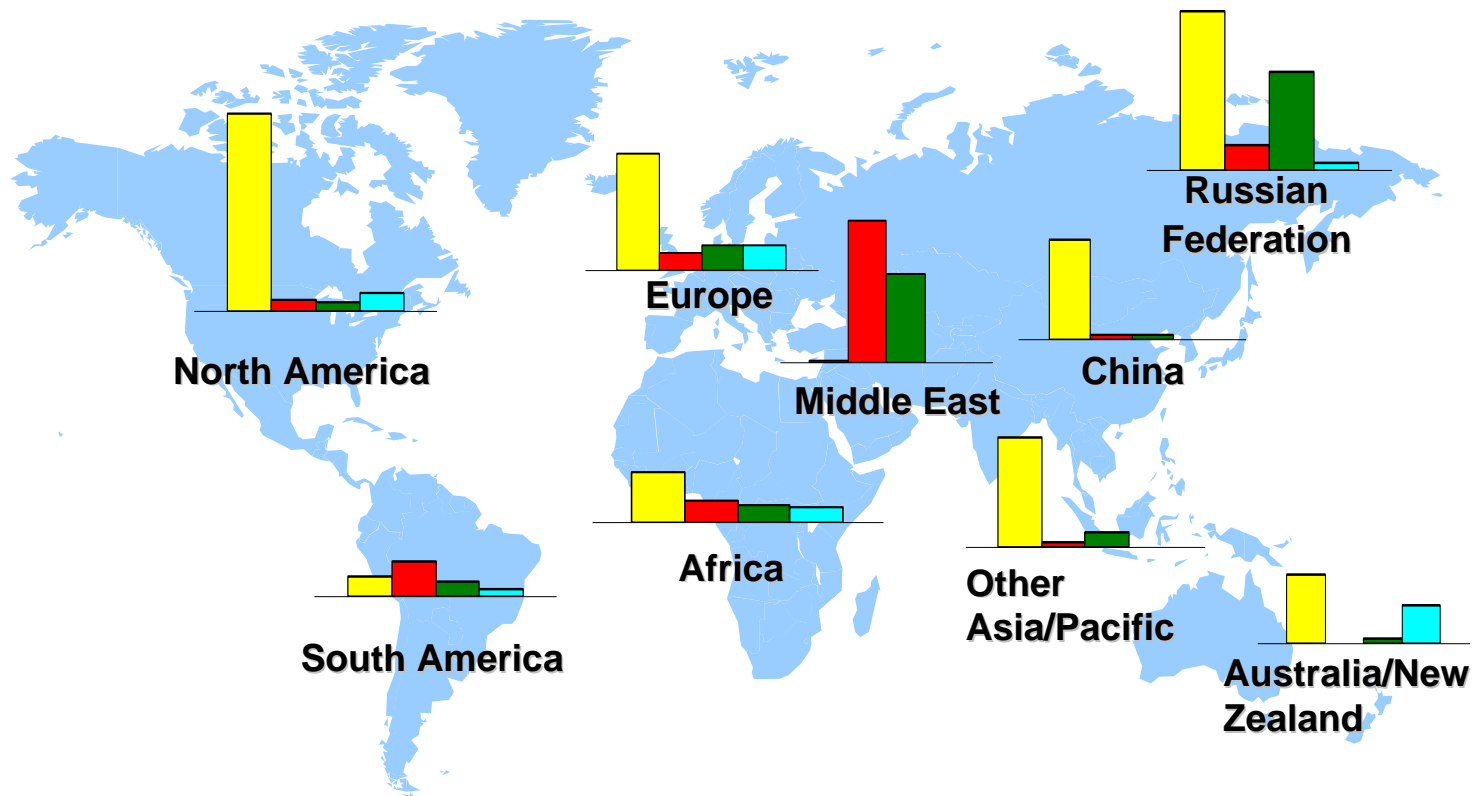


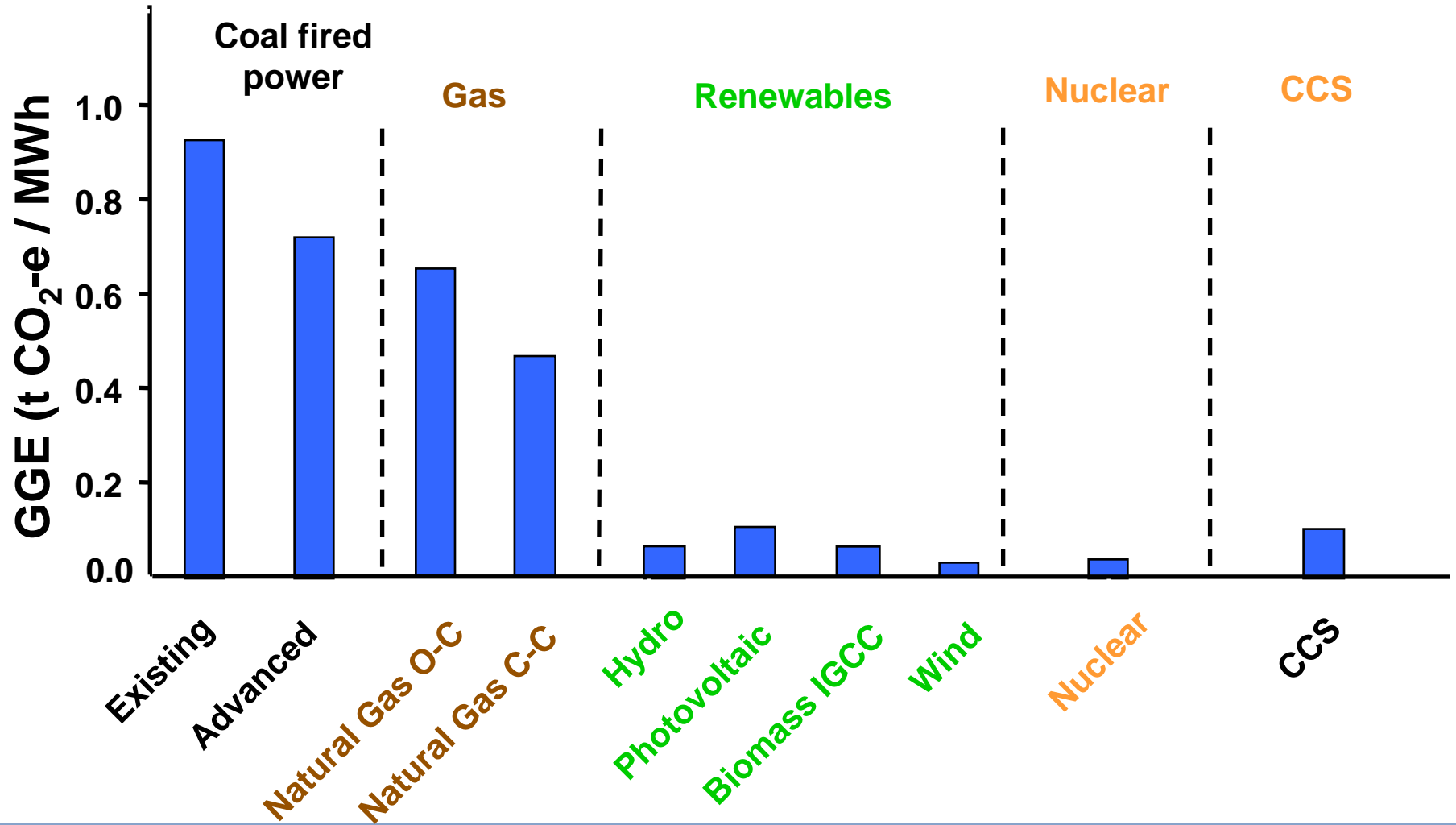
World energy reserves 2005

Coal ■ Oil ■ Gas ■ Uranium* ■

