

CLAYTON UTZ

Uranium overview of Japan and Australia

46th Australia-Japan Joint Business Conference

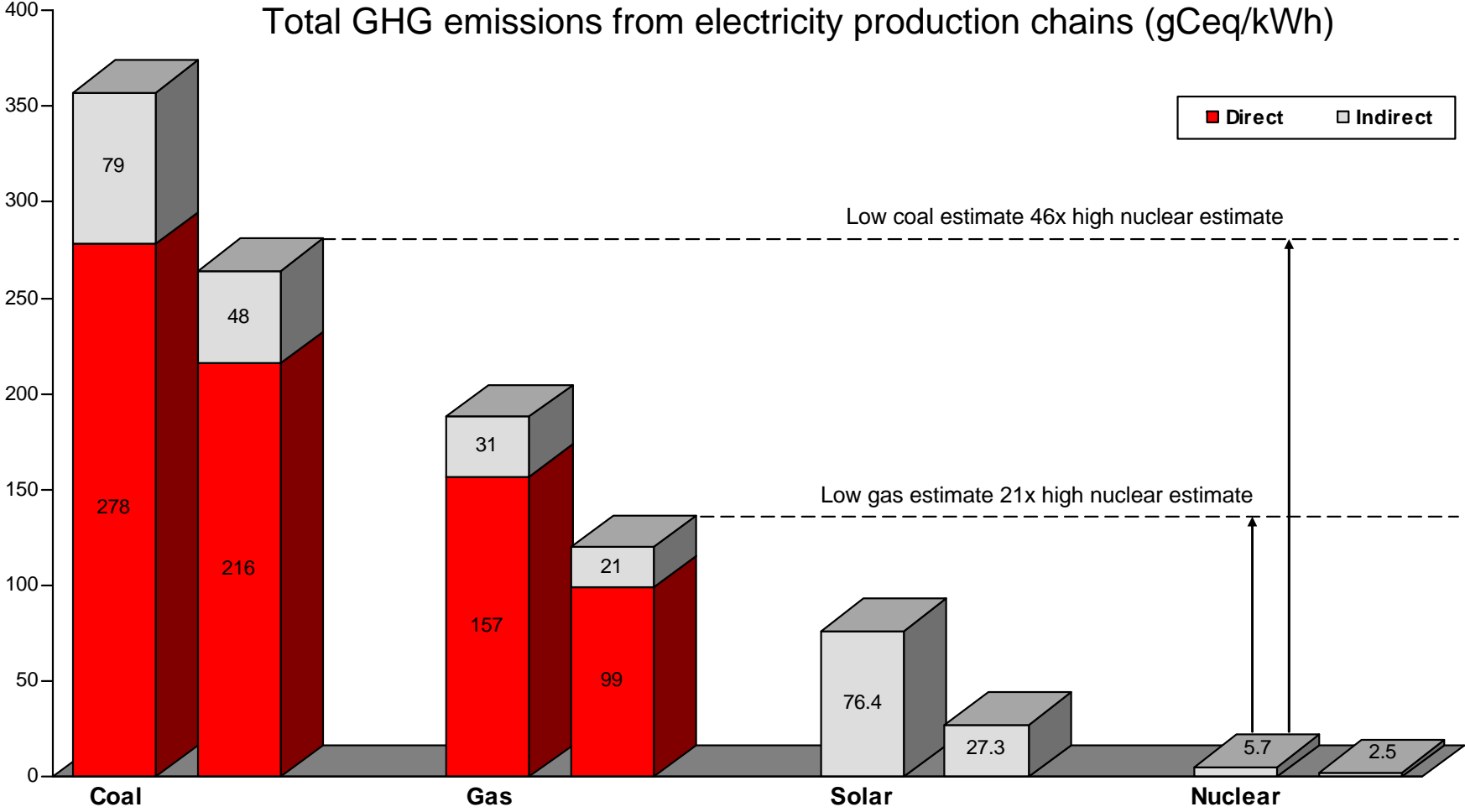
Hiroyuki Kano, Partner

13 October 2008

Outline of presentation

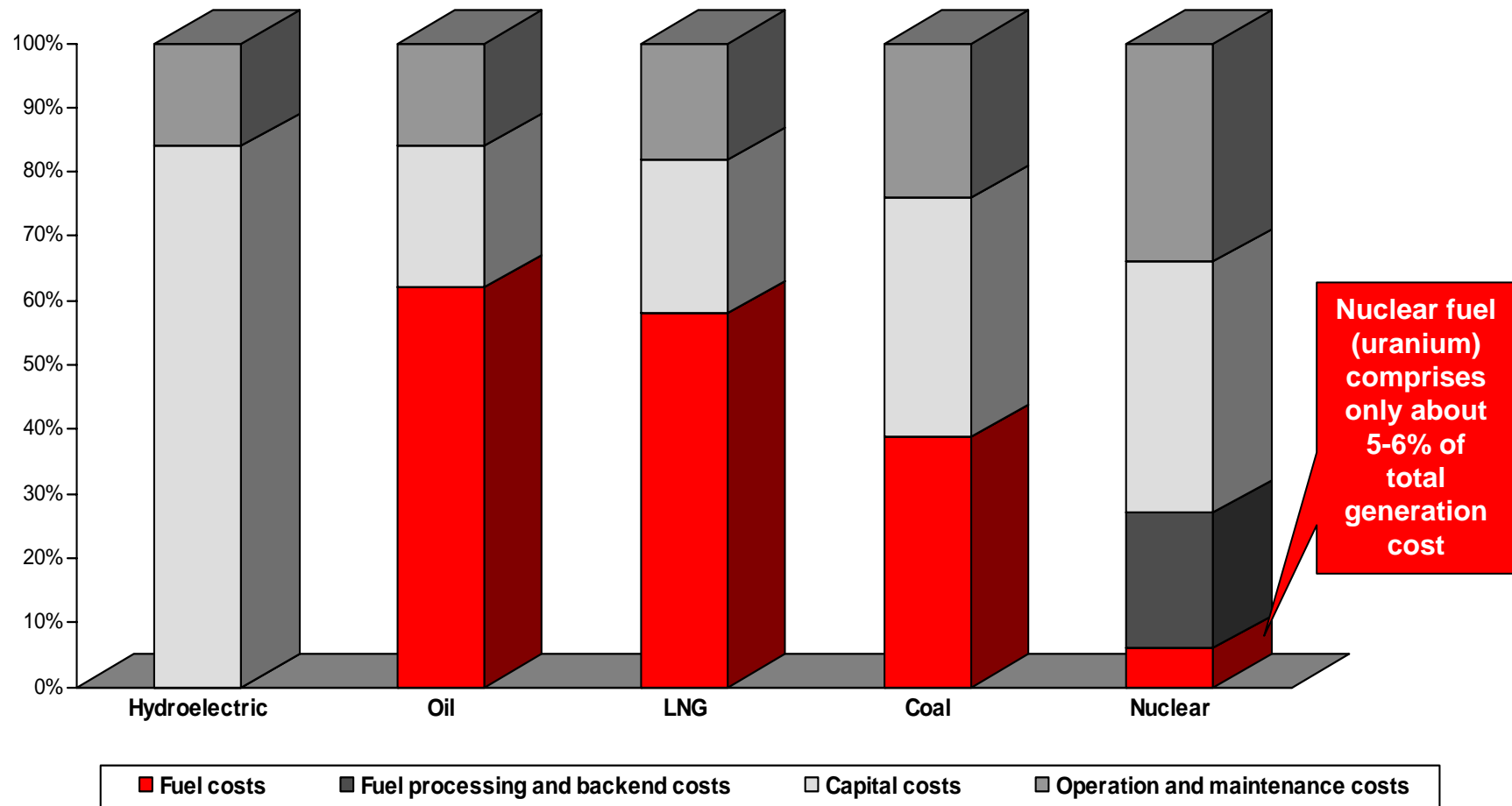
- **The importance of uranium**
- Japan's energy mix and nuclear energy policy
