the school based traineeship to anyone. "



Investing in our people, engaging with our community

Employment and Training

ERA's overall employee numbers increased to 420 at the end of 2007, from 385 at the end of 2006.

In 2007, ERA had 29 employees enrolled in a range of vocational education and training programmes (VET), eight school based apprentices, ten full time apprentices, nine trainees, and two full time employees who were using VET courses to develop new skills.

ERA's human resources and training function provides support to management and staff in all issues relating to recruitment, town and camp facilities, travel requirements, training, and Indigenous employment. The department personnel also provide advice on various issues including remuneration, performance management, employee relations and leadership development.

A core function of human resources is recruitment and training. The increased costs associated with recruitment and retention has resulted in an emphasis on attracting local people whenever possible. In addition to general recruitment of skilled and professional employees ERA provides a number of additional pathways to full time employment which include:

- school based traineeships;
- traineeships (adult and youth);
- apprenticeships; and
- graduates.

Indigenous employees may also enter ERA's workforce through the Commonwealth funded Community Development Employment Project (CDEP)*.



Most CDEP participants come into the business through the grounds maintenance team in the first instance, and are then eligible for an apprenticeship. Other departments are offering programmes including the mine trainee truck driver programme.

Employee turnover remained stable at or below 20 per cent throughout the year. In light of the company's location and highly competitive labour market conditions, this turnover rate is considered reasonable.

Given ERA's workforce has been growing significantly in recent years and there has been a shortage of permanent accommodation in Jabiru, ERA has looked to expand its "fly in fly out" (FIFO) workforce. After consultation and negotiations with local stakeholders including the Mirarr Traditional Owners, the Jabiru Town Council, Jabiru Town Development Authority and Kakadu National Park, the most sustainable method of providing additional accommodation in Jabiru was the construction of further temporary FIFO accommodation.



ERA provides its staff and contractors with a comprehensive range of training programmes to ensure compliance with company standards and regulatory obligations including:

- ERA's code of business conduct;
- preventing workplace harassment;
- cross cultural awareness; and
- radiation awareness.

For the fourth year running, ERA has retained its citation from the Equal Opportunity for Women in the Workplace Agency (Federal Government Agency) as an Employer of Choice for Women. This citation publicly acknowledges ERA for its efforts in the area of equal opportunity for women in the workplace. Women in ERA during 2007 represented approximately 20 per cent of the workforce across a range of roles.



* The CDEP programme is an Australian Government funded initiative for unemployed Indigenous people. Indigenous community organisations are funded by the Australian Government to run CDEPs in rural and remote Aboriginal and Torres Strait Islander communities. CDEPs relate to each community's needs. Activities develop participant's work and employment skills. CDEPs also act as a stepping stone into the mainstream labour market.



Indigenous trainee programme

ERA is committed to providing training and employment to Indigenous people from the region.

An ERA trainee programme has been in existence for some time. Traditionally trainees have been placed in various departments including security, maintenance and community relations.

For the first time a training programme was developed directly in the mining department. In October 2007 seven Indigenous trainees started training to become truck operators. Their training was completed over two months and involved both theory and practical segments. The mine provided the trainees with the use of a training truck and track which proved extremely beneficial to the success of the programme.

The seven trainees received their certificates for haul truck operations at an informal awards ceremony held in Jabiru. All of the successful trainees have been placed into permanent roles within the operation.

Due to the success of the programme a new intake will commence in March 2008.

One of the trainees, Denay Wanganeen was previously employed in an administration role in the Darwin corporate offices, before transferring to a truck driving traineeship in the mining department. Denay said her traineeship *"is a great opportunity to learn a different trade, which I will use as an opportunity to further my skills and enable me to move around the Rio Tinto group. It is also enabling me to set myself up financially for the future"*.

Investing in our people, engaging with our community

Indigenous training and employment

A particularly satisfying highlight of 2007 for ERA was a significant rise in the number of Indigenous employees. At the end of the year Indigenous employees made up 16 per cent of the workforce, up from 13 per cent a year earlier. This increase is particularly significant given that the overall workforce rose by over nine per cent during the same period. In absolute numbers this means that Indigenous employee numbers have increased from 45 to 65, a rise of some 44 per cent, to the highest level in the history of the company. The rise results from a much more strategic approach. During the year, an Indigenous liaison officer was recruited. This position is responsible for publicising training and employment opportunities in local Aboriginal communities, as well as providing support for existing Indigenous employees.

