

FIRST PUBLIC REPORT TEMPLATE

Controlling Corporation

TALISON MINERALS PTY LTD

Period to which this report relates

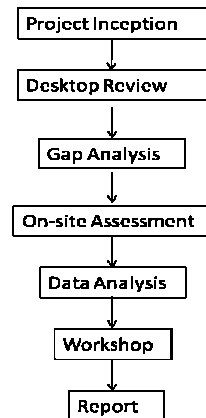
(See sub-section 22(2) of the Act and Regulation 7.1 of the *Energy Efficiency Opportunities Regulations (the Regulations) 2006*)

Start 01/07/2006

End 30/06/2008

Part 1 - Summary of assessments conducted thus far

Table 1.1 - Description of the way in which the corporation has carried out its assessments and over what period was each assessment taken. A statement saying that the intent and key requirements of the Energy Efficiency Opportunities legislation have been met must be made.



Talisson Minerals engaged the services of URS to assist in conducting the EEO assessments. Upon appointment, a short inception meeting was held with Talisson Minerals personnel on 2nd February, 2008. The purpose of the meeting was to confirm the scope, timeframe and expected outcomes of the project. Access to and the nature and extent of, information to be reviewed as part of the project were discussed and any relevant information already held by client was requested to be forwarded.

URS undertook an analysis of the energy consumption for FY 05-06, FY 06-07 and FY07-08 for both Greenbushes and Wodgina and reviewed key Talisson Minerals documents provided between March and September 2008. URS distributed a questionnaire survey and requested key Talisson

Minerals staff from the Head Office, Greenbushes and Wodgina to duly complete the same. The questionnaire was analysed to gain an understanding of the existing culture and drivers pertaining to energy management and energy efficiency within the organisation. Based on the review of existing information provided to URS by Talison Minerals and other relevant literature in the public domain, URS undertook a gap analysis as part of the assessment report to:

- Collate and review the legislation, governmental and departmental policies and strategies that are relevant to energy and GHG emissions management;
- review ARS submitted to the Department;
- review all information provided to URS, including data spreadsheets, electricity contracts, process control philosophy, process flow diagrams documents etc.; and
- review any other available Talison Minerals' policies and procedures.

The gap analysis focused on:

- summarizing the requirements of the legislation and policies;
- identifying whether the requirements are being met under current procedures and processes;
- identifying the teams or positions that are responsible for the requirements; and
- identifying how requirements could be better met.

An indicative site audit was performed on both the Greenbushes and Wodgina operations. The objective of the energy audit was to note the use of energy consuming equipment by type, the run time hours of the equipment, and analyse CITECT data.

The assessments were carried out in May (Greenbushes) and June (Wodgina) and comprised:

- site visits to both the Greenbushes and Wodgina operations;
- data analysis and review of key Talison Minerals documents, including but not limited to the Talison Minerals' policy and procedure documents, sub-consultant's reports etc.;
- URS and Talison staff took instantaneous measurements on the electrical equipment and analysed the load profile of major electrical equipment (e.g. motor control centre in Greenbushes and Wodgina);
- Engaging with Talison Minerals personnel and conducting a survey amongst staff of different levels and departments within Talison Minerals, to gauge the level of energy awareness and energy management within the organisation. The questionnaires were collated and analysed and the results have been presented in section 5 of this report; and
- Facilitating a workshop with key personnel to identify and evaluate energy efficiency opportunities.

