



THE MELBOURNE MINING CLUB LUNCHEON

4th December, 2007

Chris Salisbury - CEO Energy Resource of
Australia

Topic: Providing Energy For The Future



ERA

Melbourne Mining Club once again attracted a strong crowd, this time for one of the world's leading uranium miners. Climate change concerns could drive "unbelievable" demand for uranium in the future, according to ERA's CEO Chris Salisbury. "I believe there is a scenario which could create unbelievable demand for uranium, depending on this government and international governments' policy on where it acts on carbon emissions". "Certainly that is something we need to be aware of, the market could be much, much higher than what I have portrayed today."

ERA's flagship operation is the Ranger mine in the Northern Territory and the company is the fourth largest producer of uranium in the world. Mr Salisbury said world electricity demand was projected to almost double between now and 2030 to 30 trillion kilowatt hours, with environmental considerations expected to drive nuclear power growth in some countries. "Nuclear power is seen as a means of cutting greenhouse gas emissions and localised air pollution," he said.



Mr Sainsbury believes that "Australia could overtake Canada as the world's top uranium exporter". Australia's concentration of the nuclear fuel means it was poised to profit greatly from future demand. "World electricity demand is projected to almost double over the period to 2030" said Mr Salisbury. "Most of the increase is expected to occur in developing countries, notably China and India". Climate change and increasing fossil fuel prices are other factors driving demand for uranium. "The imposition of high carbon taxes could radically change the competitiveness of nuclear energy and this form of energy, particularly in China, could meet the burgeoning energy demands without further contributions to greenhouse emissions."

The price of uranium, which was about \$US93 (\$A106) per pound, "could surge higher" according to Mr Salisbury. ERA is undertaking a \$57 million expansion to the open-pit at the Ranger mine in a bid to extend its life and benefit from this rise. ERA's shareholders especially its largest Rio Tinto (68 per cent stake) no doubt hope he is right!



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