- Uranium resources and production in Australia
- Division of power - federalism in Australia
- Uranium policy in Australia
- Uranium regulation in Australia
- Conclusion

Climate change



Energy security

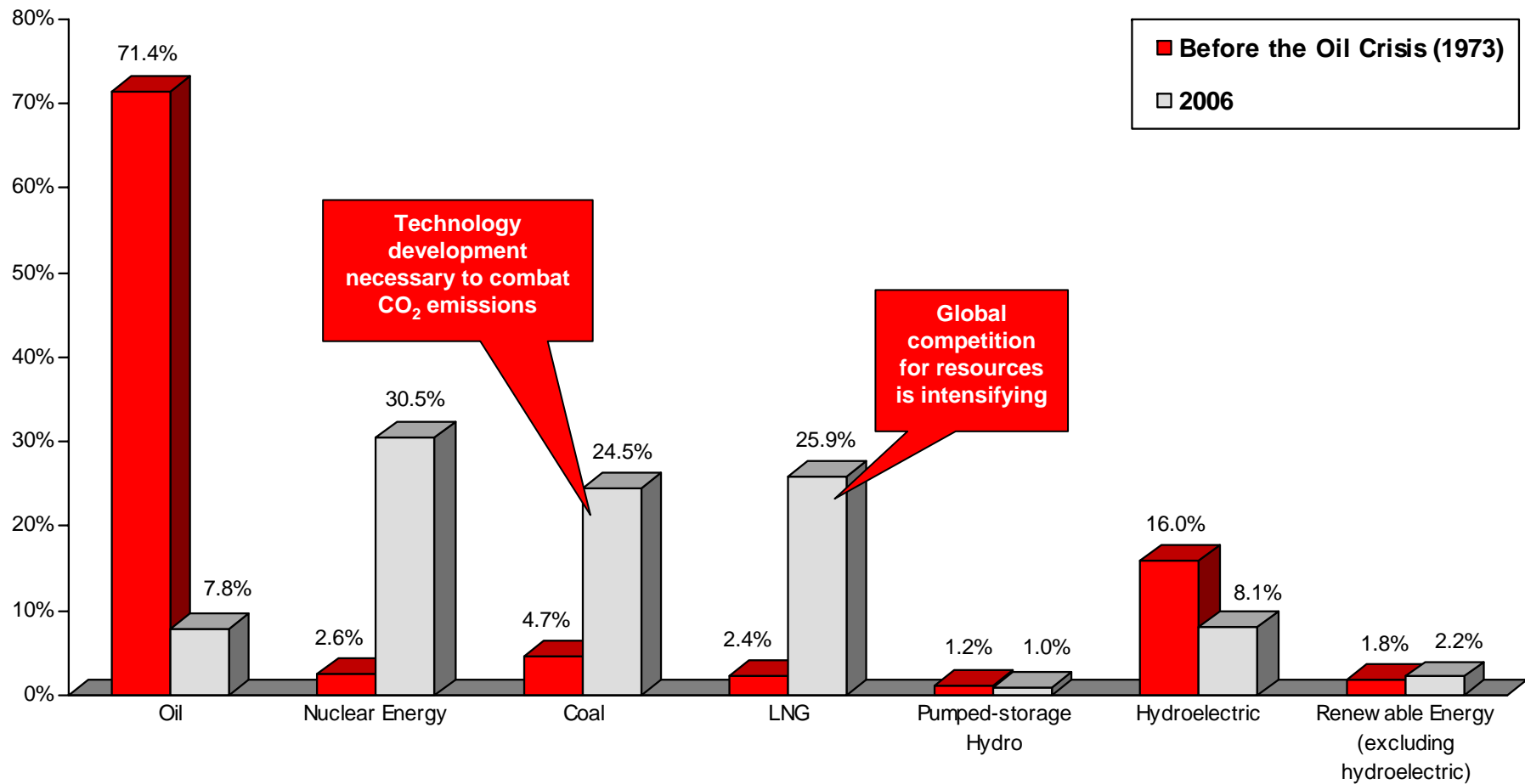
Breakdown of generation costs for different types of electricity



