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Uranium Sector

IEA calls for 1000 new reactor builds by 2050

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We believe that world is on the verge of a uranium renaissance, and in our opinion, the financial markets continue to underestimate the potential for a rapid increase in uranium demand going forward. Based on the IEA's new Global Energy Mix target, uranium demand could increase by ~300% by 2050 with the construction of over 1000 new reactors. We continue to believe the uranium sector could rebound in 2H 2008 and recommend exposure to Paladin and ERA. A handful of Advanced Explorers may benefit from a potential price increase.

International Energy Agency (IEA) report positive for uranium sector

On June 8 the IEA outlined to Energy Ministers from the G8, China, India and Korea two desired energy mix scenarios for 2050 with the objective of reducing carbon (CO₂) emissions to 2005 levels (ACT Scenario), with an upside target of reducing 2050 level emissions by 50% below current levels (BLUE Scenario). The IEA estimates that between 24 and 32 new 1,000Mw nuclear reactors will need to be built each year between 2010 and 2050. This equates to between 960 and 1,280 new reactors, in addition to the 448 reactors currently in operation.

Positive for the uranium sector – demand could increase by ~300%

Using IEA's 2050 energy mix targets, we estimate that uranium demand could increase by 215% under the ACT Scenario, and by 290% under the BLUE scenario, to 243kt and 300ktpa of U₃O₈ respectively, vs. current demand of ~77ktpa. In our opinion, the biggest impediment to achieving the IEA's ACT and BLUE targets is not global legislation change but the potential inability of uranium supply to respond to a likely spike in demand from 2015 onwards. The proposed Olympic Dam expansion from 2016, could deliver an additional 15ktpa, or ~20% of new supply, however under IEA's BLUE scenario another 15 Olympic Dam sized mines would be required by 2050. We note that severe under investment in the uranium sector has resulted in few if any significant new uranium discoveries since 1980. Therefore, we believe that supply could struggle to respond to the potential increase in uranium demand between 2010 and 2050.

Potential sector rebound in 2H 2008 – existing producers and Advanced Explorers to benefit

We note that uranium is significantly underperforming other energy commodities (oil, thermal coal, natural gas) in 2008. In our opinion, the current spot price of US\$59/lb is not high enough to encourage new uranium supply. We believe that continual supply issues and the likelihood of increased demand from utilities should drive the spot price higher in 3Q 2008. We continue to recommend exposure to existing producers; **Paladin (BUY) and ERA (BUY)**, and believe that a handful of Advanced Explorers could benefit from a potential price increase, such as: **Marathon (BUY), Uranex (BUY), A-cap (not rated), Alliance (not rated), Bannerman (not rated), Extract (not rated), and Mantra (not rated)**. Risks to our company valuations and recommendations include a decline in the uranium price, increases in capital and operating costs and a strengthening AUDUSD.

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DISCLOSURES AND ANALYST CERTIFICATIONS ARE LOCATED IN APPENDIX 1

**Industry Analysis****Top picks**

ERA (ERA.AX),AUD21.63	Buy
Uranex (UNX.AX),AUD0.40	Buy
Paladin Energy Limited (PDN.AX),AUD5.13	Buy

Companies featured

ERA (ERA.AX),AUD21.63	Buy		
2007A	2008E	2009E	
P/E (x)	53.4	32.9	11.8
Div yield (%)	0.9	1.6	4.6
Price/book (x)	6.1	6.2	5.0
Paladin Energy Limited (PDN.AX),AUD5.13	Buy		
2007A	2008E	2009E	
P/E (x)	-	-	29.7
Div yield (%)	0.0	0.0	0.0
Price/book (x)	4.4	2.8	2.5
Uranex (UNX.AX),AUD0.40	Buy		
2007A	2008E	2009E	
P/E (x)	-	-	-
Div yield (%)	0.0	0.0	0.0
Price/book (x)	9.0	2.1	1.5
Marathon (MTN.AX),AUD1.58	Buy		
2007A	2008E	2009E	
P/E (x)	-	-	-
Div yield (%)	0.0	0.0	0.0
Price/book (x)	27.8	9.1	16.5

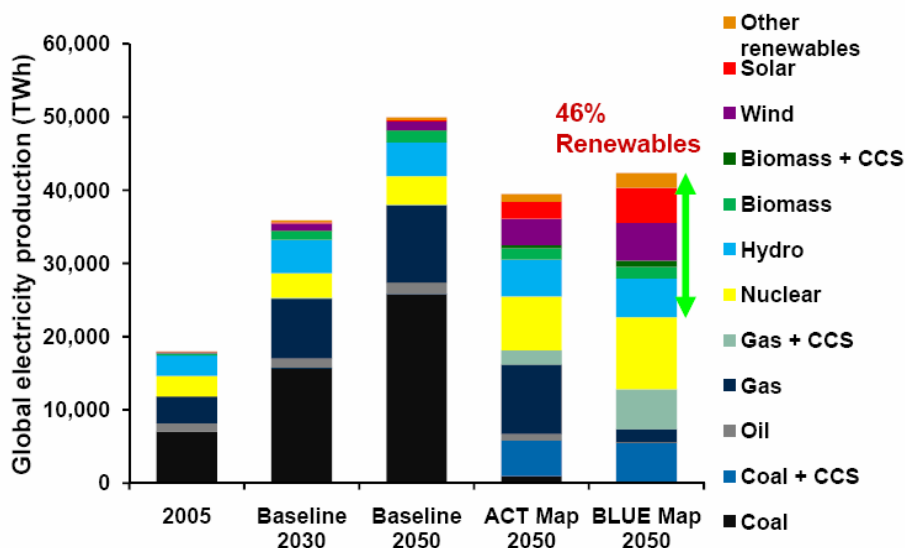
IEA calls for 1,000 new reactor builds by 2050