In addition to the increase in numbers, it is pleasing to note that Indigenous employees are working in increasingly diverse positions and in more challenging roles. In addition to providing direct employment opportunities, the company works with government bodies and private institutions to provide work experience to young Indigenous Australians, as well as apprenticeships and training to young people in general.

Cross cultural awareness

Both the Ranger and Jabiluka leases are located on Aboriginal land, the Traditional Owners of which are the Mirarr. The region is a stronghold of Aboriginal culture and the company recognises the need to give its employees an insight into the values of a community that has experienced considerable social and cultural pressures from mining and tourism.

In early 2006, ERA and the Gundjeihmi Aboriginal Corporation (GAC), which represents the Mirarr Traditional Owners, began discussions about developing an improved cross cultural awareness course that included direct input from Traditional Owners. Consultants were subsequently engaged to devise an introductory course that introduces new ERA employees to the complexity and richness of local Aboriginal culture. The course includes a half day of "class room" based discussions on topics such as the history of the region and the Mirarr experience of the advent of mining, Mirarr cultural systems and language. It also includes a half day "on country" with discussion about bush tucker, rock art and stories from Mirarr people. In 2007 the course was presented ten times and has received overwhelmingly positive feedback from attendees.

Among those who participated were the ERA senior management team and members of the ERA Board of Directors. A course of this nature can only give those who take part an introduction to another culture, but the response from participants indicates that this brief exposure was sufficient to engender a heightened respect for the people who are, in a real sense, the company's landlords. ERA intends to further broaden the range of cross cultural awareness experiences available to its employees, so that they can better understand the sensitivities of working and living with the Mirarr and the other 300 or so Aboriginal people to whom the local region is home.

"All we want is respect, us Mirarr, while you are here"

Yvonne Margarula

Mirarr Traditional Owners

Yvonne Margarula and May Nango.



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Cultural heritage management

Human occupation of the Ranger and Jabiluka leases is believed to go back in excess of 50,000 years and consequently the area has many sites of archaeological significance. In addition to sites where stone was quarried and, in some cases, made into implements, there are other artefacts or objects that point to a later Macassan or European presence.

ERA is required to protect these sites from interference; in the first instance by the terms of the Northern Territory Heritage and Conservation Act, and in the second by its expressed intention to respect the culture of the Mirarr.

To this end, ERA is working towards the development of a cultural heritage management plan for the Ranger project area, in collaboration with, and under the guidance of, the GAC. Procedures have been developed that address the issue of ground disturbances. These procedures were used extensively during 2007, to ensure that any items of archaeological significance are protected when land may be disturbed by activities such as exploration or construction. Members of the Mirarr clan were actively involved in these clearance procedures with the assistance of a GAC appointed archaeologist. This work provided 45 person days of casual employment for Mirarr participants.

ERA has also been pleased to make use of the knowledge and skills of Mirarr Traditional Owners in land management programmes. During 2007 ERA engaged the Mirarr to provide day labour on programmes that helped ERA better understand traditional land management practices and the values of the owners of the land on which we operate. This included a total of further 100 person days of casual employment and included work on flora and fauna surveys, environmental rehabilitation, weed management and traditional fire management.

Burning was conducted in non-operational areas of the Ranger project area in the early dry season. Not only did this work serve to reduce the risk of wildfires later in the dry season, it brings people back onto country to renew and reinforce cultural knowledge about place and site names, family history, bush tucker and medicine. It is expected that this programme will continue during 2008.

ERA and the GAC have agreed to collaborate on matters such as fire management, flora and fauna surveys, environmental rehabilitation and revegetation, and weed management.

Traditional Owner access to the Ranger project area

ERA and the GAC reached an agreement during the year that reinforces the right of Traditional Owners to make use of the non-operational areas of the mining lease. The agreement was established to enable Traditional Owners unimpeded access to non-operational areas of the Ranger project area to conduct essential activities associated with the retention of important cultural, environmental and traditional Aboriginal knowledge and practice.

Opposite: Traditional owner
Raymond Gamarrawu and
Pat Carrick.



