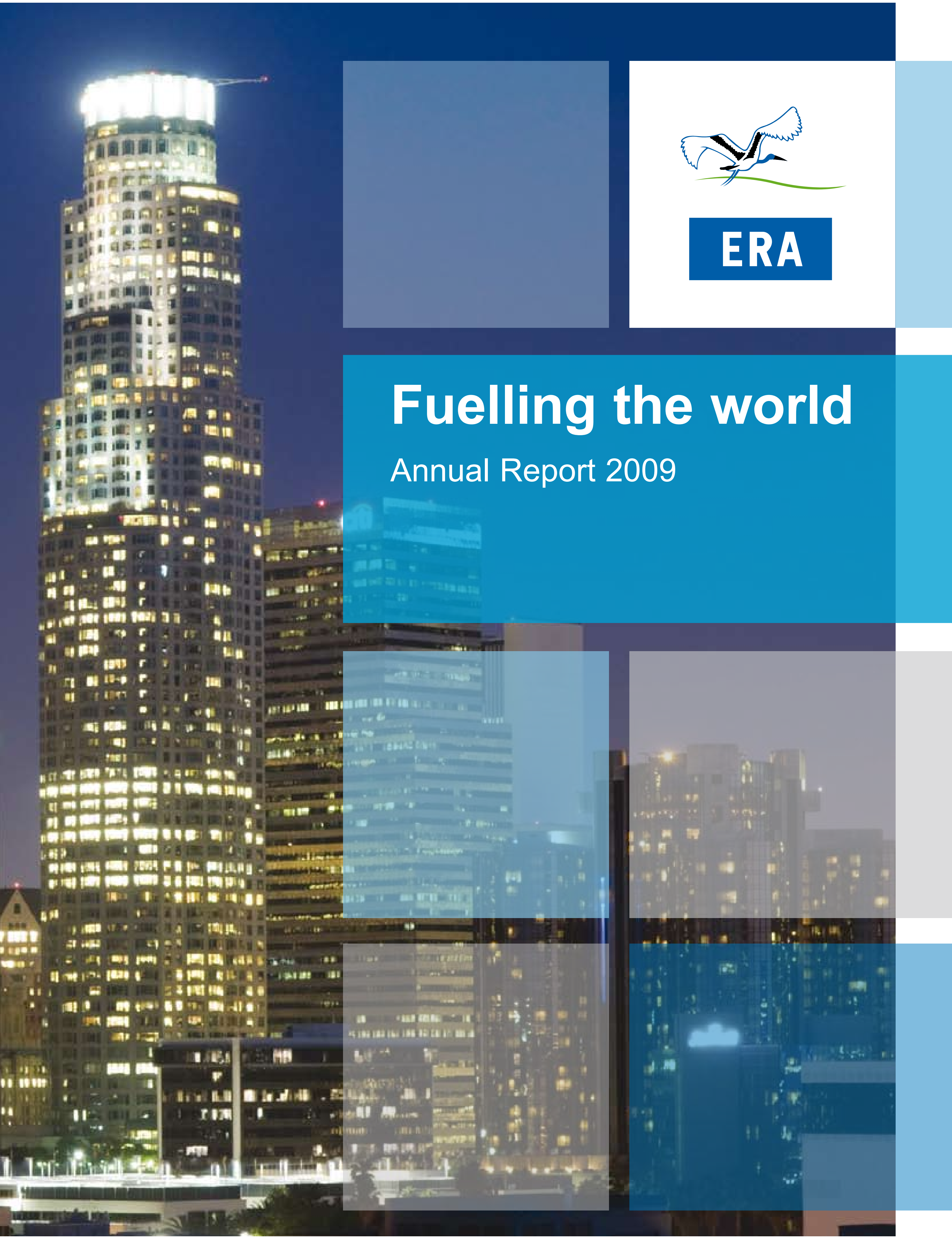
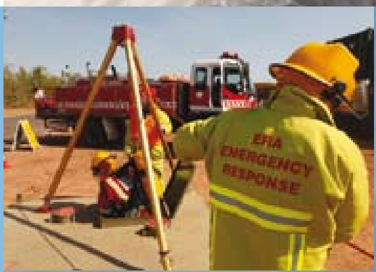