New "BLUE" map calls for 32 nuclear reactor builds per annum between 2010 and 2050

On June 8 the International Energy Agency (IEA) presented its new 2050 energy targets to Energy Ministers from the G8, China, India and Korea. The IEA has outlined two scenarios for the world's energy mix in 2050 with the ultimate objective of reducing carbon (CO2) emissions to 2005 levels (ACT Scenario), with an upside target of reducing 2050 level emissions by 50% below current levels (BLUE Scenario). To achieve these targets the IEA has outlined a required energy mix (shown in Figure 1) that has a significantly higher contribution from nuclear energy, along with renewables, solar, hydro and wind. The IEA has stated that our current energy path is not sustainable and that "If governments around the world continue with policies in place to date CO2 emissions will rise by 130% and oil demand will rise by 70% by 2050". The price tag of the additional investment to achieve the BLUE Map scenario has been estimated at USD45 trillion with a call for USD10-100bn in R&D expenditure per annum.

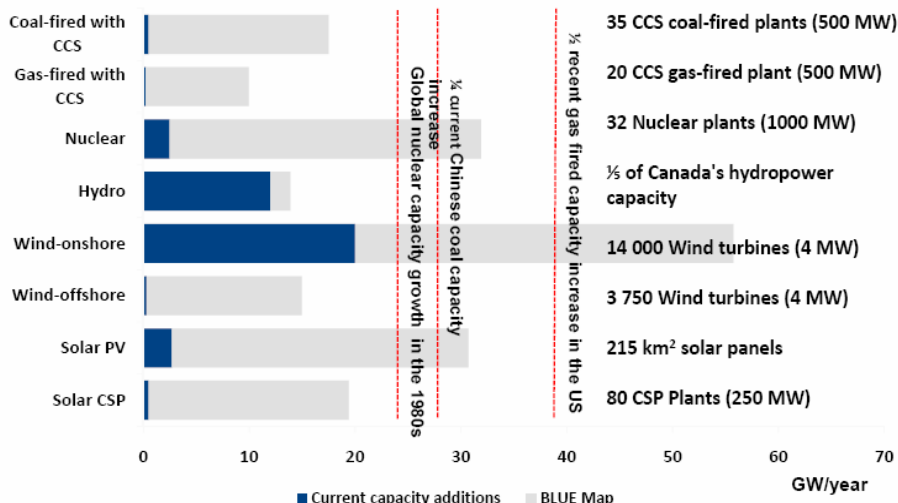
In order to achieve the ACT and BLUE Scenarios the IEA estimates that between 24 and 32 new 1,000Mw nuclear reactors will be required per annum between 2010 and 2050. This equates to between 960 and 1,280 new reactors, on top of the 448 reactors currently in operation. We forecast that an additional 79 new reactors are expected to be in operation by 2015. Therefore the IEA is targeting at least a doubling in global nuclear reactors by 2050.

Figure 1: EIA Targeted Global 2050 Energy Mix



Source: EIA

Figure 2: Average Annual Power Generation Capacity Additions in the "50% Cut Scenario" 2010-2050



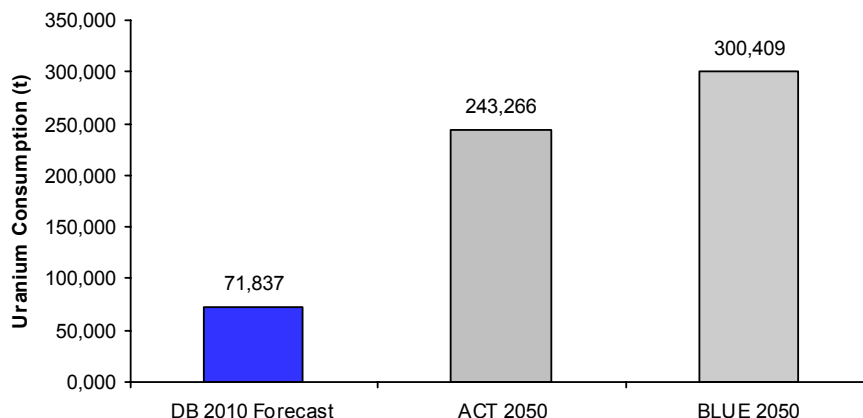
Source: EIA

Positive implications for the uranium industry

Uranium demand could increase by c.300%; supply could struggle to respond

Using IEA's 2050 energy mix targets we estimate that uranium demand could increase by 215% under the ACT Scenario, and by 290% under the BLUE scenario, to 243kt and 300kt of U3O8 per annum respectively (see Figures 3 and 4). Even if either scenario is achieved, which is heavily reliant on international legislation and government willingness to adopt and embrace change, we believe that world is on the verge of a uranium renaissance. In our opinion, the financial markets continue to underestimate the potential for a rapid increase in uranium demand going forward. Saying that, we do acknowledge that the increase in demand may be slow, and we forecast just a 2% demand increase between 2008 and 2010, but a 17% increase between 2010 and 2015.