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Sponsorships

In 2007, ERA contributed more than \$150,000 to a wide range of community sponsorships and donations. Among the more significant activities were:

- sponsorship of the Australian Football League Indigenous All Stars game against Essendon in Darwin in February;
- sponsorship of the Tiwi Island Bombers to play at the MCG in Melbourne;
- continued sponsorship for the Kakadu Mahbilil Festival, a yearly celebration by the Jabiru community that demonstrates the work of local craftspeople and the music of Indigenous musicians to a growing audience;
- sponsorship of the Northern Territory Indigenous Music Awards as part of the Darwin Festival; and
- support for the Gunbalanya Open Day.

The Gunbang (alcohol) action group

As a member of the Jabiru community, ERA participates in a group which seeks to monitor the impact of alcohol and address the causes and effects of alcohol abuse. In 2007, ERA and the Northern Territory Government jointly funded a team of consultants to prepare an alcohol management plan for the Kakadu and West Arnhem region. This report, a final version of which is due in mid 2008, is intended to form the basis of a comprehensive regional strategy, with broad community backing, to reduce the incidence of alcohol dependency.

Manjinbardi women's activity centre

ERA donated \$40,000 and gave technical support to the Warnbi Aboriginal Corporation to complete the construction of a women's activity centre at the Manjinbardi outstation. Warnbi was engaged by the GAC to act as project and workforce coordinator. Due to the heavy rains of late February and early March, Manjinbardi had to be evacuated, as did other outstations. However, the building was completed in November and during 2008, will be equipped with sewing and washing machines and a children's playground. It will also serve as a centre for local service providers such as Kakadu Health.

ERA also contributed to a variety of events that strengthened the local community in Jabiru including:

- quarterly 'Welcome to Jabiru' functions for new residents and the updating of a handbook with the same title;
- sponsorship of the first corporate 'Relay for Life', which raised nearly \$10,000 for the Cancer Council of Australia;

"The Cancer Council NT is very proud of the efforts of ERA in organising this event for the community. It is the first corporate run relay in Australia and to raise almost \$10,000 in a community of 1200 people is a tremendous thing."

Rebecca Frost, Cancer Council NT.

- funding an expansion to the Jabiru child care centre, which will result in an additional 14 places;
- assisting the Jabiru Area School in activities such as sports, arts, science and cultural awareness, as well as safety initiatives;
- financial support for local print artists featured in Kakadu Mulil Bim for an exhibition of their work held at the Charles Darwin University in April; and
- a fire safety course held at Jabiru in May in conjunction with the Northern Territory Fire and Rescue Service.



Opposite: Pilar Cubillo at the Kakadu Mahbilil Festival



Caring for our environment

"One of ERA's core values is that the natural and cultural values of the surrounding World Heritage listed Kakadu National Park must continue to be protected."

Environmental management

To comply with its own policy, ERA has a comprehensive environmental management system, certified to International Standard ISO14001, and subject to annual audits by external auditors.

Greenhouse gas management

Among the activities subject to third party audit is the production of greenhouse gas emissions. While 2007 saw the Ranger mine record its second highest annual production of uranium oxide, the operation's energy consumption increased slightly from 2006, by 17,709 giga joules. Emissions of greenhouse gases also rose slightly by 741 tonnes carbon dioxide equivalent. In 2007 initiatives taken in line with ERA's Three Year Climate Change Action Plan plus measures taken in response to options identified in a 2006 energy efficiency audit were progressed including an investigation into using energy from waste heat sources on site.

Sulphur dioxide emissions fell during the year; total annual emissions of some 120 tonnes were a five per cent decrease on the previous year's emissions. This resulted from acid plant efficiency improvements and increase in external acid supply.

Managing water for sustainability

Effective water management is a crucial part of ERA's operations at Ranger. To enable this, water is managed by quality. Poor quality process water is retained in a closed circuit, whereas high quality water which has had little contact with mineralised material is passively released through wetland filters and sediment ponds. To improve the quality of water discharged, water can be treated using the water treatment plant, wetland filters or irrigated to woodlands. All water discharged from site is managed and monitored to ensure that the water quality objectives set by regulators are met and that there is no detriment to the environment.

The 2006-07 wet season was characterised by abnormally intense and prolonged rainfall over a relatively short period in late February and early March. This resulted in the highest ever recorded annual rainfall of 2,540 millimetres for the area and the highest estimated annual flows in the Magela Creek. This extraordinary rainfall resulted from a tropical low pressure system that ultimately developed into Tropical Cyclone George. In its pre-cyclonic stage, the tropical low was responsible for some 850 millimetres of rain falling at Ranger in one week, 750 millimetres of it in a 72 hour period.

