

Rössing Uranium Limited

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FOR IMMEDIATE RELEASE

SALARY NEGOTIATIONS AGREEMENT

The Company and the Rössing Branch of the MUN started negotiations for salary increases for the Bargaining Unit on 30 November 2005.

Both parties negotiated in good faith and expressed the desire to conclude the salary negotiations for 2006 in the shortest possible time.

The Company and the Union reached an agreement on 17 January 2006 for an increase of 8% for all employees in the Bargaining Unit effective from 1 January 2006. A one-off settlement payment of N\$1000 will be paid members in the Bargaining Unit.

The housing allowances for employees in the Bargaining Unit will also be increased.

Issued by:

Managing Director

Michael Leech

Rössing Uranium Limited

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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.

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

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 for the generation and supply of electricity.

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

Production started in 1976, which means that the mine will be celebrating 30 years of production this year.

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.
- § In December 2005 the Life-of-Mine Expansion (LoME) proposal to extend the mine's life through to approximately 2016 was approved by Rio Tinto. 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 to the employment of approximately another 150 additional employees.

U_3O_8 production

2002: 2 751 tonnes

2003: 2 401 tonnes

2004: 3 582 tonnes

2005: 3 711 tonnes, the highest since 1990

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

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 2006 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\$37.00 per pound.