In our opinion, the biggest impediment to achieving the IEA's ACT and BLUE targets is not global legislation change but the potential inability of uranium supply to respond to a likely spike in demand from 2015 onwards. To put it into context, the world's largest uranium development project is the well documented expansion of the Olympic Dam mine, located in South Australia, with a total uranium resource (measured, indicated, inferred) of ~2,240kt of uranium. We believe that the proposed expansion of Olympic Dam involving a large open cut mine and expanded processing facilities could deliver an additional 15ktpa of uranium from 2016 onwards. However, the world would need to find and develop an additional ten Olympic Dam sized mines by 2050 to supply sufficient uranium to the world's nuclear reactors under the ACT scenario and an additional 15 Olympic Dam sized mines under the BLUE scenario. Severe under investment in the uranium sector has resulted in few if any significant new uranium discoveries since 1980. Therefore we believe that supply could struggle to respond to the potential increase in uranium demand between 2010 and 2050.

Figure 3: Global Uranium Demand Forecasts – 2010 (DB) , and IEA ACT and BLUE Scenarios

Source: Deutsche Bank, IEA, ILZSG, Brook Hunt

Figure 4: 2050 Uranium Demand under IEA ACT and BLUE Scenarios

	IEA ACT Scenario	IEA BLUE Scenario
Reactor Builds (per annum)	24	32
Total New Reactors	960	1280
Reactor Size (Mw)	1000	1000
Conversion Factor (Mwe/tU)	5.6	5.6
Average Uranium Consumption per Reactor (tU/pa)	179	179
Additional Demand (t U per annum)	4286	5714
2050 Demand from New Reactors (t U per annum)	171429	228571
2050 Total Global Demand (t U per annum)	243,266	300,409

Source: Deutsche Bank, IEA, WNA, UxC

Figure 5: DB U3O8 Supply/Demand (2005-2010)

	2005	2006	2007	2008	2009	2010
Primary Mine Supply	41,680	39,522	42,679	46,756	51,159	52,018
Total Secondary Supply	22,251	22,640	20,663	19,617	20,424	19,232
Total Supply	63,931	62,162	63,341	69,653	74,603	76,046
Reactor Requirements	64,616	64,181	64,799	64,993	66,131	66,393
Stockpiling	3,231	4,493	4,536	4,550	4,629	4,648
Investment demand	1,615	885	769	1,124	787	796
Total Demand	69,462	69,558	70,104	70,667	71,548	71,837
Market Balance	-5,531	-7,396	-6,763	-1,014	3,055	4,209
U3O8 Price	28.82	47.90	97.83	92.24	101.25	95.00

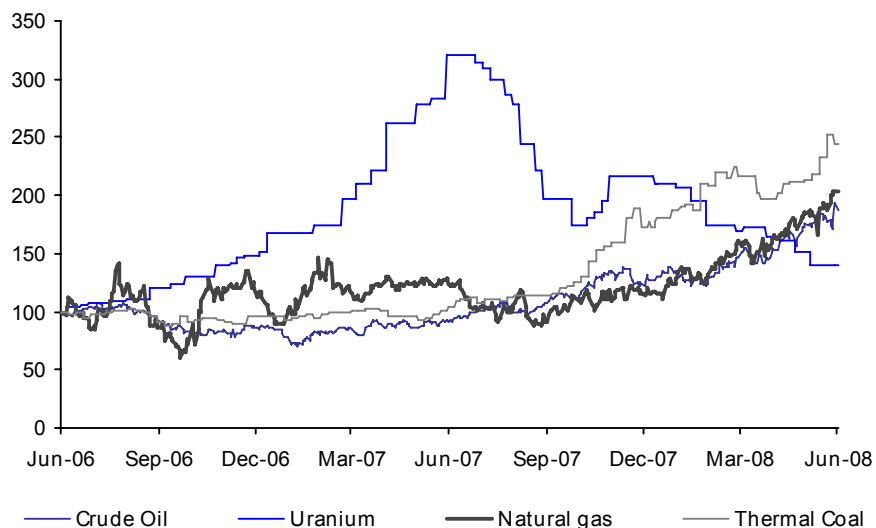
Source: Deutsche Bank estimates, WNA, UxC

Uranium price underperforming other energy commodities during 2008 but we expect a price bounce in 3Q

We note that uranium is significantly underperforming other energy commodities in 2008 (shown in Figure 6). In our opinion, the current spot price of US\$59/lb may not be high enough to encourage new uranium supply, from both greenfields and brownfields projects, particularly from projects in high cost construction countries such as Canada, Australia and the US.

Over the past week Ux Consulting has reported that two utilities are seeking uranium in the spot market (one for 100,000 pounds and the other for 300,000 pounds), and that they may have found suppliers only willing to offer at or above the \$60 level. We believe that continual supply issues and the likelihood of increased demand from utilities should drive the spot price higher in 3Q 2008.

Figure 6: Relative 12 month Performance of Oil, Uranium, Gas and Thermal Coal



Source: Deutsche Bank

Price strength from 3Q 2008

We remain confident prices will improve in 2008 and the coming years. Below we present three arguments supporting this assertion.

1. Supply issues to persist

Although supply-side dynamics have done little to affect prices thus far in 2008, we think production shortfalls will continue to dominate the uranium market in the medium to long-term.