ERA

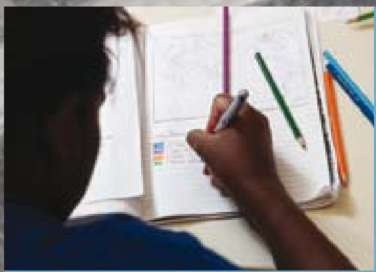
Fuelling the world

Annual Report 2009

Contents



Safety leadership



Part of the community

Protecting the future

Strong operations

Major employer

Company profile

Energy Resources of Australia Ltd (ERA) is one of the largest uranium producers in the world, producing around 10 per cent of the world's mined uranium production.

Since 1980, the Company has mined ore and produced drummed uranium oxide at its Ranger mine, 260 kilometres east of Darwin in Australia's Northern Territory.

ERA sells its product to power utilities in Asia, Europe and North America under strict international and Australian Government safeguards.

The Company aims to secure profitable, long term sales contracts for uranium oxide produced from the Ranger mine.

ERA also holds title to the Jabiluka deposit, 22 kilometres north of Ranger. This world-class deposit is under long term care and maintenance and will not be developed by ERA without the consent of the Mirarr Traditional Owners.

The Ranger Project Area and the Jabiluka lease are located on Aboriginal land. The conditions for operating at Ranger and Jabiluka are set out in agreements made by the Northern Land Council on behalf of the Mirarr Traditional Owners under the Commonwealth *Aboriginal Land Rights (Northern Territory) Act 1976.*

Rio Tinto, a diversified resources group, owns 68.4 per cent of ERA shares. The balance of the Company's shares are publicly held and traded on the Australian Securities Exchange.

Vision and values

ERA strives to uphold the guiding principles set out in our Code of Business Conduct, namely:

- The paramount importance of the safety and wellbeing of our employees, contractors and the community
- Creation of value for our shareholders
- Building partnerships with our customers and aiming to exceed their expectations
- Caring for our surrounding environment through exemplary management systems and commitment to the principles of sustainable development
- Respecting the culture and aspirations of Indigenous people in our community, particularly the Mirarr, Traditional Owners of the land on which ERA operates
- Strengthening the culture of compliance within the regulatory framework in which we operate.

2009 Highlights

Record financial results, excellent safety performance, continued protection of the environment and achievements in Indigenous employment are laying solid foundations for ERA's future.

2009 Objectives:

- Continue the journey towards the goal of zero injuries
- Achieve operational excellence to ensure continuation of record production levels
- Ensure that ERA's operations do not adversely impact on the surrounding environment
- Strengthen employee engagement through strong, positive leadership
- Commence treatment and disposal of process water
- Strengthen community and government engagement and relationships
- Progress feasibility studies into heap leaching and underground exploration
- Continue to expand Indigenous employment and training.

2009 Highlights:

- 33 per cent reduction in the All Injury Frequency Rate, down to 0.68 per 200,000 employee hours
- Record net profit of $273 million, dividends increased to 39 cents per share
- Production of 5,240 tonnes of uranium oxide
- Continued protection of the surrounding environment - confirmed by the Commonwealth Government's Supervising Scientist
- Process water treatment plant in operation
- New education partnership with the Northern Territory Government to provide training and employment opportunities for local communities
- Studies for the proposed heap leach facility and underground exploration decline well advanced
- Approvals process and Environmental Impact Statement for the heap leach facility underway
- 100 Indigenous employees milestone achieved and celebrated
- Northern Territory Exporter of the Year and *Australian Mining* Explorer of the Year.

