**ERA****Energy Resources of Australia Ltd**

ABN 71 008 550 865

**Media Release and
ASX Announcement**

29 January 2010

FULL YEAR RESULTS 2009

	Year ended 31 December 2009	Year ended 31 December 2008	Change
Revenue – sales of uranium oxide (\$ million)	767.8	495.6	+55%
Revenue – continuing operations (\$ million)	780.6	691.8	+13%
Earnings before interest and tax (\$ million)	374.8	318.0	+18%
Underlying earnings (\$ million)	272.6	119.0	+129%
Net profit after tax (\$ million)	272.6	221.8	+23%
Total dividends (cents per share)	39.0	28.0	+39%
Uranium oxide			
- production (tonnes drummed)	5,240	5,339	
- production (thousand pounds drummed)	11,553	11,771	-2%
Uranium oxide			
- sales (tonnes)	5,497	5,272	
- sales (thousand pounds)	12,119	11,663	+4%

Review of operations

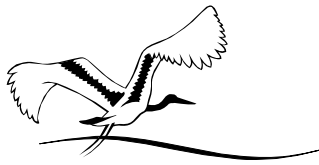
Net profit after tax for Energy Resources of Australia Ltd (“ERA”) for the year ended 31 December 2009 was a record \$272.6 million (2008: \$222 million). Earnings before interest and tax (EBIT) were \$374.8 million (2008: \$318.0 million).

In 2009 underlying earnings of \$272.6 million were the same as net profit after tax. In 2008, underlying earnings were \$119 million, with net profit benefiting from an insurance settlement related to events in 2006 and 2007 partially offset by exchange losses on US dollar debt.

Reconciliation of net earnings to underlying earnings*All after tax figures in \$ million*

	2009	2008
Profit for the year	272.6	221.8
Non-recurring income/(expenses)		
Insurance recoveries	-	131.4
Exchange gains/(losses) on US dollar debt	-	(28.6)
Total excluded from underlying earnings	-	102.8
Underlying earnings	272.6	119.0

Sales of uranium oxide for the year were 5,497 tonnes (2008: 5,272 tonnes), the third highest in ERA’s history. Revenue from the sale of uranium oxide for the year was a record \$767.8 million (2008: \$495.6 million), while total revenue and other income rose to a record \$780.6 million (2008: \$691.8 million).



Revenues from the sale of uranium oxide increased by \$272.2 million when compared with 2008 mostly due to an increase in the average realised sales price. The average realised sales price of uranium oxide was US\$50.84 per pound (2008: US\$32.53 per pound). ERA's average realised sales price is only partially influenced by current market prices due to its diversified portfolio of contacts containing a range of pricing mechanisms. At the end of December 2009, the average spot market price was US\$44.50 per pound (2008: US\$52.50 per pound) and the average of the long term price indicators was US\$61.00 per pound.

Employee, contractor, royalties and depreciation expenses were higher in 2009 compared to 2008, partially offset by savings in raw materials and consumables. Significant savings were seen in borrowing costs due to ERA's strong cash position in 2009 and the absence of the adverse exchange impact from the US denominated debt seen in 2008. ERA remained debt free in 2009.

All remaining forward exchange contracts were exercised in January 2009. No new currency exchange contracts were entered into during the year. ERA's average realised exchange rate on sales revenues was US 80.5 cents in 2009, against US 79.3 cents in 2008.

Production in 2009 of 5,240 tonnes was in line with production from previous years (2007: 5,412 tonnes; 2008: 5,339 tonnes). The 2009 annual production was achieved due to consistently strong performance in the processing plant through the year.

Capital spending was lower in 2009, reducing to \$33.7 million (2008: \$166.8 million), with projects completed including ERA's investment in a further tailings dam lift, enhancements to the water treatment plant and improvements to the tailings systems.

Sustainable Development

During 2009, ERA achieved record safety performance with a 33 percent decrease in the All Injury Frequency Rate to 0.68 per 200,000 hours worked, ERA celebrated the milestone of 100 Indigenous employees, and the Commonwealth Supervising Scientist confirmed the surrounding environment remained protected.

Exploration and Evaluation

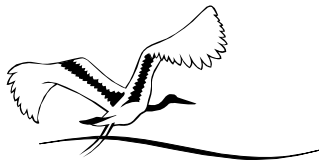
During the year ERA invested a pre-tax amount of \$30.3 million on exploration and evaluation (2008: \$29 million) and this was expensed to profit and loss from continuing operations.

Work has continued on the feasibility study for the proposed heap leach facility at the Ranger mine, for the extraction of 15,000 to 20,000 tonnes of uranium oxide contained in low grade mineralised material within the current pit and on existing stockpiles. ERA's draft Environmental Impact Statement for the proposed heap leach facility is expected to be submitted in 2010, as part of the formal environmental assessment process under the Northern Territory *Environmental Assessment Act* and the Commonwealth of Australia *Environment Protection & Biodiversity Conservation Act*.

Separate studies are advancing regarding the Ranger 3 Deeps mineral resource, including the development of an exploration decline to conduct close spaced underground exploration drilling to further evaluate the extent and continuity of the resource. These studies are expected to be complete during the middle of 2010, with a decision on the development of the exploration decline to be taken thereafter.

Dividends

ERA Directors have declared a final dividend for the year of 25 cents per share, fully franked (2008: 20 cents). The ex-dividend date will be 15 February 2010. The dividend will be paid to shareholders on the register at the close of business on Friday 19 February 2010 and will be paid on Friday 5 March 2010. An interim dividend of 14 cents per share (2008: 8 cents) was paid on 28 August 2009 bringing the total dividends payable to shareholders for the 2009 year to 39 cents per share, fully franked (2008: 28 cents per share).



Outlook

During 2009, ERA achieved the milestone of 100,000 tonnes of uranium oxide sold from Ranger, and into 2010 will continue its record as a safe, reliable and high quality uranium producer.

While production, sales and average realised sales price in 2010 are expected to remain broadly similar to recent years, production and sales will be significantly weighted towards the second half as an effect of mine sequencing, lower grades and scheduled maintenance in the processing plant in the first half. Higher expenditure on scheduled cyclical maintenance costs on the mining fleet, along with expenditure on ERA's development projects, will adversely impact earnings over the year.

Subject to final approvals, ERA has a programme of significant investments in operational, capital and development opportunities planned for 2010 and 2011, to ensure sound and successful operations at Ranger and to lay a solid foundation for the company's future. This programme includes continuing exploration activity on the Ranger lease with particular focus on the Ranger 3 Deeps mineral resource.

Despite the level of the increased dividend, ERA retains sufficient cash on hand to progress this programme of investments without immediate recourse to further financing.

In summary, the outlook for uranium mining remains bright with a strong market and sustained government and public interest around the world in nuclear energy as a critical part of the mix in a carbon constrained economy.

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For further information on the company's activities please access ERA's website at <http://www.energyres.com.au>