Two regions dominate the share of new production over the next 5 years: Canada's Athabasca Basin and Kazakhstan. However, current and future production problems have persisted in both. In Canada, Cameco's Cigar Lake project continues experience significant problems that have thus far delayed the project, which was supposed to supply around 10% of the world's current mined consumption in 2008 until 2011 at a minimum. Meanwhile in Kazakhstan, although there are very ambitious mined capacity increases, given recent experiences we remain skeptical of those targets being met. Earlier in the year, guidance for output in 2008 was reduced as a result of sulfuric acid shortages and questions remain over the country's ability to provide adequate power supply, transportation and skilled labour.

In addition, the energy crisis in southern Africa limited uranium output in the region early in the year and threatens to hamper production for a minimum of four years or until South Africa's Eskom can increase electricity generation capacity. Although we forecast a slight market surplus in 2009 of 2.8Mlb we believe that further supply disruptions to existing operations and greenfield and brownfield project delays could easily swing the market into deficit.

2. Increasing reliance on mined supply

The shorter-term market appears to be relatively well-supplied. This has been achieved through lower than expected spot procurement, the success of Paladin and other new entrants to the market and adequate secondary material (HEU feed, recycled fuel, US government stocks). However, we think retighten relatively quickly for a number of reasons. First, secondary supplies are finite and rapidly being depleted. Since 2006, the percentage of mined supply needed in the global market has increased and will approach 90% by 2014. Second, as mined supply increases in importance, so does the significance of the success in new projects entering the market. By 2014, the market will require *all* new projects to successfully come to market without delays.

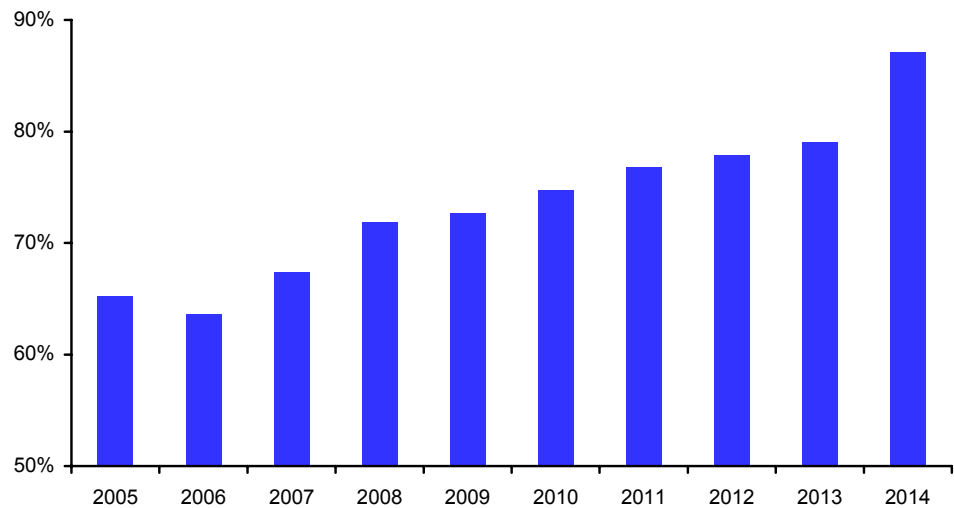
3. Utilities likely to re-enter market in 3Q

In our view, the combination of production problems and dwindling secondary supply will lead to a greater propensity for utilities to scramble to secure supply. We believe that utilities will re-enter the market strongly from 3Q 2008 driving the spot price up from around the current US\$59/lb. Currently, there are 79 new reactors with regulatory approval scheduled to come on-line between now and 2015 with dozens more in permitting stages. While North America and Europe have the highest concentration of current installed capacity, the growth story is in Eastern Europe and Asia, particularly in China and India. Utilities will likely build inventories or accelerate long-term procurement.

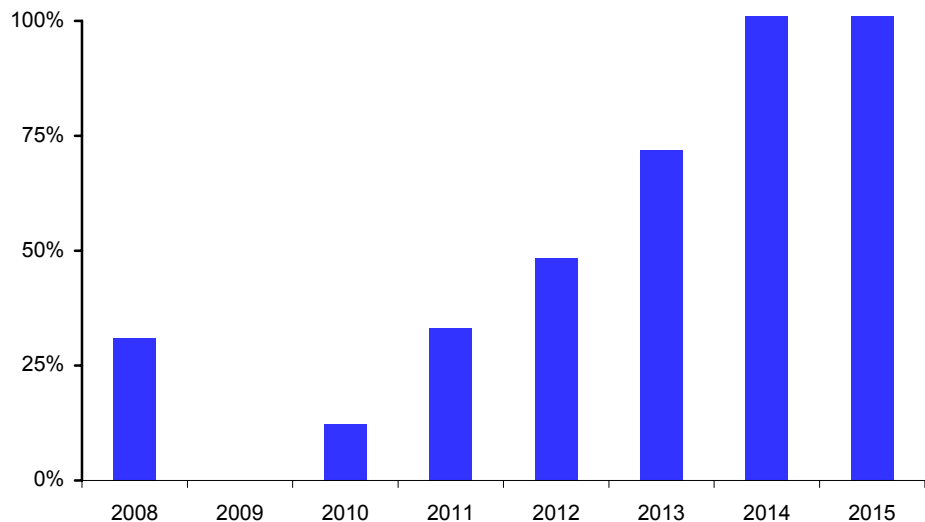
Figure 7: Major producing regions and their share of new production growth

