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ASX Announcement

Appointment of Chief Executive and Managing Director

29 June 2017

Energy Resources of Australia Ltd (**ERA**) announces that it has appointed Mr Paul Arnold as Chief Executive and Managing Director of ERA, effective from 2 August 2017.

Mr Arnold will replace Ms Andrea Sutton who, as previously announced, has resigned as Chief Executive and Managing Director of ERA in order to take up the role of Global Head of Safety and Security for the Rio Tinto Group. Ms Sutton will work with Mr Arnold and the Board to ensure a timely and smooth transition with her resignation to take effect from 2 August 2017.

ERA Chairman Peter Mansell said: "Andrea's performance at ERA has been outstanding in all respects and she leaves the company in an extremely strong position. While all of us at ERA will miss Andrea she goes with our best wishes. The ERA Board looks forward to working with Paul. He has very strong and relevant experience that we are confident will stand ERA in very good stead in the years to come."

Mr Arnold brings extensive experience to ERA gained over more than 25 years in the resources sector working in operations, commercial, business analysis, mergers and acquisitions, and major project development roles. Mr Arnold currently leads Rio Tinto Aluminium's Pacific Operations Engineering and Growth team. Before joining Rio Tinto in 2001, Mr Arnold worked for more than a decade with BHP in operations and corporate teams.

Mr Arnold has been a Director of the Queensland Resources Council since 2012 and as past Chair of the Indigenous Affairs Committee established the annual Queensland Resources Council Indigenous Awards in 2014.

A summary of the key terms of Mr Arnold's employment arrangements is attached.



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About Energy Resources of Australia Ltd

ERA 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 oxide has been produced at Ranger for more than 35 years. During that time, Ranger has produced in excess of 120,000 tonnes of uranium oxide.

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

ERA is a major employer in the Northern Territory and the Alligator Rivers Region.

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Summary of key terms of the employment arrangements with Mr Paul Arnold

The Board of ERA has appointed Mr Paul Arnold to the role of Chief Executive and Managing Director of ERA. He will be seconded to ERA from Rio Tinto to work under the direction of and be responsible to the Board of ERA.

Commencement date: 2 August 2017

Term: Minimum period of 3 years, subject to termination (see below).

Base salary: \$370,000 per annum, reviewed annually from March 2018.

Mr Arnold will receive superannuation contributions equal to 20% of base salary.

Short-term incentive: Mr Arnold will be eligible to participate in the Rio Tinto Short Term Incentive Plan (STIP) with a 'target' opportunity equal to 50 per cent of base salary and with outcomes determined by assessment against business and individual performance objectives.

Under the Rio Tinto Bonus Deferral Plan, 25 per cent of Mr Arnold's STIP award will be satisfied through the deferred award of shares in Rio Tinto Limited that will vest after 3 years subject to the Plan rules as amended from time to time.

Long-term incentive: Mr Arnold will be eligible to participate in the Rio Tinto Long Term Incentive Plan (LTIP). The annual 'target' opportunity is 45 per cent of base salary up to a maximum award of 67.5 per cent of base salary.

Details of the awards will be included in ERA's remuneration report once granted.

Termination: Mr Arnold can terminate his employment by giving 3 months' notice. Mr Arnold's employment can be terminated on 6 months' notice without cause. It can be terminated with immediate effect (and without notice) for cause.

ERA can end Mr Arnold's secondment by giving Rio Tinto 3 months' notice at any time. Rio Tinto can end Mr Arnold's secondment by giving ERA 3 months' notice provided it takes effect no earlier than at the end of the initial three year term.

Payments on termination: If Mr Arnold's employment is terminated, in lieu of any unexpired period of notice that he is entitled to receive, he may be paid base salary only (subject to deductions required by law).

The treatment on termination of any equity awards provided to Mr Arnold will be in accordance with the respective share plan rules referred to above.