The subsequent flooding closed roads throughout Kakadu National Park, flooded the operating pit at Ranger and shut down the processing plant. When mining resumed, the accrued water inventory prevented access to high grade ore in the bottom of the pit for production of uranium oxide. This resulted in ERA declaring *force majeure* under its various sales contracts.

Additional water management measures were implemented to recover from the flooding including, increasing the capacity to pump water out of the pit, tightening control over the catchment areas to minimise the site's water inventory, increasing the capacity of the water treatment plant, installation of a new irrigation area, increased dust suppression across site, increased evaporation from specially built ponds and raising the walls around the tailings dam by three metres. More than 3,000 megalitres was removed from the operating pit by late November.

While production and processing of ore were affected, the fact that the mine was able to maintain its record of operating without detriment to the downstream environment of Kakadu National Park reflects the effectiveness of water management practises of ERA. ERA has used this experience as an opportunity to drive further improvements in environmental management by investing heavily in a multi-pronged approach to further improve both the efficiency and effectiveness of its water management regime.

In 2007, the water treatment plant treated approximately 10 per cent more pond water than in 2006, and ERA increased its water treatment by land application by some 84 per cent. Also during 2007, ERA committed a further \$29 million to increase pond water treatment capacity and to commission the treatment of process water.



Weed management hits its strides

It wasn't all challenges that arose from the severe wet season in 2007, the extended wet assisted in prolonging the window for active weed management on site.

In 2007 ERA had its best success in weed management to date, with a decline in the total area of mapped weeds from 99 hectares in 2006 to 40 hectares in 2007 and no new species of weeds being identified.

The ERA team have attributed the large overall decrease to:

- doubling of ground management hours to 748 hours (including a further 148 hours spent in active management in non mapped areas);
- diversification of control measures including all terrain vehicles use – which in particular enabled access to a number of creek lines in the wet which would previously have been classed as inaccessible;
- dry season spraying of areas in which water is treated by land application. Ongoing wet conditions replicate “wet season” conditions, making a longer period of time for control; and
- unusual distribution of rainfall.

The large increase of ground hours and specialist advice in weed management were only made possible due to the assistance of Kakadu Native Plant Supplies, a local Indigenous enterprise, and the Gundjeihmi Aboriginal Corporation.