	2008	2009	2010	2011
Kazakhstan	12,869	13,716	16,151	17,148
<i>% share of new production</i>	26.0%	8.1%	27.6%	8.6%
Canada	10,123	11,078	9,501	11,770
<i>% share of new production</i>	2.8%	9.1%	-17.9%	19.7%
Namibia	10,002	11,905	14,588	14,818
<i>% share of new production</i>	8.3%	18.2%	30.4%	2.0%
Australia	8,786	8,786	8,786	8,786
<i>% share of new production</i>	0.4%	0.0%	0.0%	0.0%
Niger	9,000	9,000	9,000	9,000
<i>% share of new production</i>	0.0%	0.0%	0.0%	0.0%
USA	6,835	7,350	9,500	10,400
<i>% share of new production</i>	8.1%	4.9%	24.3%	7.8%
Russia	3,800	4,200	4,200	4,400
<i>% share of new production</i>	0.9%	3.8%	0.0%	1.7%
South Africa	2,400	3,549	4,843	5,990
<i>% share of new production</i>	3.0%	11.0%	14.7%	9.9%
Ukraine	2,100	2,100	2,100	2,100
<i>% share of new production</i>	0.0%	0.0%	0.0%	0.0%
Malawi	0	1,800	3,300	3,300
<i>% share of new production</i>	0.0%	17.2%	17.0%	0.0%
Total	133,743	144,221	153,051	164,590
Production Growth	20.5%	7.8%	6.1%	7.5%

Source: Deutsche Bank, UxC

Figure 8: Percentage of mined uranium in the supply mix

Source: Deutsche Bank, Ux

Figure 9: Percentage of new projects that need the go-ahead to meet demand

Source: Deutsche Bank, Ux

Existing producers and Advanced Explorers likely to benefit

Many companies trading at 12 month lows despite having advanced projects

Over the past twelve months we have seen the spot uranium price increase from ~US\$70/lb to US\$135/lb and now back to US\$59/lb. During this time many uranium juniors have experienced strong share price rises only to experience sharp declines giving up most if not all their gains with the drop in the uranium price. Whilst Paladin and ERA offer investors the only direct exposure to uranium production, a number of advanced exploration and potential medium term production opportunities do exist. We believe that with a potential rebound in the uranium price in 3Q 2008 companies with advanced exploration projects should benefit. Despite delineating resources and significantly advancing their projects in some cases to pre-feasibility stage many companies are trading near twelve month lows. We have listed below six uranium explorers that have projects which we believe could be economically viable and in our opinion should benefit with a potential rebound in the uranium price in 2H 2008.

Existing Producers

Paladin Resources (BUY): With the ramp-up of Langer Heinrich Stage I largely complete and Kayelekera on schedule, we believe that Paladin's growth profile is de-risking every Q. In addition, the Langer Heinrich Stage III expansion to 6Mlbpa should be approved in 2H 2008. The company's compelling growth profile reaffirms our BUY recommendation and we continue to believe that the market is undervaluing PDN's strategic position in the nuclear industry. With an expected 25% resource upgrade at Langer Heinrich to ~125Mlb (DB est) in the June Q we believe PDN should have sufficient resources for a Stage III expansion to 6Mlbpa. We note that Paladin is currently trading on an Enterprise Value (EV) to total resource of ~US\$14/lb, which is well below the average of recent large (+US\$2bn) uranium transactions of ~US\$23/lb. Assuming a similar EV/resource multiple, we think Paladin would be valued at ~A\$10/share. We believe that vertically integrated producers Cameco and Areva may consider Paladin to be attractive at current levels (see May 23 2008 PDN research report titled "Growth profile rapidly de-risking").

ERA (BUY): We forecast strong earnings growth from 2008-2010 due predominantly to expected higher realised prices, along with a stable production profile. The company has two small growth projects (laterite processing and ore sorting) aimed at increasing plant throughput and grade and hence uranium production slightly (~400tpa on annual production of ~5,500tpa). Access to higher grade ore has been restricted during the June Q however we expect grade to improve during Sep Q. We expect more positive exploration news particularly from Ranger 3 Deeps (south east of the current pit), and we expect the results of the pre-feasibility study investigating a further mine extension (beyond 2012) and expansion of the processing plant (most likely the back end) during 2H 2008.

Advanced Explorers

Marathon Resources (BUY): owns the Mt Gee deposit in South Australia which contains 30kt of inferred and indicated U3O8 resource at an average grade of 651ppm. The Mt Gee deposit ranks as one of Australia's premier uranium deposits. The company is committed to developing the resource, with commissioning targeted for late 2014.

Uranex (BUY): focusing on three exploration projects of which one includes a 9,800 (~20Mlb) historical resource at Thatchers Soak in Western Australia. However the primary focus is on delineating a minimum 20Mlb resource at the Bahi playa lake style project in central Tanzania. We expect an initial resource by mid 2008 and the completion of a scoping study by the end of 2008. The Bahi project hosts near surface mineralisation in ancient playa lake systems, average grade could be at least 300ppm. The project is close to power, rail and towns.