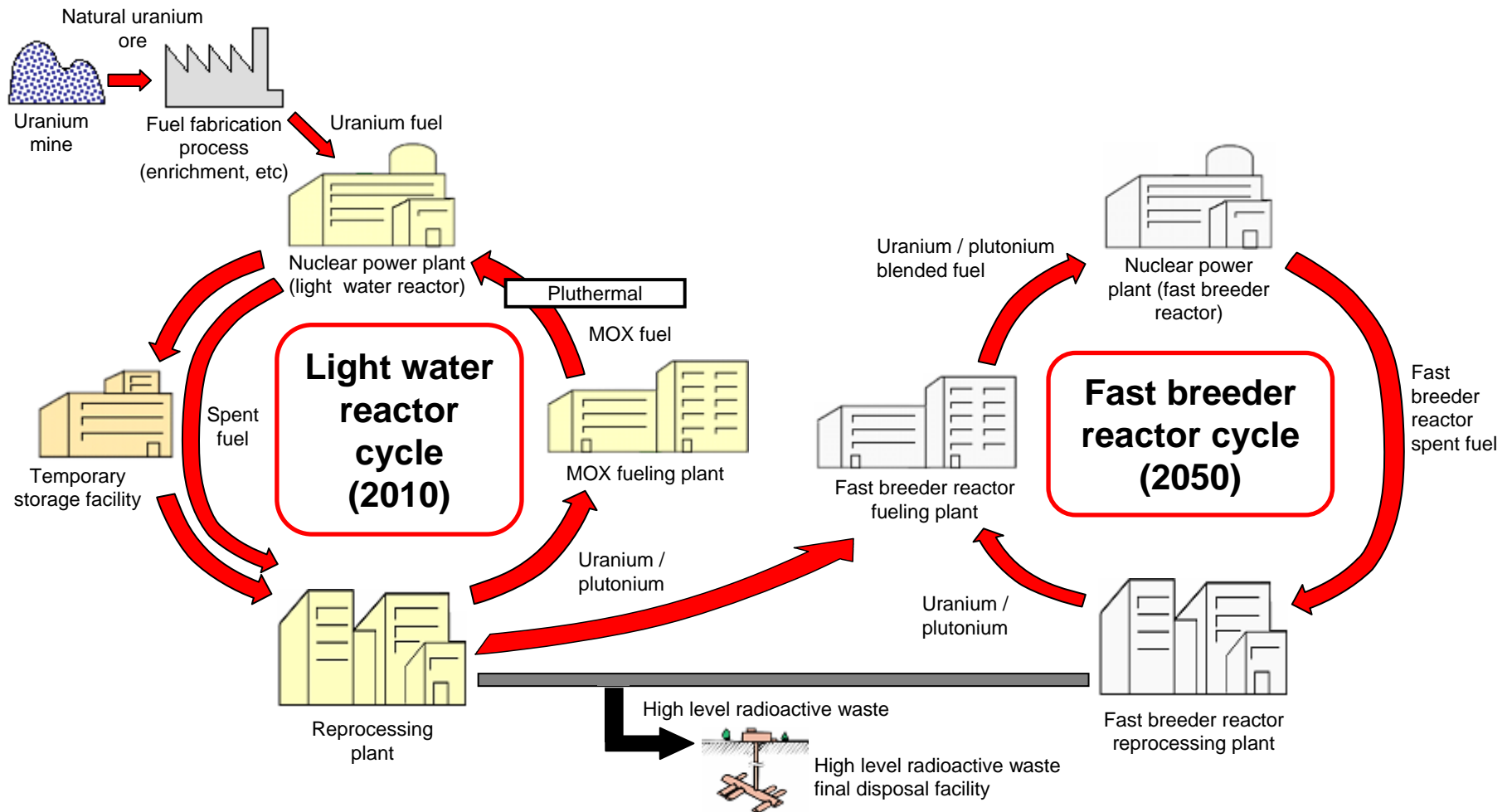
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Japan's energy mix