Caring for our environment

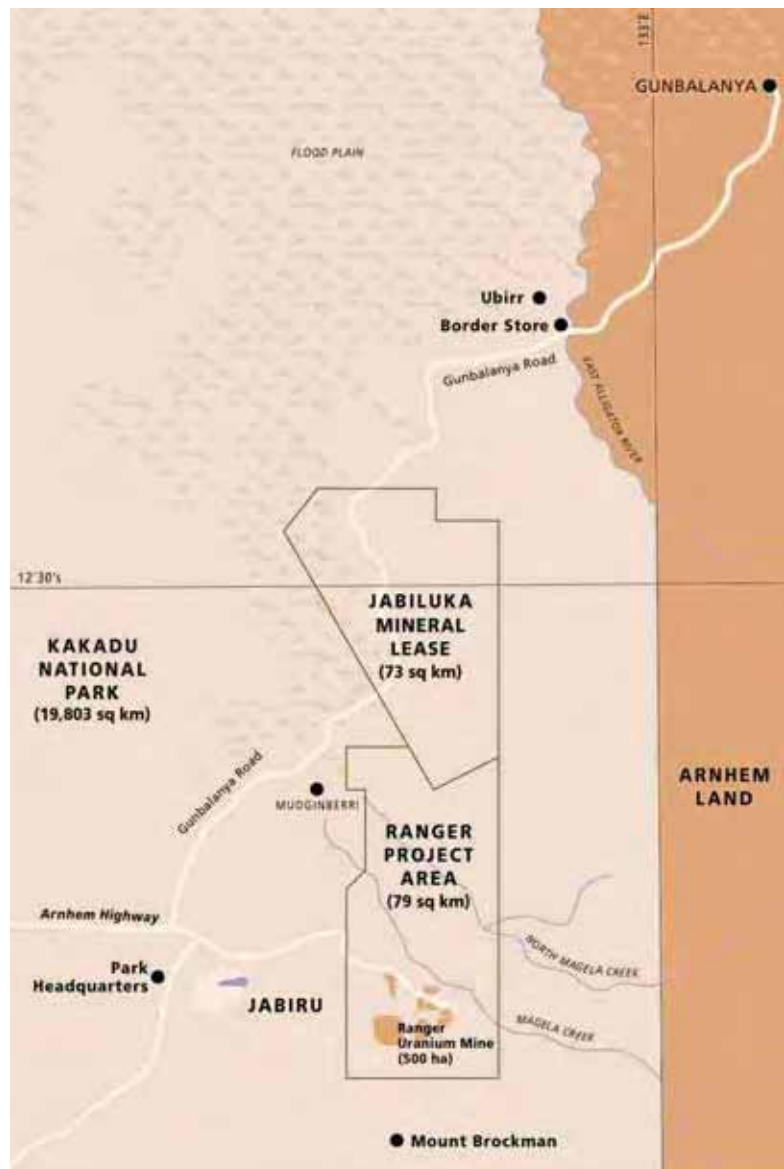
Jabiluka

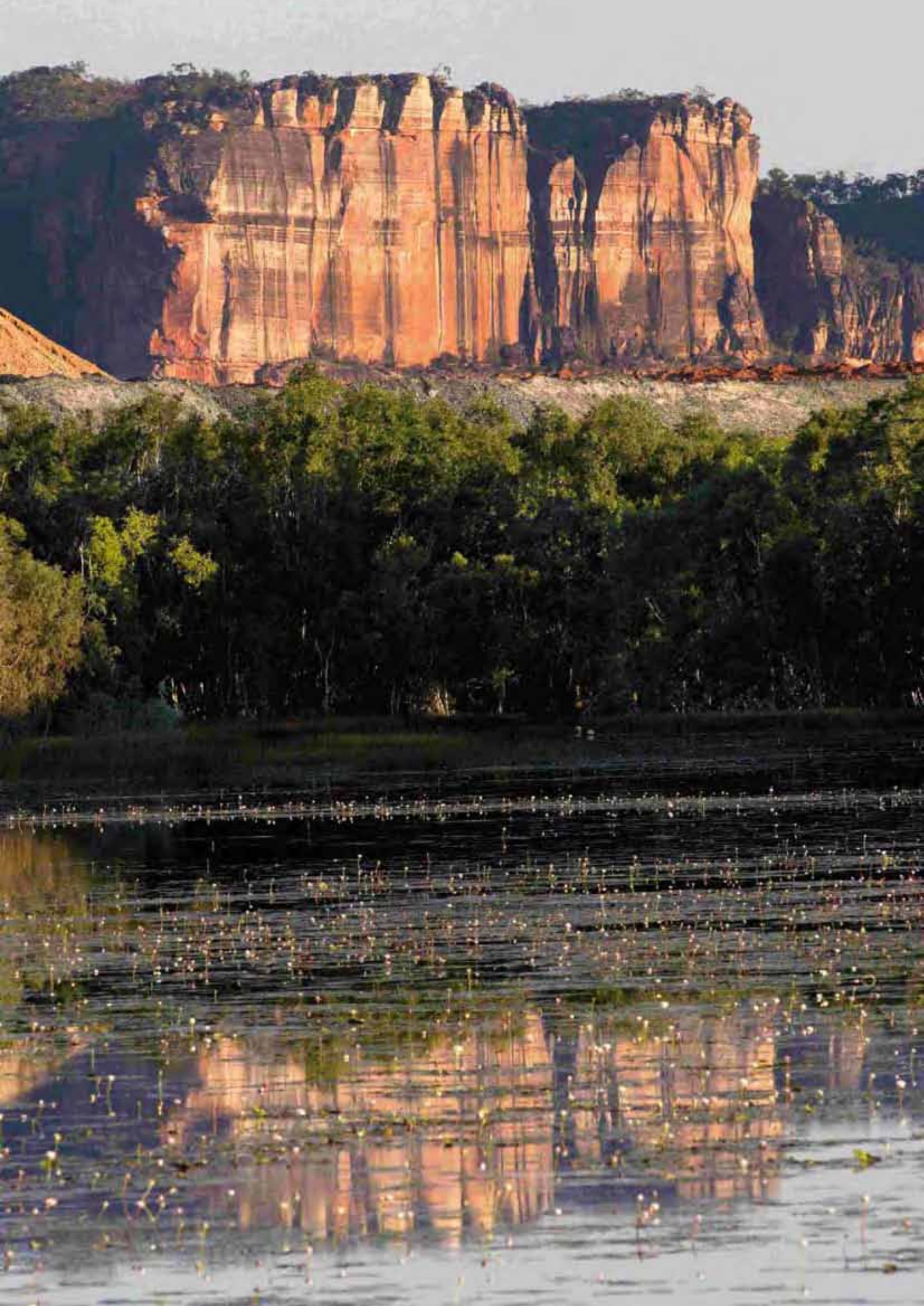
The Jabiluka lease remained under long term care and maintenance with fire management and rehabilitation programmes being conducted at Jabiluka and the former exploration camp at Djarr Djarr. The company continued to monitor and report on water quality downstream of Jabiluka and established that uranium levels average 0.3 per cent of the limit set by the supervising authorities.