2010 Objectives:

- Environment - maintain protection of the surrounding environment and improve greenhouse gas emissions performance
- Operations - improve production performance through mine planning and processing plant stability
- Communities and government - deliver training and employment opportunities for the communities of Jabiru and Gunbalanya through the education partnership
- People - improve employee retention and levels of Indigenous employees
- New projects - receive Government approval and achieve community and stakeholder support for major projects
- Financial - maintain strong balance sheet to underpin future development and value for shareholders
- Safety and health - continue to work towards the goal of zero injuries through safety leadership.

WORLD CLASS SAFETY PERFORMANCE – ALL INJURY FREQUENCY RATE 0.68 PER 200,000 EMPLOYEE HOURS

PRODUCTION OF **5,240** TONNES REPRESENTING APPROXIMATELY 10 PER CENT OF WORLD WIDE MINED URANIUM PRODUCTION

CONTINUED INVESTMENT IN KEY STRATEGIC PROJECTS, HEAP LEACH AND EXPLORATION DECLINE

SURROUNDING ENVIRONMENT CONTINUES TO BE PROTECTED

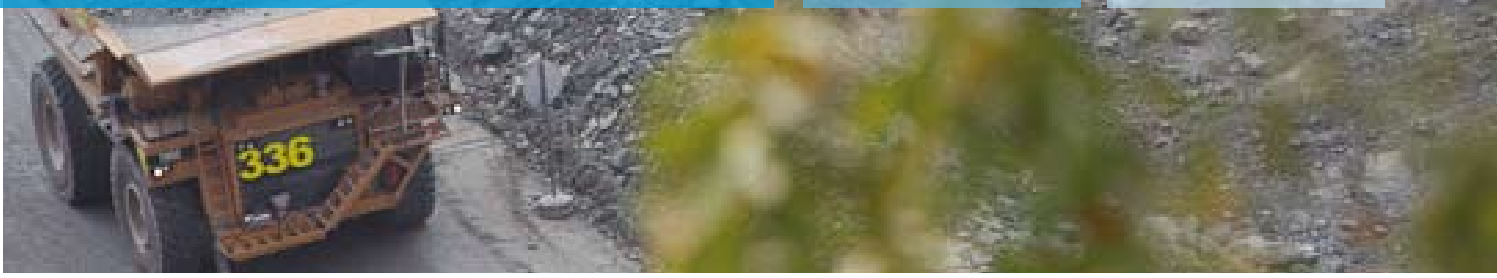
100 INDIGENOUS EMPLOYEES

RECORD NET PROFIT OF **$273** MILLION

ERA ANNUAL PRODUCTION GENERATES AN ESTIMATED ONE PER CENT OF GLOBAL ELECTRICITY SUPPLIES

SIGNIFICANT IMPROVEMENTS IN PROCESSING PLANT

Fuelling the world



As a leading global fuel supplier to the energy sector, ERA has a strong reputation for reliability and quality of supply. ERA produces around 10 per cent of the world's mined uranium. This supplies fuel for approximately one per cent of the world's electricity needs.

Chairman's & Chief Executive's report

In 2009, ERA delivered record safety and financial performance, celebrated significant milestones in Indigenous employment, ensured that the environment remained protected and sustained uranium production and sales at high levels. These achievements lay foundations for the future as ERA continues work on its world class development projects.

Earnings before interest and tax were a record $375 million while net profit after tax and underlying earnings were also a record $273 million. Total dividends declared for 2009 were 39 cents per share, up from 28 cents per share in 2008.

Production in 2009 of 5,240 tonnes was in line with production from previous years (2008: 5,339 tonnes), with significant improvements in process stability and ore body knowledge embedded through the year. Sales of uranium oxide of 5,497 tonnes were the third highest on record. Ranger's total sales passed the milestone of 100,000 tonnes in 2009, only the second mine in the world to do so.

