

**ERA**

Energy Resources of Australia Ltd

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A member of the Rio Tinto Group

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ASX Announcement

13 September 2013

ERA appoints new Chief Executive and Managing Director

The Board of Directors of Energy Resources of Australia Ltd (**ERA**) is pleased to announce that it has appointed Ms Andrea Sutton as Chief Executive and Managing Director of ERA, effective from 23 September 2013.

Ms Sutton will replace Mr Rob Atkinson who, as previously announced, has resigned as Chief Executive and Managing Director of ERA in order to take up the role of Chief Operating Officer with the Rio Tinto Copper Product Group. Mr Atkinson will work with Ms Sutton and the Board to ensure a timely and smooth transition with his resignation to take effect from 23 September 2013.

Ms Sutton brings extensive operational, technical and corporate experience to ERA from her 19 years with Rio Tinto. Ms Sutton is currently Managing Director with the Rio Tinto Support Strategy Review team. Prior to that, Ms Sutton held various roles within the Rio Tinto Group including General Manager Operations at the Bengalla Mine and General Manager Infrastructure with Rio Tinto Iron Ore.

A summary of the key terms of Ms Sutton's employment arrangements is attached.

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 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:

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**ERA****Summary of key terms of the employment arrangements with Ms Andrea Sutton**

The Board of ERA has appointed Ms Sutton to the role of Chief Executive and Managing Director of ERA. She will be seconded to ERA from Rio Tinto to work under the direction of and be responsible to the Board of ERA.

Commencement date: 23 September 2013

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

Base salary: \$380,000 per annum, reviewed annually from 1 March 2014.

Ms Sutton is a member of the defined contribution section of the Rio Tinto Staff Superannuation Fund and receives a combination of superannuation contributions and a cash allowance in lieu of superannuation contributions equal to 20% of base salary.

Short-term incentive: Ms Sutton 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 (up to a maximum of 100 per cent of base salary for outstanding performance) determined by assessment against business and individual performance objectives.

Under the Rio Tinto Bonus Deferral Plan, 25 per cent of Ms Sutton's STIP award will be satisfied through the deferred award of shares in Rio Tinto Limited that will vest after 3 years subject to remaining in employment with the Rio Tinto Group at the date of vesting.

Long-term incentive: Ms Sutton will be eligible to participate in a long term incentive plan. The annual 'target' opportunity is 45 per cent of base salary up to a maximum award of 67.5 per cent of base salary.

The award 'at target' for 2014 is expected to comprise an equal mix, by value, of time-vesting shares under the Rio Tinto Management Share Plan and awards with performance based vesting conditions linked to ERA's performance measures. Details of the awards will be included in ERA's remuneration report once granted.

Termination: Ms Sutton can terminate her employment by giving 3 months' notice. Ms Sutton'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 Ms Sutton's secondment by giving Rio Tinto 6 months' notice at any time. Rio Tinto can end Ms Sutton's secondment by giving ERA 6 months' notice provided it takes



ERA

effect no earlier than at the end of the initial 3 year term.

Payments on termination:

If Ms Sutton's employment is terminated, in lieu of any unexpired period of notice that she is entitled to receive, she may be paid base salary only (subject to deductions required by law).

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