Weed mapping

Last year ERA significantly reduced the area occupied by weed infested areas on the Ranger project area and the Jabiluka mineral lease. Weed management at ERA has many aspects. It commences with the education of employees and contractors so that they understand how to minimise or prevent the spread of weeds. This includes application of weed quarantine areas to prevent entry to areas identified by the company's weed mapping programme, in addition washing vehicles to avoid spreading seed, and the use of fire in weed management. Work has also been undertaken, together with Parks Australia North and the Jabiru Town Council, to identify significant weed species in Jabiru gardens, to commence a programme designed to eradicate these species and prevent escape into the surrounding Kakadu National Park in the future.

Other weed management controls include helicopter, vehicle and backpack application of herbicide, in addition to hand weeding and the removal of seed heads. Previous years have shown variable results for the programme. In 2007 the programme success has been attributed to a number of actions (see case study). Site weed management has been refined since 2003 allowing the company's environmental team to tackle this important task with greater precision.





ERA Ranger mine closure model

ERA has developed both a mine closure model and an annual plan of rehabilitation of the Ranger mine. The former documents the strategies and actions to close Ranger at the end of its planned mine life, in a way that satisfies legal obligations and fulfils the expectations of stakeholders. The latter is part of an agreed annual mechanism to calculate rehabilitation costs in the event of an unexpected mine closure that is updated each year. As Ranger comes closer to the end of its productive life, the two strategies will converge.

The ERA Ranger closure model is upgraded annually and is integrated into the company's long term operational financial plan. The company consults with regulators and stakeholders, including the Traditional Owners, and submits each step of its closure model to the Minesite Technical Committee for comment.

ERA's closure vision:

Working with the Traditional Owners, stakeholders, and the community, closure at Ranger will see the land where the mine once stood sustain a healthy environment which is left as such that it could be incorporated, and share the environmental values, of Kakadu National Park. Closure is a process in which the Mirarr and the broader community can engage with ERA to shape a new Jabiru with a sustainable economy, strong culture and a healthy people who are able to actively participate in determining their own future.

A revised closure model was given to stakeholders for comment in November 2007. This model captures changes to the company's base case assumptions and refines ERA's approach to closure based on these assumptions. Examples are the construction of additional mine infrastructure, including a radiometric sorter and laterite treatment plant, the additional ore reserves identified as a result of screening low grade ore stockpiles that have extended processing at Ranger to 2020, and the extension to the operational pit which will

extend mining until 2012. Each proposed change to the base case is "tested" against the current closure model to ensure feasibility and integration into the life of mine plan. As well as incorporating company strategies, the closure model also aims to address stakeholder comments and expectations.

Earth Water Life Sciences

EWL Sciences (EWLS), a specialist research and development environmental consulting business based in Darwin, is wholly owned by ERA and provides long term strategic environmental advice to both ERA and external parties.

EWLS' focus in 2007 was to:

- continue to assess environmental data from Ranger and Jabiluka to ensure that there is no detriment to the surrounding environment from ERA's operations;
- progress investigative work and relevant approvals from regulators and stakeholders relating to changes to the Ranger operations, as well as the ultimate closure and rehabilitation of the Ranger site;
- prepare and secure approval for Ranger and Jabiluka statutory annual wet season reports, environment reports, and rehabilitation plans;
- finalise designs for tailings deposition in the operational pit; and
- contribute to improvements in water management at Ranger through a specialised predictive water balance model.