A-cap Resources (not rated): exploring the Letlhakane project in Botswana which currently contains an inferred resource of 20Mlb at an average grade of 140ppm. Targeting potential resource of 100 Mlb. A-cap is conducting a scoping study investigating a potential low strip heap leach operation similar to Areva's Trekkopje project in Namibia. Study is due for completion by end of 2008 coinciding with resource upgrade. Average project grade could increase to 160-180ppm with increasing confidence between chemical assays and down-hole gamma logging. Project is close to infrastructure (power, water, roads).

Alliance Resources (not rated): has a 25% free carried interest (75% held by Quasar Resources Pty Ltd) in the Arkaroola Project in South Australia next to the operating Beverley mine. The company is targeting a 30-47Mlb resource at the Four Mile East Deposit. The Beverley Four Mile West deposit has an inferred resource of 3.9 million tonnes at 0.37% U3O8 containing 15,000 tonnes (32 million lb) of U3O8. A staged development is planned for the West deposit with production of 1.5Mlbpa targeted by early 2010 using in-situ leach (ISL) technology ramping up to 4.5Mlbpa sometime after 2012.

Bannerman Resources (not rated): recently announced an updated inferred and indicated resource at its Goanikontes Anomaly A deposit in central Namibia of 72Mlb of U₃O₈ at an average grade of 201ppm U₃O₈. The company is targeting a total resource of 100Mlb at Anomaly A. We believe the average grade may ultimately increase to 220-250ppm. A bankable feasibility study should be completed during 1H 2009 targeting a 15Mt per annum project (mine and mill) producing between 2,900t (6.4Mlb) and 4,000t (8.8Mlb) of U₃O₈ per annum from 2011, although we believe first production in 2013 is more likely. The Anomaly A deposit should support a low stripping ratio and importantly the project is within short distance of roads, towns, the Rossing mine's electrical sub station and a potential second water pipeline required for the Langer Heinrich. In addition to the Anomaly A deposit Bannerman has many large near surface untested alaskites.

Extract Resources (not rated): exploring for uranium hosted alaskites ~15km east of Bannerman's Anomaly A deposit. Targeting an initial resource of 30Mlb by mid 2008 from its Ida Dome/Garnet Valley project but the ultimate objective is to delineate a 50Mlb resource. Average grade may be ~350ppm if recent high grade intercepts are included in the resource. Terrain is more challenging than Bannerman's. Hollands Dome target is extremely exciting and could provide upside to both grade and tonnes. In addition, the company's Rossing South prospect could be a significant discovery. We expect a maiden inferred resource at Rossing South by February 2009.

Mantra Resources (not rated): may well have discovered Africa's next "Kayelekera" at its Mkuju River project in southern Tanzania. Mantra owns a large land package containing highly prospective Karoo sandstones in southern Africa. Exploration focus has been on the discovery of roll-front sandstone hosted uranium deposits similar to Paladin's Kayelekera project in Malawi. The North West trend and Nyota targets have returned wide thick high grade secondary mineralisation including several 10m wide intercepts @1,500ppm close to surface. The company is targeting the release of an initial resource and completion of a scoping study by the end of 2008. Based on exploration to date, we believe that the Mkuju River project may support a 30Mlb resource at an average grade of between 500-800ppm.

Valuations and Risks

Company Valuations

Paladin

We have set PDN's price target (A\$7.20) using a P/NAV multiple of 1.5x our PDN NAV of A\$4.81/share, consistent with Paladin's peers and reflecting the company's high growth asset portfolio. We maintain the NAV premium due to Paladin's strong exploration upside, expansion capabilities, and exposure to the spot uranium price. Our NAV is calculated using a DCF with an 8% real discount rate.

ERA

We have set ERA's price target (A\$23.75) using a P/NAV of 1.4x our ERA NAV of A\$17.72/share. Our NPV is calculated by discounting. Our NAV is calculated using a DCF with an 8% real discount rate. The 1.4x multiple or 40% premium to NPV is applied to ERA due to its strong earnings growth as long term contract prices roll off over the next two years, and what we see as upside potential available to the company via the development of underground resources at Ranger, and satellite deposits within the Region. The multiple remains below that normally applied to uranium stocks, i.e. c.1.5x, due to continued uncertainty surrounding ERA's long term contracts.

Uranex

We have set UNX's price target at a 15% discount to NPV. Our NPV is calculated by discounting the free cash flows by the company's WACC of 9.89%. We estimate the cost of capital using the CAPM model assuming a risk free rate of 4.64%, market risk premium of 6% and a beta of 1.3. We estimate the cost of debt at a 1% premium to the risk free rate and assume a long term gearing ratio of 30%. Whilst uranium company's traditionally trade at a premium to NPV of between 1.5x to 2x, we believe Uranex should trade at a discount to NPV due to the company being in the early stages of resource development at both Thatcher Soak and Bahi, with Western Australian uranium mining approvals yet to be achieved.

Marathon

We have set MTN's price target at a 15% discount to NPV. Our NPV is calculated by discounting the free cash flows by the company's WACC of 11%. We estimate the cost of capital using the CAPM model assuming a risk free rate of 5.75%, market risk premium of 6% and a beta of 1.3. We estimate the cost of debt at a 2% premium to the risk free rate and assume a long term gearing ratio of 30%. Whilst uranium company's traditionally trade at a premium to NPV of between 1.5x to 2x, we believe Marathon should trade at a discount to NPV since the company is in the early stages of development at Mt Gee, with environmental and community permitting yet to be completed.