Sales revenue was a record $768 million (2008: $496 million), largely driven by a 56 per cent increase in the average realised sales price of uranium oxide to US$50.84 per pound (2008: US$32.53 per pound).

Significant improvements in safety included a 33 per cent decline in the All Injury Frequency Rate, to a world-class 0.68 reportable injuries per 200,000 hours worked, and the achievement of 166 injury free days to 31 December 2009. The Company will continue its unrelenting commitment to the goal of zero injuries, and its focus on direct engagement with its employees, to ensure that 2009 becomes the platform for further improvement.

ERA's operational and financial performance depends on sound environmental management and protection. The Commonwealth Government's Supervising Scientist stated in his 2008/2009 annual report that the "extensive monitoring and research programmes of the Supervising Scientist Division confirm that the environment has

remained protected", and the Company's environmental management systems remain independently certified to ISO14001. Establishment of a large scale landform trial at Ranger is already providing the Company, regulators and stakeholders with critical insights into optimal rehabilitation approaches and technologies.

As world leaders continue to grapple with the environmental and economic implications of carbon emissions, there is an increasing recognition of the importance of nuclear energy. ERA's production of around 10 per cent of the world's mined uranium oxide provided the fuel for nuclear power stations in America, Europe and Asia, generating around one per cent of the world's total electricity supply, equivalent to almost 90 per cent of Australia's electricity needs, with significantly less carbon emissions than fossil-fuel based power production.

ERA's investment in its development opportunities has continued during 2009, with expenditure of $30 million on exploration and evaluation during the year. In November 2009, the studies into the proposed heap leach facility at Ranger, for the extraction of 15,000 to 20,000 tonnes of uranium oxide from low grade ores, moved to feasibility stage at an anticipated cost of $36 million. The stringent environmental approval processes for the proposed facility were also commenced during the year, with ERA's draft Environmental Impact Statement expected to be submitted in 2010, as part of the formal environmental assessment required under the Northern Territory *Environmental Assessment Act 1994* and the Commonwealth of Australia *Environment Protection & Biodiversity Conservation Act 1999*.

The Company expects to complete studies in 2010 regarding the world-class Ranger 3 Deeps mineral resource, adjacent to the current Ranger mine, including whether to develop an exploration decline to conduct close spaced underground exploration drilling to further evaluate the extent and continuity of the resource.

ERA's financial contribution to the regional and Northern Territory economies goes beyond wages and salaries, extending to support for local and Northern Territory businesses and royalties on sales from uranium oxide. Royalties paid via the Commonwealth Government to Indigenous groups, including the Mirarr, Traditional Owners of the land on which ERA's operations are located, increased to $32 million from $19 million in 2008. Royalties paid to the Northern Territory Government increased to $9 million from $6 million in 2008.

Financial contribution is only one way in which ERA's operations benefit the region. ERA's continued commitment to the employment and retention of Indigenous employees resulted in the Company achieving the important and significant milestone of 100 Indigenous employees in 2009, an event celebrated at Ranger with the local community and a range of key stakeholders.

The Company understands the significance of providing training and employment opportunities for our neighbours. In addition to ERA's existing apprenticeship and school-based training programmes, ERA entered into a new education partnership with the Northern Territory Government in 2009. This partnership is intended to provide students from the Jabiru and Gunbalanya communities with new training and employment opportunities in a range of trade and academic career pathways.

The Mirarr, Traditional Owners of the land on which ERA's operations are located, remain ERA's most important stakeholders in the region. The Mirarr's representative body, the Gundjeihmi Aboriginal Corporation, delivers training essential for the Company's workers to understand the importance of cross-cultural awareness, while ERA's operations and management of cultural heritage issues relies on Mirarr engagement and involvement. During 2009, ERA has also worked with the Mirarr as well as the Northern Territory and Commonwealth governments and other stakeholders to seek to ensure a certain, prosperous and viable future for Jabiru as an important regional centre. The development of ERA's Environmental Impact Statement for the proposed heap leach facility at Ranger will continue to require extensive consultation and discussion into 2010 with the Mirarr and other Indigenous groups in the region.