Table 1.2 - Group member/business unit/key activity/site that have been assessed	Energy use per annum in the year the assessment is completed *	Energy data accuracy (if not within $\pm 5\%$) **	Reasons for not achieving data accuracy to within $\pm 5\%$ **
Greenbushes (0708)	199,216.26 GJ		
Wodgina (0708)	454,866.56 GJ		
Total	654,082.82 GJ		
Total as a percentage of total energy use of the group covered by this report	100%		

* Energy Bandwidth may only be used if approved in the Assessment and Reporting Schedule

** Data accuracy not within $\pm 5\%$ can only be included if approved in the Assessment and Reporting Schedule

Part 2 - Outcomes of and business response to opportunities that have been identified and evaluated for each group member, business unit, key activity or site assessed

(See paragraphs 3-6 of Schedule 4 and Schedule 6 of the Regulations)

Group member/business unit/key activity/site >0.5 PJ name: **TALISON MINERALS PTY LTD**

Table 1.3 Status of Opportunities		Number of Opportunities	Estimated energy savings per annum by payback period (GJ)		Total estimated energy savings per annum (GJ)	*Accuracy range (%)
			0 – < 2 years	2 – ≤ 4 years		
Outcomes of assessment	Identified (accuracy ≤ ±30%)	16	21,581	103,767	125,348	5-25%
	Identified (accuracy > ±30%)	3	1,986		1,986	30-50%
	**Total Identified	19	23,567	103,767	127,334	5-50%
***Business Response	Under Investigation	6	7,241		7,241	10-25%
	To be Implemented	2	230	164	394	10-50%
	Implementation Commenced	1		103,603	103,603	5-25%
	Implemented	9	7,818		7,818	10-50%
	Not to be Implemented	1	8,278		8,278	5-10%

*The accuracy range for projected or actual costs, benefits and energy savings.

**You must ensure that this row is the sum of the two rows above it.

*** The data contained in each row of the business response area must total to the data contained in the 'Total Identified' row.

Note: An opportunity is any potential change to a system, activity or piece of equipment that:

- is identified during an EEO assessment;
- is consistent with legal requirements such as OHS, and
- may result in energy savings projects with payback periods of 4 years or less.

Details of at least three significant opportunities found through EEO assessments

(See paragraph 7 of Schedule 4 of the Regulations)

Details must include a brief description of the opportunity and may optionally include details of the costs of implementation, energy/dollar savings and any other benefits (such as greenhouse reductions).

Table 1.4

Opportunity 1

LG upgrade - The opportunity is to add additional plant and flotation cells to enable a significant yield improvement in the processing of low grade lithium ore. The energy benefit will be that less electrical energy is required for crushing and less mining diesel fuel will be required to achieve the same production. The expenditure on this project is significant, in the order of 10 million dollars and will result in the energy savings of 2.6 million dollars per annum.

Opportunity 2 *

Single feeder loader - The opportunity is to utilise alternative plant stockpile areas and convey ore directly onto this area eliminating the need for re-handling ore with a front end loader. The energy savings are significant and save the company in the order of fifty thousand dollars of diesel fuel per annum.

Opportunity 3 **

Three Stage Crushing - The opportunity takes advantage of the fact that by operating the Greenbushes crushing plant at a slower loading rate, the quaternary crushers may be turned off. This results in the crusher using only half the normal electricity consumption at a significant cost saving. The annual cost savings are in the order of sixty thousand dollars per annum.

*If there are less than three significant opportunities, provide details of those identified.

**If no significant opportunities have been identified in the assessment, a statement to this effect.

Part 3 - Voluntary Contextual Information

Reporting corporations may supply additional information that provides more context to the public report. Such information may include:

- Energy use and energy saved by energy type, as greenhouse gas emissions, as an indicator, or as an index;
- Energy savings achieved in the period 2000-2005;
- Opportunities with a greater than four year payback and the business response;
- Changes in total energy use/energy use indicator broken down to include causes of increase or decrease;
- Energy use and energy efficiency opportunities presented in dollars; and
- Other contextual information about the corporation's energy use and management.

Other Contextual Information

Eighteen opportunities were identified at Wodgina site during the assessment process. These opportunities have not been analysed for potential energy savings because of the suspension of mining operations at Wodgina site. Please note background information from the media release below.

26 November 2008

TALISON TO SUSPEND WODGINA TANTALUM OPERATIONS

Talison Minerals announced today that it is suspending mining at the world's largest tantalum operation at Wodgina, 100 kilometres south of Port Hedland, Western Australia from early December 2008.