Company Risks

Paladin

Risks to our positive view on uranium prices is the potential for additional material to make its way into the spot market, reducing or erasing the supply deficit we are forecasting in 2008 and 2009. Paladin is also exposed to uranium prices and Namibian and Australian dollar exchange-rate volatility. Specific risks associated with Paladin include its investment in the high-risk country, Malawi, and the present ban on uranium mining in parts of Australia.

ERA

ERA is exposed to uranium prices and Australian dollar exchange rate volatility. Downside risks remain the company's ability to gain traditional landholder approvals for the

development of Jabiluka, and near-term production risks associated with another heavy rain event in the current wet season. As mentioned additional risks surround the make up of ERA's long term uranium contracts, which we currently estimate roll off at a rate of 20% per annum.

Uranex

Risks to our positive view on uranium prices are that demand for new reactor construction is less than forecast. This could arise through a nuclear accident or delays associated with skills shortages. Uranex is also exposed to uranium prices and Australian dollar exchange rate volatility. Specific risks associated with Uranex include the continuation of Western Australia's no-uranium mines policy, causing delays to the development of Thatcher Soak. Additional risks result from the early stages of exploration and resource definition at many of Uranex's prospective tenements.

Marathon

Risks to our positive view on uranium prices are that demand for new reactor construction is less than forecast. This could arise through a nuclear accident or delays associated with skills shortages. Marathon is also exposed to uranium prices and Australian dollar exchange rate volatility. Specific risks associated with Marathon include local landholder, or traditional owner objections, causing delays to the development of Mt Gee. Whilst the deposit does not reside in the Flinders Ranges national park, we believe its location, along with the development being a uranium mine could possibly result in a lengthening of the permitting process.

Appendix 1

Important Disclosures

Additional information available upon request

Disclosure checklist			
Company	Ticker	Recent price*	Disclosure
ERA	ERA.AX	21.63 (AUD) 17 Jun 08	8
Marathon	MTN.AX	1.58 (AUD) 17 Jun 08	6
Uranex	UNX.AX	0.40 (AUD) 17 Jun 08	NA
Paladin Energy Limited	PDN.AX	5.13 (AUD) 17 Jun 08	NA

*Prices are sourced from local exchanges via Reuters, Bloomberg and other vendors. Data is sourced from Deutsche Bank and subject companies.

Important Disclosures Required by U.S. Regulators

Disclosures marked with an asterisk may also be required by at least one jurisdiction in addition to the United States. See "Important Disclosures Required by Non-US Regulators" and Explanatory Notes.

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- Deutsche Bank and/or its affiliate(s) expects to receive, or intends to seek, compensation for investment banking services from this company in the next three months.

Important Disclosures Required by Non-U.S. Regulators

Please also refer to disclosures in the "Important Disclosures Required by US Regulators" and the Explanatory Notes.

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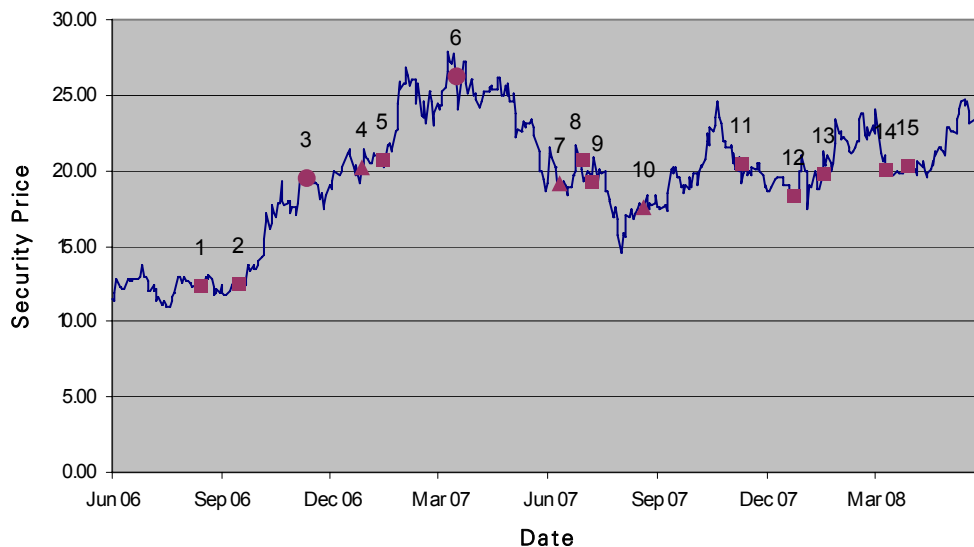
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Historical recommendations and target price: ERA (ERA.AX)

(as of 17/06/2008)



Previous Recommendations

- Strong Buy
- Buy
- Market Perform
- Underperform
- Not Rated
- Suspended Rating