Key project work was undertaken on a number of strategic environmental issues:

- obtaining regulatory approval for strategies to dispose of the excess pond water that accumulated in the Ranger pit and retention ponds during the 2006-07 wet season and which prevented mining of high grade ore. These include an expansion of irrigation capacity, ongoing treatment and disposal of pond water by means of the water treatment plant, development of increased evaporation facilities and use in dust suppression;
- obtaining regulatory approval for tailings deposition in the current Ranger operational pit upon cessation of mining, and for the construction of a laterite treatment plant and a radiometric sorting plant;
- studies of the environmental aspects of extending the Ranger operational pit for the purpose of all required approvals, including by the Minesite Technical Committee and the Northern Territory Department of Primary Industry, Fisheries and Mines;
- conceptual studies on the closure of Ranger;
- demonstrating that a 50 per cent reduction in weed infestation occurred at Ranger between 2006 and 2007, as a result of an increased effort to manage weeds; and
- development of a tool to help mine personnel assess whether land disturbance will affect flora and/or fauna of conservation significance. There are possibly 26 such species on the Ranger and Jabiluka leases.

EWLS continued to represent ERA on the Alligator Rivers Region Technical Committee (ARRTC). EWLS maintained ISO 9001-2000 certification for its quality management system and retained its Registered Research Agency status with AusIndustry (Commonwealth Government).

Performance targets

Targets are an efficient means of driving improvement in health, safety and environment in ERA. Some of the key performance targets of 2007 are summarised below:

Target	Results	Comment
Management System and Leadership		
Zero statutory infringements (arising from incidents in 2007)	●	No statutory infringements
Zero critical incidents	●	No critical incidents
Achieve a 50 per cent reduction in the Lost Time Injury Frequency Rate (LTIFR) and a 50 per cent reduction in the All Injury Frequency Rate (AIFR)	①	74 per cent reduction in the Lost Time Injury Frequency Rate (LTIFR) and a 46 per cent improvement in the All Injury Frequency Rate (AIFR). Severity of incidents decreased by a factor of three
Achieve a contractor All Injury Frequency Rate (AIFR) rate equal to or better than the employee AIFR	●	Significant reduction in contractor AIFR
Radiation and Health Management		
Zero incidents of unauthorised contaminated items leaving Ranger	●	No incidents
Complete a review of the radiation monitoring programme and obtain approval from stakeholders for the new programme	①	A revised radiation management programme has been developed and submitted to stakeholders for feedback. ERA is responding to stakeholder feedback received
All ergonomic assessments for critical and high risk tasks to be completed in 2007 and action plans developed for incorporation into environment, health and safety improvement plans	①	Ergo assessments completed, report to be finalised before action plans can be set
Commence development of an ERA wellness programme in line with Rio Tinto global wellness strategy	①	ERA's wellness programme is due to commence in the third quarter of 2008
Implement radiation exposures that are as low as reasonably achievable at ERA's new laterite and radiometric sorting plants	①	As low as reasonably achievable is a design requirement
Environmental Operational Excellence		
Develop potable water consumption reduction targets to align with Rio Tinto Group targets	○	The majority of potable water used on site is for ablutions. The overall increase in usage is in line with increasing employee numbers
Implement the ERA three year climate change work programme for energy/greenhouse gas reduction	①	Climate change action plans under development / implementation
Sustain or further reduce volumes of landfill waste produced from volumes produced in 2006	●	Volumes greater than last year, however a reduction per person was achieved

- Target met or significant progress against target
- ① Considerable improvement
- Not reported

ERA 2008 ESH objectives and targets

Health

- Action plans developed from high and critical risk ergonomic assessments are incorporated into Environment Safety and Health Improvement Plans.
- Implement ERA wellness programme in line with the Rio Tinto global wellness strategy.

Safety

- Implement key action items identified from 2007 semi-quantitative risk assessment.
- Achieve a 20 per cent reduction in LTIFR and 20 per cent reduction in AIFR from end 2007.

Radiation

- 100 per cent implementation of radiation management systems – statutory monitoring and reporting for 2008.
- Implement new radiation monitoring programme approved by stakeholders.

Environment

- Implement catchment reduction projects for Pit 1 and Pit 3.
- Process water treatment commences in 2008.
- Implement the ERA three year climate change work programme for energy / green gas reduction as per plan.
- No measured increase in target weeds at each land application area for 2008 vs 2007.
- Design and construct a demonstration landform.
- Fully align ERA's Health Safety and Environment Management System with Rio Tinto requirements.

