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Press release

Rio Tinto to enter nickel market with US\$300 million Eagle Mine commitment

17 December 2007

Rio Tinto is to invest US\$300 million in the development of Eagle, a high-grade nickel and copper mine in Michigan, USA. Eagle will be the only primary nickel mine in the US and first production is expected to begin in late 2009. Eagle is projected to deliver 16,000 tonnes of nickel per year over seven years until 2016. It will also produce valuable co-products of copper, platinum, palladium and cobalt.

Rio Tinto is also in final contract negotiation to develop a nickel mine at Sulawesi in Indonesia, with an initial operation of 46,000 tonnes per year with first production commencing by 2015. There is additional potential at Sulawesi of a similar size.

Rio Tinto Copper Group Chief Executive, Bret Clayton said, "Eagle gives Rio Tinto a valuable opportunity to enter the market for nickel, a key input into stainless steel, demand for which is rising strongly led by the development of new infrastructure in developing economies, as well as rising demand for consumer products and the development of associated processing plant and equipment.

"Eagle is just one of many projects that will add to Rio Tinto's growth and value. It is a 4.1 million tonne¹ high-grade nickel resource (3.6% nickel, 2.9% copper) in a highly prospective region for additional nickel discoveries. Our exploration team discovered Eagle in 2002 and we are now reviewing over 450,000 acres of mineral title we have in the area. Our focus is on six further adjacent prospects that may have the potential to extend significantly the mine life at current planned production rates."

A two-year project construction phase will get underway in 2008, upon receipt of additional approvals expected in 2008. Three required permits were granted on 14 December 2007. Eagle's mine permit is the first issued by the State of Michigan under the state's 2004 nonferrous metallic mining law, considered among the most stringent in the US. The project is located in northwest Marquette County near the City of Marquette.

About Rio Tinto

Rio Tinto is a leading international mining group headquartered in the UK, combining Rio Tinto plc, a London listed company, and Rio Tinto Limited, which is listed on the Australian Securities Exchange.

Rio Tinto's business is finding, mining, and processing mineral resources. Major products are aluminium, copper, diamonds, energy (coal and uranium), gold, industrial minerals (borax, titanium dioxide, salt, talc) and iron ore. Activities span the world but are strongly represented in Australia and North America with significant businesses in South America, Asia, Europe and southern Africa.

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¹ Please refer to previously announced resources in the Rio Tinto 2006 Annual report and financial statements

Forward-Looking Statements

This announcement includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding Rio Tinto’s financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to Rio Tinto’s products, production forecasts and reserve and resource positions), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Rio Tinto, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

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Nothing in this announcement should be interpreted to mean that future earnings per share of Rio Tinto plc or Rio Tinto Limited will necessarily match or exceed its historical published earnings per share.

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