Japan's nuclear energy policy

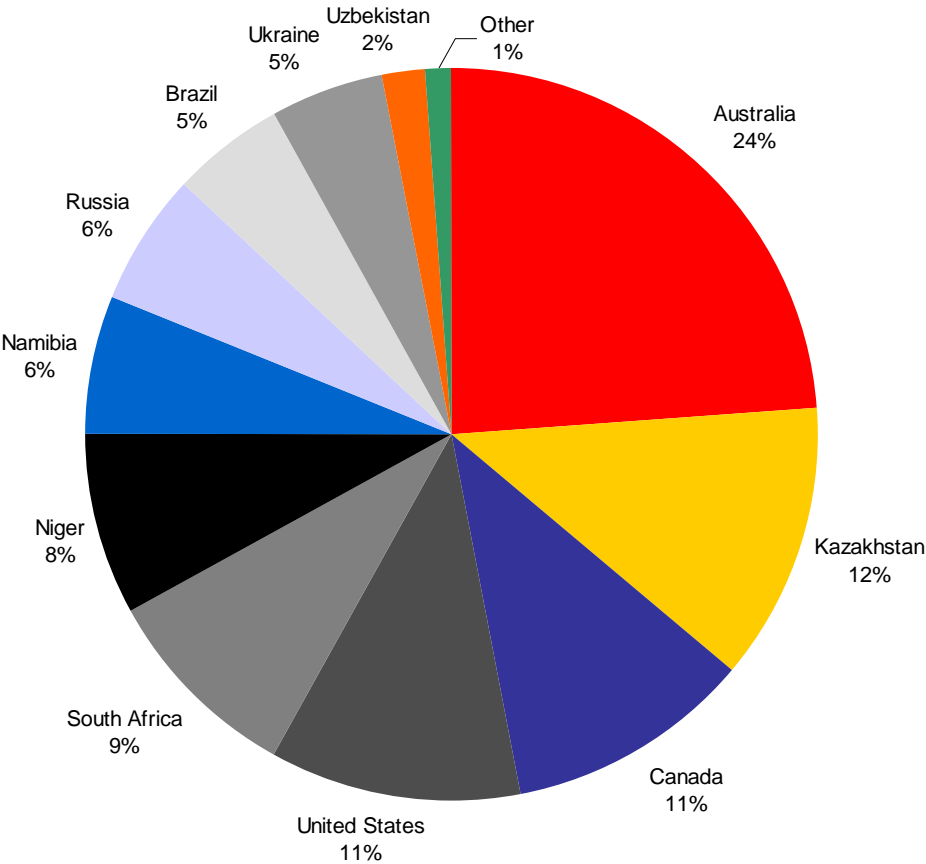


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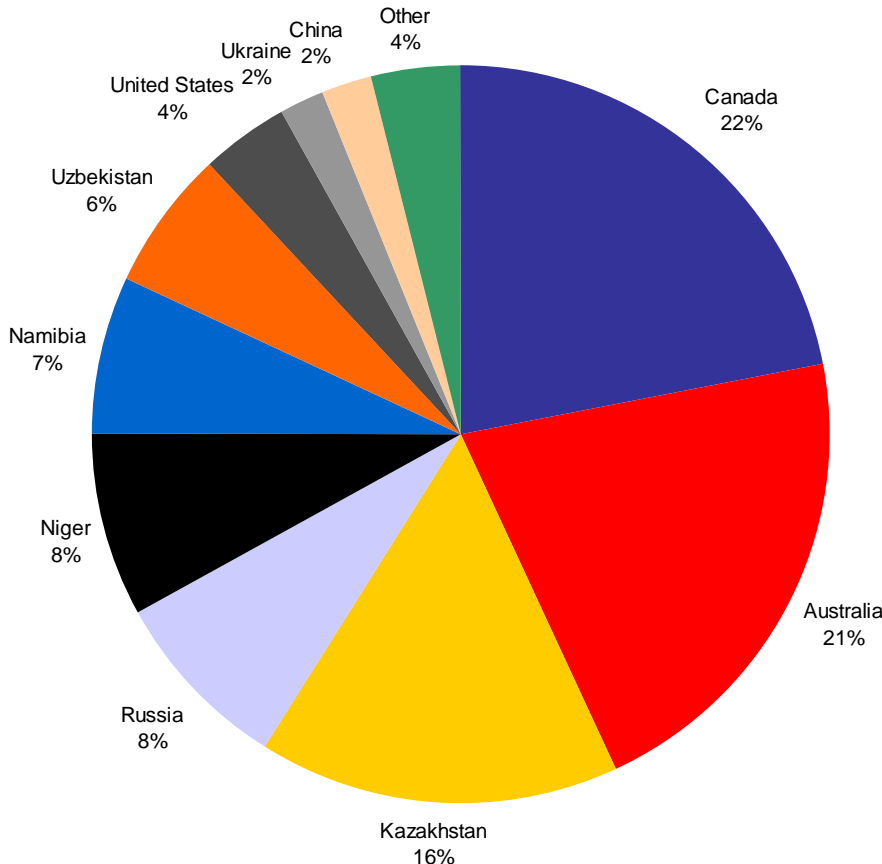
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Global uranium resources and production