Current Recommendations

- Buy
- Hold
- Sell
- Not Rated
- Suspended Rating

*New Recommendation Structure as of September 9, 2002

1.	1/9/2006:	Buy, Target Price Change AUD16.41	9.	26/7/2007:	Hold, Target Price Change AUD23.00
2.	3/10/2006:	Buy, Target Price Change AUD16.72	10.	7/9/2007:	Upgrade to Buy, Target Price Change AUD20.30
3.	28/11/2006:	Downgrade to Sell, Target Price Change AUD16.87	11.	28/11/2007:	Buy, Target Price Change AUD22.00
4.	15/1/2007:	Upgrade to Hold, Target Price Change AUD20.22	12.	11/1/2008:	Buy, Target Price Change AUD21.30
5.	1/2/2007:	Hold, Target Price Change AUD20.31	13.	4/2/2008:	Buy, Target Price Change AUD24.60
6.	3/4/2007:	Downgrade to Sell, Target Price Change AUD21.12	14.	28/3/2008:	Buy, Target Price Change AUD22.00
7.	29/6/2007:	Upgrade to Hold, Target Price Change AUD19.75	15.	15/4/2008:	Buy, Target Price Change AUD23.75
8.	17/7/2007:	Hold, Target Price Change AUD19.50			

Historical recommendations and target price: Marathon (MTN.AX)

(as of 17/06/2008)



Previous Recommendations

- Strong Buy
- Buy
- Market Perform
- Underperform
- Not Rated
- Suspended Rating

Current Recommendations

- Buy
- Hold
- Sell
- Not Rated
- Suspended Rating

*New Recommendation Structure as of September 9, 2002

1.	11/5/2007:	Buy, Target Price Change AUD10.92	4.	17/9/2007:	Buy, Target Price Change AUD6.70
2.	25/5/2007:	Buy, Target Price Change AUD8.24	5.	28/9/2007:	Buy, Target Price Change AUD6.30
3.	2/7/2007:	Buy, Target Price Change AUD8.32			

Historical recommendations and target price: Uranex (UNX.AX)

(as of 17/06/2008)



Previous Recommendations

- Strong Buy
- Buy
- Market Perform
- Underperform
- Not Rated
- Suspended Rating

Current Recommendations

- Buy
- Hold
- Sell
- Not Rated
- Suspended Rating

*New Recommendation Structure as of September 9, 2002

1. 25/5/2007: Buy, Target Price Change AUD3.05

Historical recommendations and target price: Paladin Energy Limited (PDN.AX)

(as of 17/06/2008)



Previous Recommendations

- Strong Buy
- Buy
- Market Perform
- Underperform
- Not Rated
- Suspended Rating

Current Recommendations

- Buy
- Hold
- Sell
- Not Rated
- Suspended Rating

*New Recommendation Structure as of September 9, 2002

1.	8/9/2006:	Hold, Target Price Change AUD5.27	10.	9/8/2007:	Buy, Target Price Change AUD8.80
2.	3/10/2006:	Upgrade to Buy, Target Price Change AUD6.07	11.	7/9/2007:	Buy, Target Price Change AUD8.30
3.	20/11/2006:	Buy, Target Price Change AUD6.94	12.	26/10/2007:	Buy, Target Price Change AUD8.80
4.	28/11/2006:	Downgrade to Hold, AUD6.94	13.	26/11/2007:	Buy, Target Price Change AUD8.55
5.	15/1/2007:	Hold, Target Price Change AUD8.21	14.	11/1/2008:	Buy, Target Price Change AUD8.25
6.	9/2/2007:	Hold, Target Price Change AUD8.42	15.	14/2/2008:	Buy, Target Price Change AUD8.20
7.	21/5/2007:	Upgrade to Buy, Target Price Change AUD9.73	16.	21/2/2008:	Buy, Target Price Change AUD8.10
8.	29/6/2007:	Buy, Target Price Change AUD10.00	17.	28/3/2008:	Buy, Target Price Change AUD7.50
9.	30/7/2007:	Buy, Target Price Change AUD9.12	18.	23/5/2008:	Buy, Target Price Change AUD7.20

Equity rating key

Equity rating dispersion and banking relationships

Buy: Based on a current 12- month view of total share-holder return (TSR = percentage change in share price from current price to projected target price plus projected dividend yield) , we recommend that investors buy the stock.

Sell: Based on a current 12-month view of total share-holder return, we recommend that investors sell the stock

Hold: We take a neutral view on the stock 12-months out and, based on this time horizon, do not recommend either a Buy or Sell.

Notes:

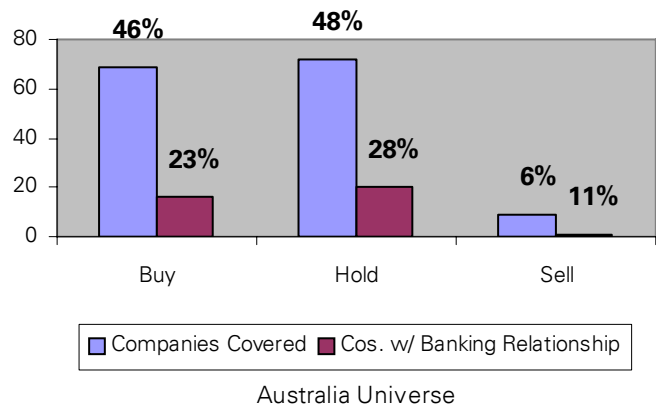
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2. Ratings definitions prior to 27 January, 2007 were:

Buy: Expected total return (including dividends) of 10% or more over a 12-month period

Hold: Expected total return (including dividends) between -10% and 10% over a 12-month period

Sell: Expected total return (including dividends) of -10% or worse over a 12-month period



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