Regulatory framework

ERA's operations are strictly regulated and monitored reflecting their location adjacent to the world heritage listed Kakadu National Park and on Aboriginal land. Both the Commonwealth and Northern Territory Governments have regulatory functions, powers and duties in relation to the operations. The following groups play significant roles in the regulatory framework as well as acting as advisory and communications forums.

- The Ranger and Jabiluka Minesite Technical Committees (MTC) are the key forums for approvals on environmental matters relating to Ranger and Jabiluka, respectively. The MTCs were established under a set of working arrangements agreed between the Commonwealth and Northern Territory Governments. Both committees are chaired by the Department of Primary Industry, Fisheries and Mines (DPIFM) and include representatives from ERA, the Northern Land Council (NLC), Gundjeihmi Aboriginal Corporation and the Commonwealth Government's Office of the Supervising Scientist (OSS). Each year the company must submit an annual amended plan of rehabilitation for approval by stakeholders in the MTC. This covers arrangements for immediate rehabilitation should the operations close.

- Alligator Rivers Region Advisory Committee (ARRAC)

This committee provides a formal forum for consultation on matters relating to the effects of uranium mining on the environment in the region, as well as other environmental research matters. Its members include representatives of the Northern Territory Government, the Commonwealth Government, the Northern Land Council, Aboriginal associations, mining companies (including ERA), the Jabiru Town Council, the Northern Territory Environment Centre and such other members who may be appointed by the Commonwealth Minister for the Environment.

<http://www.environment.gov.au/ssd/communication/committees/arrac/index.html>

- Alligator Rivers Region Technical Committee (ARRTC)

This committee oversees the nature and extent of research being undertaken to protect and restore the environment in the Alligator Rivers Region from the effects of uranium mining. It reports directly to the Commonwealth Minister for the Environment.

<http://www.environment.gov.au/ssd/communication/committees/arrtc/index.html>



Corporate governance and compliance

ERA regards high standards of corporate governance and compliance to be integral to its commitment to sustainable development. Governance and compliance systems are a vital part of the management framework that ensures sustainable development practices are systematised and not dependant upon individual champions. There is a detailed explanation of corporate governance processes and standards in ERA's 2007 annual report, which can be found at:

http://www.energyres.com.au/media_centre/reports

In terms of environmental performance, ERA strives to be a leader in the mining industry. It operates in accordance with the relevant Commonwealth and Northern Territory environmental legislation as well as site specific environmental licences, permits and statutory authorisations. ERA's environmental management system is ISO14001 compliant.

ERA is required to report any incident that is a divergence from strict compliance with its statutory authorisations, even if the incident has no detrimental environmental or other impacts, to a wide range of regulators and stakeholders. Open and transparent reporting is a cornerstone of ERA's governance and compliance culture.

The Office of the Supervising Scientist confirmed in its most recent report, relating to the operating year to 30 June 2007, that there were no reported incidents that resulted in any environmental impact off the immediate mine site, and that the environment remained protected through the period.

The company is also committed to high levels of performance in safety and health. Its safety and health management systems are compliant with AS4801 Occupational Health and Safety Management Systems, which it first achieved in September 2005 and has maintained ever since.

ERA's safety and health policies set out the company's commitment to a high standard of performance, and can be found at:

http://www.energyres.com.au/sustainability/safety_and_health

<http://www.energyres.com.au/sustainability/environment>

ERA has a code of business conduct to be met by all employees and directors. All employees are required to maintain high standards of ethical behavior in the execution of their duties and comply with all applicable laws and regulations in Australia and in every other country in which the company engages in business. In addition to the code of business conduct, the company's employees are required to comply with Rio Tinto's statement of business practice – "The way we work".

The code of business conduct is reviewed annually to ensure that it adequately addresses the issues facing the company and is available for inspection on the company's website (www.energyres.com.au), under the corporate overview section.

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ERA thank the Gundjeihmi Aboriginal Corporation, who on behalf of the Mirarr Traditional Owners have approved the use of images on page 25, 26 and 34 of this report.

Special thanks

To Amber Hooke an employee of EWLS for donating many of the photos used in this publication (Investigate Nature Photography).

Feedback

Further information can be obtained and feedback to ERA provided at our website www.energyres.com.au