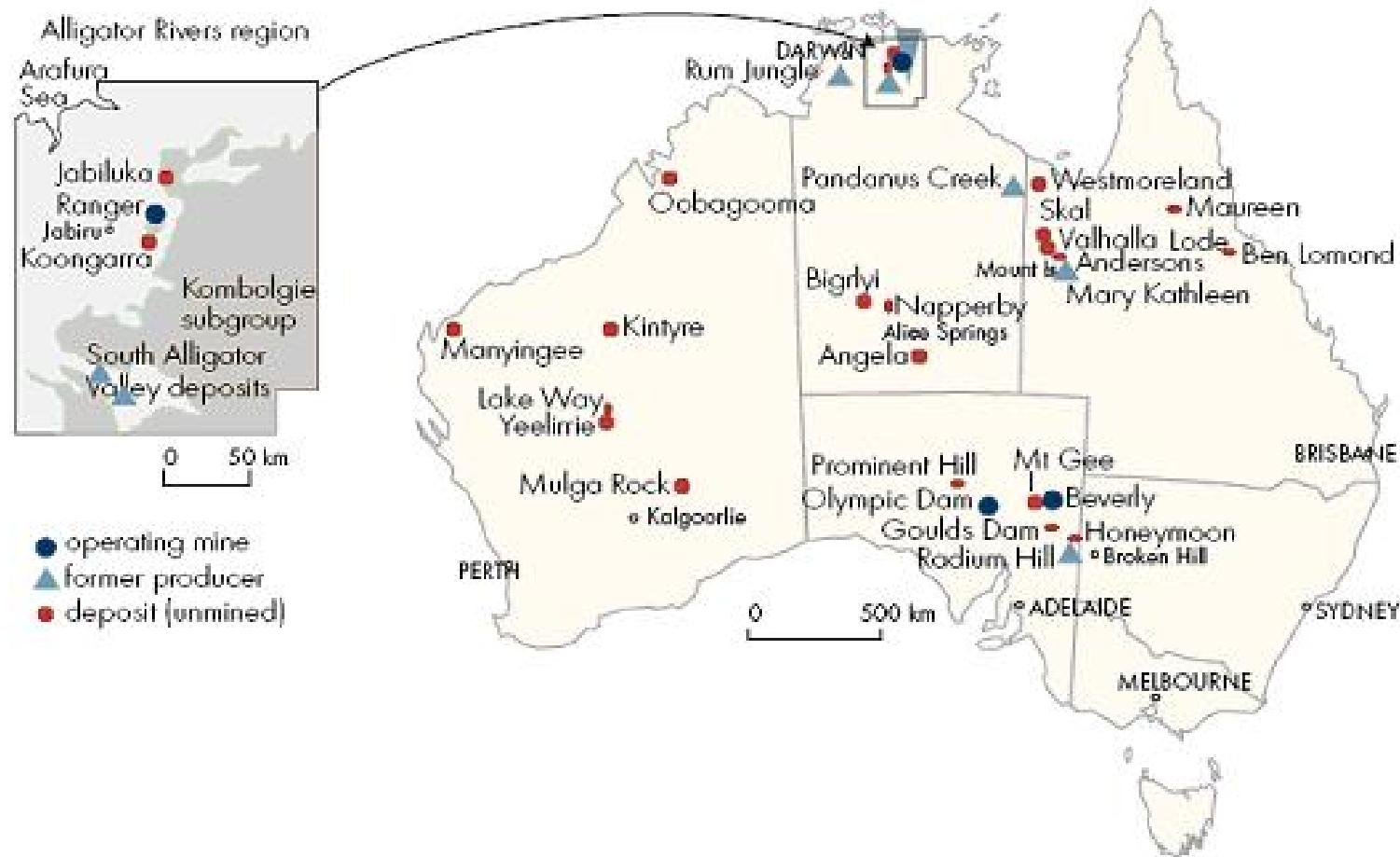
Global Reasonably Assured Resources (2007)



Global uranium production (2007)