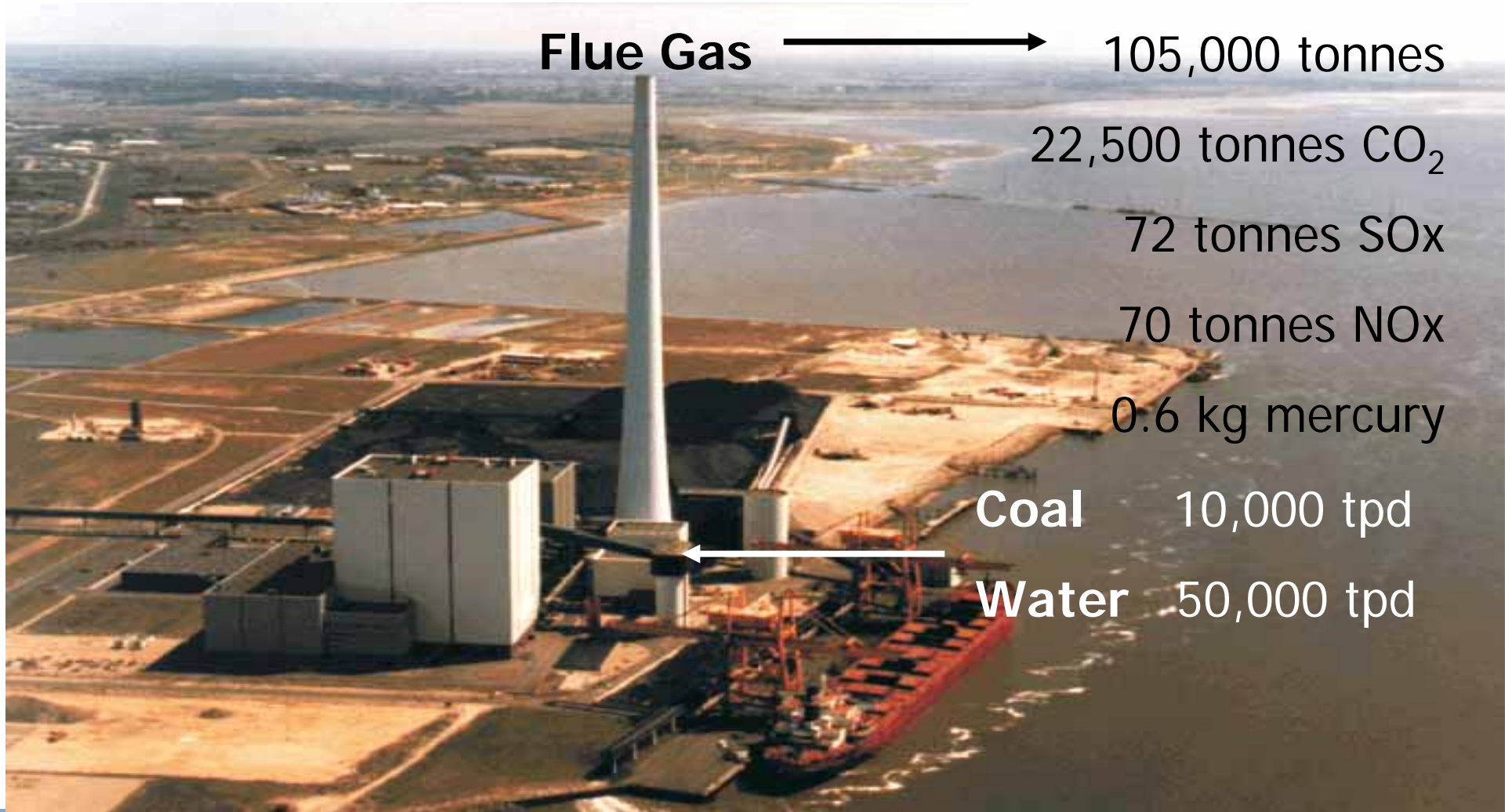


Sources: BP Statistical Review 2005; WEC Survey of Energy Resources 2001; Reasonably Assured Sources plus inferred resources to US\$80/kg U 1/1/03 from OECD NEA & IAEA Uranium 2003; Resources, Production & Demand updated 2005; *energy equivalence of uranium assumed to be ~20,000 times that of coal