The suspension of operations at Wodgina will result in, an estimated 200 job losses, more than half of which will be contractors from a range of companies.

During 2008, Wodgina has supplied more than 30 per cent of the world's tantalum, which is used in popular consumer electronic products such as mobile phones, digital cameras, gaming consoles and computers.

Talison's lithium mining and processing operations at Greenbushes are unaffected. Demand for lithium, particularly for lithium ion batteries, remains robust and the Company is expanding its lithium production facilities to meet increased demand.

Talison's actions are driven by two factors. Most importantly, the recent global financial crisis has seen a severe downturn in worldwide demand for consumer electronics, resulting in lower demand for tantalum. As a consequence, Talison's customers have sufficient tantalum for the near future and have not needed to extend their current contracts.

The second factor is a long-term and increasing trend to reduce material costs in the electronics supply chain, which strongly encourages increased tantalum supply from Central Africa, and particularly from the Democratic Republic of Congo (DRC).

Tantalum from Central Africa is available at relatively low prices because it is often mined illegally or without regard and commitment to health, safety, environment and labour conditions and frequently transported in contravention of international regulations. Revenue from tantalum mining activities in the DRC is reportedly used to fund militias involved in the ongoing civil war in the north east of the Country, with little financial benefit flowing to the local people.

Chief Executive Peter Robinson said it was extremely disappointing to be suspending operations at Wodgina due to economic conditions and industry activities beyond the Company's influence. "Historically, Talison has provided a large, reliable supply source which has underpinned the entire tantalum industry. We have the capacity and the desire to continue in this role and we believe it is in the electronics industry's interests for Talison to play a significant part in its future" he said.



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“Our goal is to bring Wodgina back into production as soon as the global economic situation improves and demand and prices are stronger. Until then we will keep working with the electronics industry to encourage all participants in the supply chain to purchase tantalum from responsible sources and to assist in establishing a system that will give consumers confidence that tantalum is being produced in compliance with internationally recognised social, legal, ethical, safety and environmental standards.”

“Without Talison’s supply the majority of the world’s tantalum will come from irregular and unreliable suppliers from politically unstable regions, with much of it coming from the DRC” Mr Robinson said.

Background on Talison Minerals

Talison is a private company owned by a consortium of investors. Talison was established in 2007 after the consortium purchased the tantalum and lithium operations of Western Australian miner Sons of Gwalia.

Mining has been conducted at Wodgina since 1904, initially for tin and later for tantalum. The present tantalum mine was established in 1989 and expanded as the global electronics industry has grown.

Talison has the capacity to produce 1.4 million pounds of tantalum oxide from Wodgina and 1.0 million pounds from Greenbushes, making it the world’s largest primary producer of tantalum. The combined capacity of Wodgina and Greenbushes represents more than 50% of global tantalum demand. Tantalum production facilities at Greenbushes have been on care and maintenance for the past three years.

Through its Greenbushes operation, Talison is also the world’s largest supplier of lithium minerals, which are used in glass and ceramics and for the production of lithium chemicals. Escalating demand for lithium is being driven by the market for rechargeable lithium ion batteries for mobile phones and computers and in the rapidly emerging electric vehicle market.

As a member of the Electronics Industry Citizenship Coalition (EICC), Talison is focused on helping to implement a Code of Conduct that will ensure improved social and environmental outcomes throughout the supply chain for individuals and communities.

Visit

www.talison.com.au

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Part 4 - Declaration

(See paragraph 8 of Schedule 4 of the Regulations and paragraph 22(4)(c) of the Act)

The information included in this report has been reviewed and noted by the board of directors and is to the best of my knowledge, correct and in accordance with the *Energy Efficiency Opportunities Act 2006* and *Energy Efficiency Opportunities Regulations 2006*.



Chair of the Board of Directors/CEO/Managing Director/equivalent officer (state position)

PETER ROBINSON CEO/MD