Australia's uranium deposits

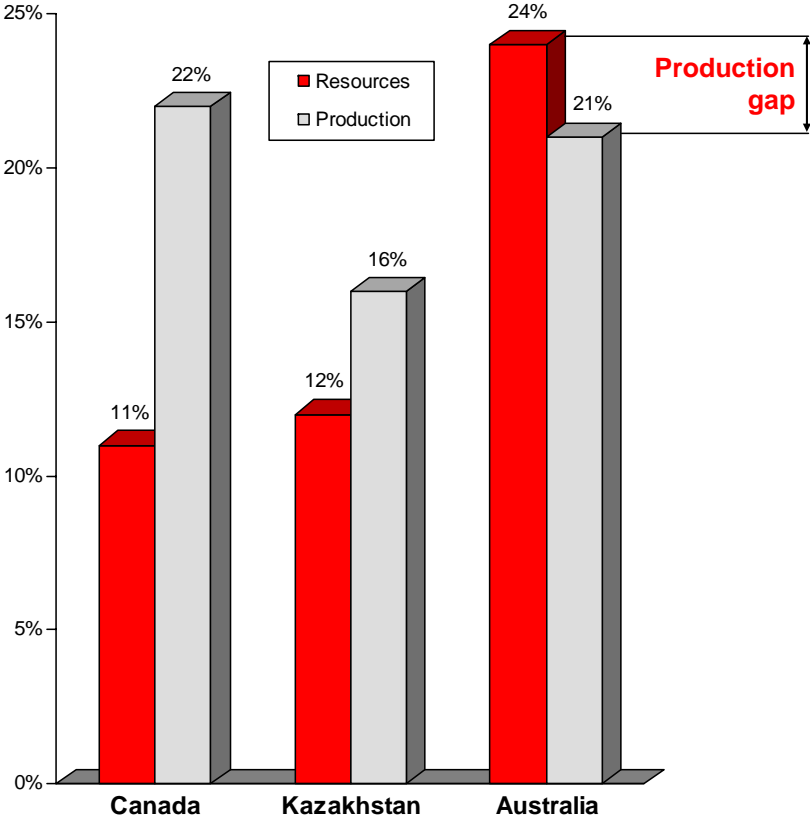


Australia's uranium resources

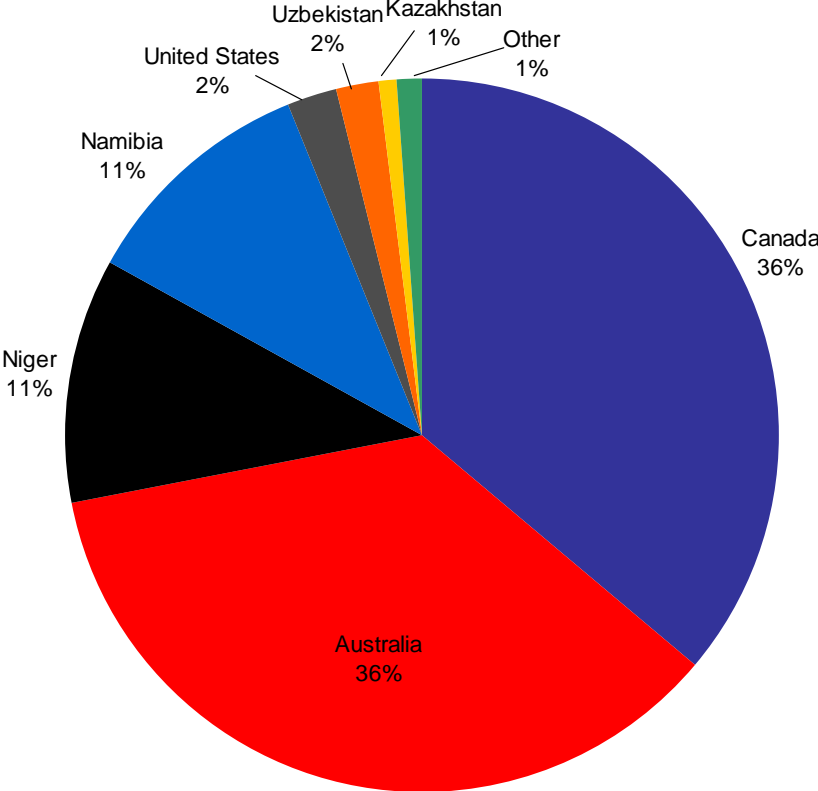
	Reasonably Assured Resources (RAR)				Inferred Resources (IR)				Total Identified Resources (RAR + IR)			
	Cost Range				Cost Range				Cost Range			
	< US\$40/kg U		< US\$80/kg U		< US\$40/kg U		< US\$80/kg U		< US\$40/kg U		< US\$80/kg U	
	t U ₃ O ₈	%	t U ₃ O ₈	%	t U ₃ O ₈	t U ₃ O ₈	t U ₃ O ₈	t U ₃ O ₈	%	t U ₃ O ₈	%	
SA	604 733	72	604 733	70	347 688	358 879	952 421	74	963 612	72		
NT	152 178	18	155 583	18	80 239	86 538	232 417	18	242 121	18		
WA	70 277	8	72 626	8	8 811	22 930	79 088	6	95 556	7		
Qld	16 575	2	30 506	4	9 600	14 771	26 175	2	45 277	3		
NSW	0	0	0	0	0	0	0	0	0	0		
Vic	0	0	0	0	0	0	0	0	0	0		
Tas	0	0	0	0	0	0	0	0	0	0		
Total	843 763	100	863 448	100	446 338	483 118	1 290 101	100	1 346 566	100		

Resources versus production

Reasonably Assured Resources versus Uranium Production (2007)



Countries of origin of Japanese uranium imports (2005)



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Division of legislative power in Japan

