

Rössing Uranium Limited
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Media Release

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FOR IMMEDIATE RELEASE

The future of Rössing

Rössing has been engaged in the preparation of a comprehensive investment proposal to extend the production life of the mine through to approximately 2016.

Rössing submitted a Life-of-Mine Expansion (LoME) proposal to Rio Tinto today and the overall project was approved.

This follows nearly three years of work on the LoME project and ends a long period of uncertainty for Rössing and all its stakeholders.

The LoME project involves a total capital expenditure of US\$112 million. About half of the cost will be for additional shovels, haul trucks and other support mining equipment. The remainder is for refurbishment of the processing plant to enable Rössing to return to full production capacity of 4 000 tonnes per year within the next two years.

The LoME project is to be rolled out during 2006 and 2007 and will lead the employment of approximately another 150 additional employees.

Issued by:

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Directors: C V Kauraisa (Chairman), M D Leech (Managing Director), E H T Angula, P S Chiaro, F Fredericks,
R R Hoveka, C J Kinnell, J S Kirkpatrick, J S Louw (alt. G.P. Louw), A H Mahnama (alt. A H Behzadan), V B Moll, A Mudhika,
F Nicholls, W van Rooyen

Company Secretary : G D Labuschagne

Editor notes:

Visit the Rössing website at www.rossing.com for more information about Rössing. An electronic copy of the 2004 Rössing Report to Stakeholders is also available on the website.

The mine currently employs 833 employees (of which 96% are Namibians) and around 350 contractors.

Key personnel

§ Chairman: Charles Kauraisa

§ Managing Director: Michael Leech.

Michael Leech is the first Namibian national appointed to this position.

Rössing Mine in Namibia

Rössing, a large open pit uranium mine, is situated in Namibia, south-western Africa. It lies 65 kilometres inland from the coastal town of Swakopmund in the Namib Desert. The region is characterised by sparse vegetation, rocky outcrops and gravel plains with an average rainfall of approximately 30mm per year.

Rössing is one of the largest open pit uranium mines in the world and through the production of uranium oxide (U_3O_8) serves the world energy industry.

Rössing is part of the Rio Tinto Group of Companies, which currently holds 68,6% of Rössing's equity.

Production started in 1976.

Recent milestones

§ In July 2003, 100 000 short tonnes of U_3O_8 was produced since production started in 1976.

§ In August 2003 the mark of 1 billion tonnes of rock hauled from the open pit was reached.

U_3O_8 production

2002: 2 751 tonnes

2003: 2 401 tonnes

2004: 3 582 tonnes

Target 2005: 3 800 tonnes

As a primary producer of U_3O_8 Rössing produces about 7.7% of the world's primary production.

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Markets

Current and potential customers: central Europe, North America and South East Asia and Japan.

Financial position

Despite an upward trend in U_3O_8 spot prices during 2003 and 2004, Rössing came under pressure due to the strong South African Rand (to which the Namibian Dollar is linked) against the US dollar – Rössing sells its U_3O_8 in US Dollars. The company made a loss in 2003 of about N\$140 million and N\$75 million in 2004. The outlook in 2005 has much improved with a weaker South African Rand against the US Dollar and further increases in the spot market price of uranium oxide, currently at US\$35.25 per pound.

End

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