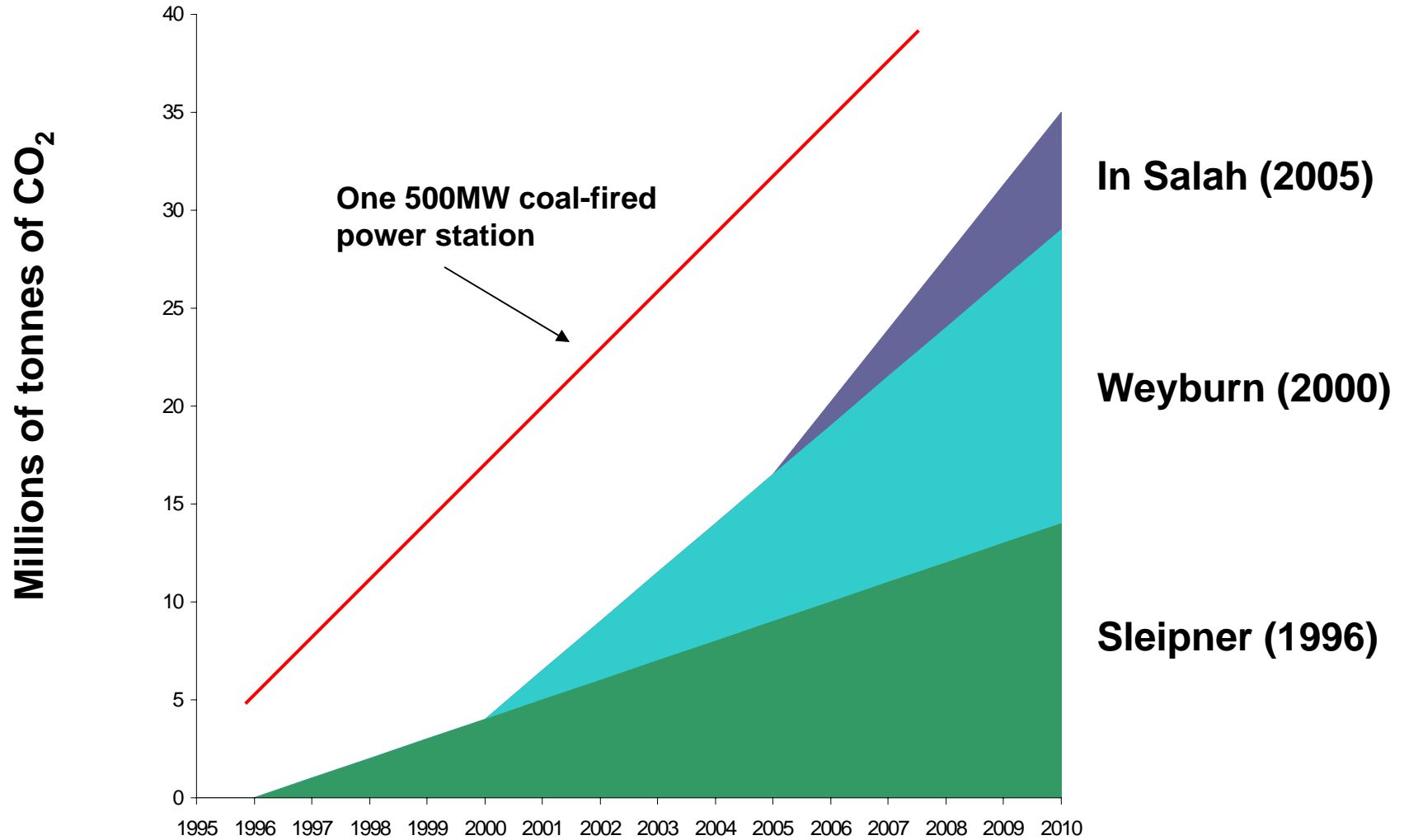
LCA power generation emissions



Feed and emissions for a 1,000MW utility



Cumulative globally sequestered CO₂

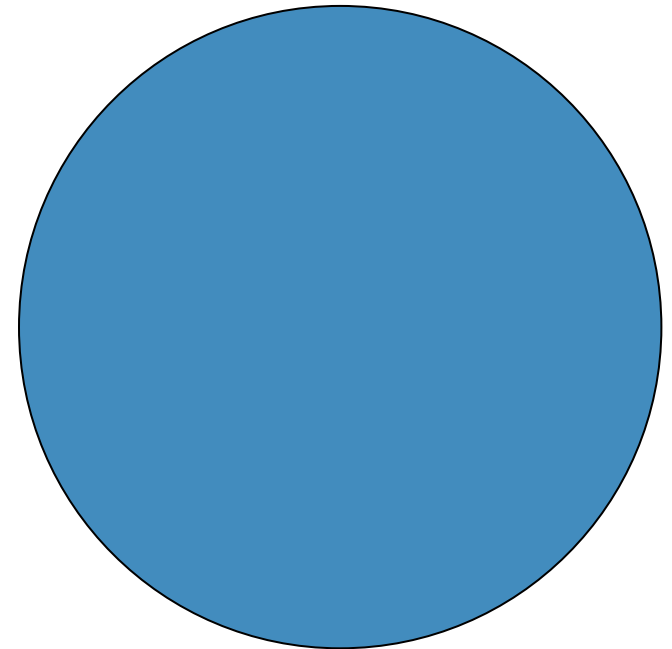




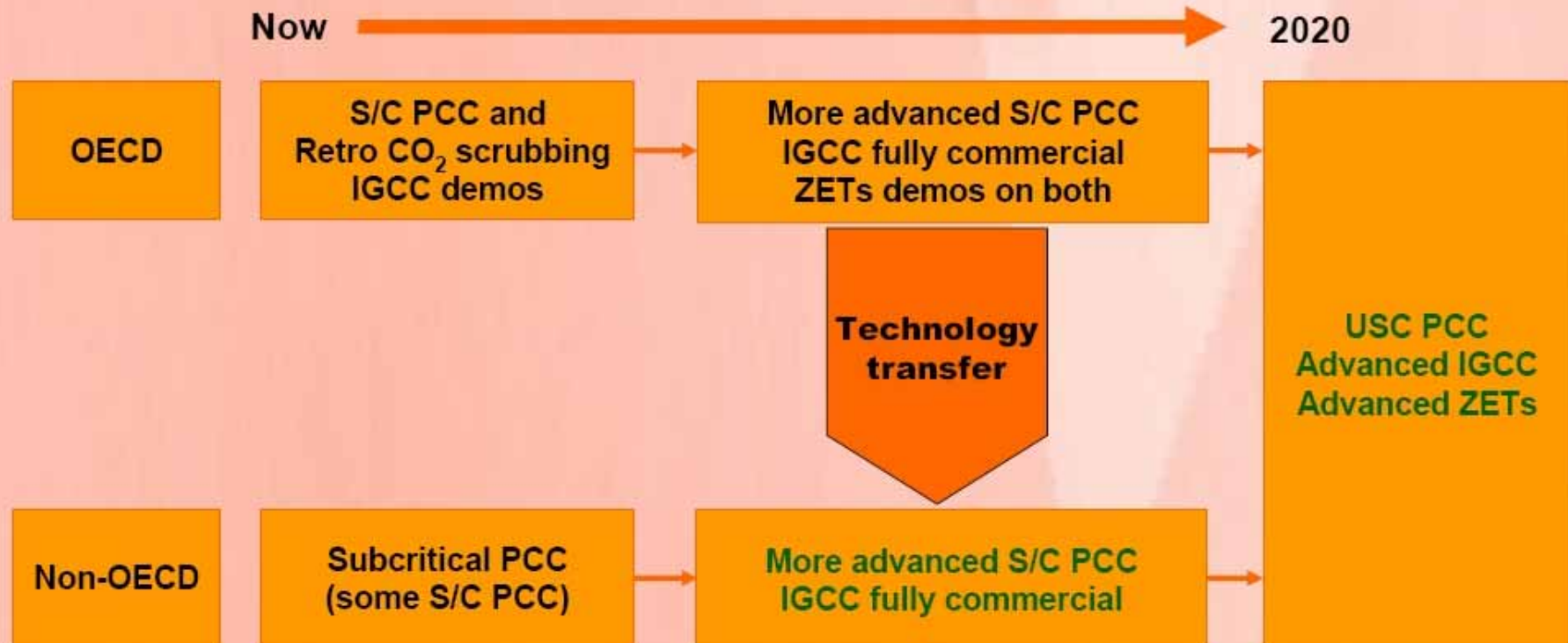
Cumulative globally sequestered CO₂

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Cumulative global need to sequester CO₂



Timelines for OECD and non OECD showing technology transfer “jump over point”



2005 IEA CCC Study

- Issues will be (i) costs and performance validation (ii) public acceptance and regulation
- Range of potential funding options required a co-ordinated industry response
- Solid base for storage demonstration
- Range of potential capture technologies – all prospective
- No significant gaps or overlaps at the program level
- International linkages being addressed

ACALET levy + LETDF funding

Traditional ACA Research Program funding

2006 Industry Assessment

- 1. The coal industry would be best served initially by a number of smaller, relatively inexpensive and focused capture demonstrations; and a similar number of east coast storage demonstrations and site characterisations targeting different storage issues.
- 2. The following demonstrations were recommended for consideration for funding by the Board.
 - Four coal use and capture demonstrations (CS Oxyfiring, cLET Gasification, CSIRO PCC and Monash Energy)
 - The Otway, Schlumberger and Monash Energy storage demonstration projects
- 3. A gap analysis identified a number of additional projects requiring development
 - International alignment of engineering costings
 - Synergies with renewables
 - Additional geosequestration studies
- Review portfolio at regular intervals
- Financial security of projects

2007 update

- Three additional PCC Projects have applied for funding
- Discussions with, and assessment of, the ZeroGen Project have started
- Strains on project budgets
- Increasing emphasis on
 - understanding regional geology, and focus on long term solutions
 - appreciating current cost structures

RIO TINTO