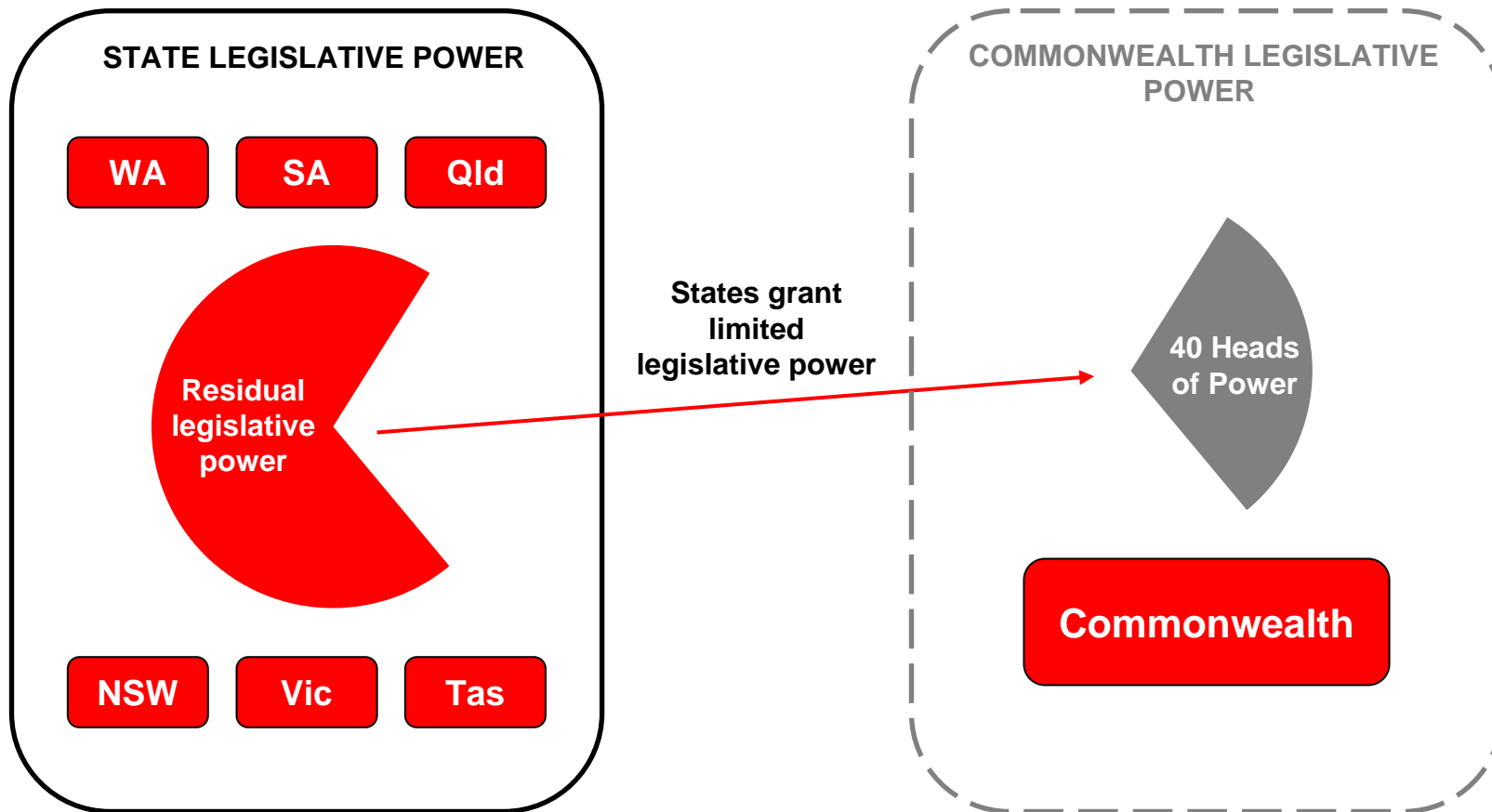
Laws enacted by national legislature

Override

Laws enacted by prefectural legislatures



Division of legislative power in Australia



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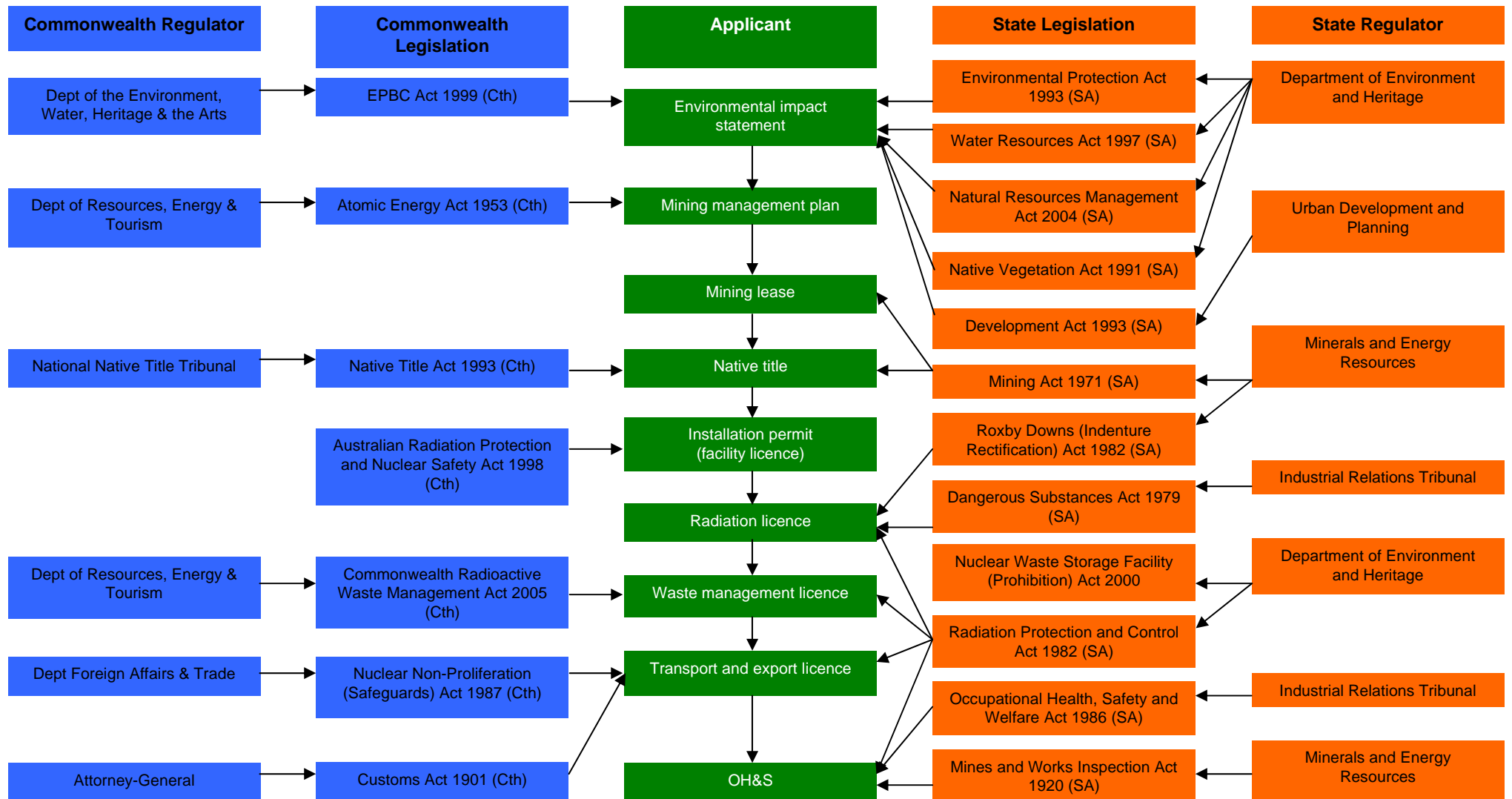
Uranium policy - States/Territory

Jurisdiction	Exploration	Mining	Comments
Western Australia	Yes	No → Yes (September 2008)	New Liberal coalition government to allow uranium mining.
South Australia	Yes	Yes	Uranium mines operating at Olympic Dam and Beverly. Honeymoon mine to begin operation in 2009.
Northern Territory	Yes	Yes	Uranium mine operating at Ranger.
Queensland	Yes	No	Pressure on Queensland government to allow uranium mining.

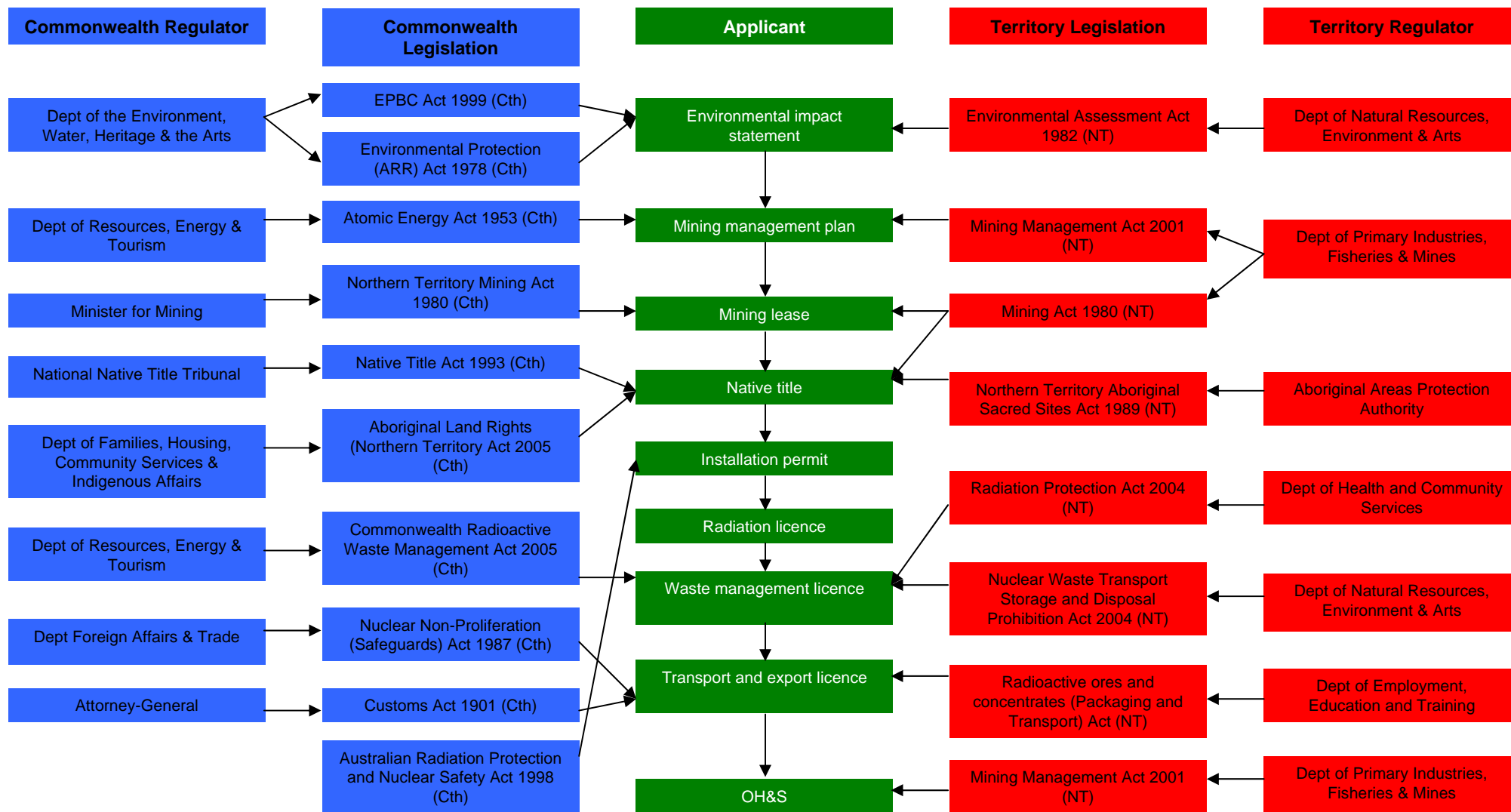
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Uranium regulation in South Australia



Uranium regulation in Northern Territory



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Potential federal takeover of uranium regulation

- Contentious takeover (under Howard government)
 - Corporations power (s 51(xx))
 - "Foreign corporations, and trading or financial corporations formed within the limits of the Commonwealth."
 - eg Work Choices legislation
 - External affairs power (s 51(xxix)) and incidental power (s 51(xxxix))

Potential federal takeover of uranium regulation

- Amicable takeover (under Labor government?)
 - Referral of State legislative power to the Commonwealth (s 51(xxxvii))
 - eg Corporations Act 2001 (Cth)

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