The Company's performance received significant public acknowledgment during the year as, for the second year running, ERA was recognised as Northern Territory Exporter of the Year, an award co-sponsored by the Chief Minister of the Northern Territory, Austrade and the Australian Chamber of Commerce. ERA's recent exploration achievements and innovations, including the identification of the Ranger 3 Deeps mineral resource, were also recognised by the 2009 award of Explorer of the Year by *Australian Mining*.

ERA's performance and success has been the result of the efforts of all our people, working together safely and efficiently to deliver significant benefit to shareholders, stakeholders and the Northern Territory. We sincerely thank them for these efforts, for their strong engagement and for their commitment to ensuring ERA remains a world leader in the uranium mining industry, whilst making ERA a safe and productive place to work.

Record results

Underlying earnings increased by 129 per cent to $273 million.

Financial performance

Earnings

ERA recorded a net profit after tax of $273 million for the year ended 31 December 2009. This compares with $222 million for the same period in 2008. In 2009, underlying earnings of $273 million were the same as net profit after tax. In 2008, underlying earnings were $119 million, with net profit benefiting from a substantial settlement received from ERA's insurers, related to property damage and business interruption impacts resulting from events in 2006 and 2007, partially offset by exchange losses on a US dollar financing facility due to the weakening of the Australian dollar. In contrast to 2008, ERA was debt free throughout 2009.

Revenue

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 $768 million (2008: $496 million), while total revenue and other income rose to $781 million (2008: $692 million).

ERA's contractual sale prices are only partially influenced by the current market prices due to its diversified portfolio of contracts containing a range of pricing mechanisms. The average realised sales price of uranium oxide delivered during 2009 was US$50.84 per pound (2008: US$32.53 per pound), compared with the average spot market price on 31 December 2009 of US$44.50 per pound and the average of the long term price indicators of US$61.00 per pound.

ERA's sales were spread relatively evenly throughout the year, with slightly more deliveries in the second half. Accordingly, despite the marked weakening in the US dollar against the Australian dollar in the second half of 2009, ERA's effective realised exchange rate worsened only slightly to US 80.5 cents, against US 79.3 cents in 2008.

Reconciliation of profit to underlying earnings

ALL AFTER TAX FIGURES IN $ MILLION	2009	2008
Profit for the year	273	222
Non-recurring income/(expenses)		
Insurance recovery	–	132
Exchange gains/(losses) on US dollar debt	–	(29)
Total excluded from underlying earnings	–	103
Underlying earnings	273	119

Foreign currency hedges

The Company settled its last remaining US$8 million in forward exchange contracts in January 2009 at an average A$:US$ exchange rate of 57 cents (2008: 65 cents) resulting in a gain of $2 million (2008: $13 million). No new currency exchange contracts were entered into during the year.

Costs

While revenues rose, the Company faced increases in employee and contractor expenses, government royalties and depreciation. This was partially offset by savings in raw materials and consumables costs due to the impact of exchange rates on US dollar denominated purchases and usage efficiencies, offset by increased processing throughput. Employee and contractor costs were higher, primarily due to the commissioning of new infrastructure projects and progression of project feasibility studies.

Significant savings were seen in borrowing costs due to ERA's strong cash position, remaining debt free throughout 2009. Capital spending reduced to $37 million (2008: $166 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.

Dividends

ERA Directors declared a final dividend for the year of 25 cents per share, fully franked based on tax paid at 30 per cent (2008: 20 cents). The record date for the dividend was 19 February 2010 and it was payable on 5 March 2010. This was in addition to the interim dividend paid on 28 August 2009 of 14 cents per share (2008: 8 cents per share), bringing the total dividends paid to shareholders for the year to 39 cents per share, fully franked (2008: 28 cents per share).

Financial highlights

YEAR END 31 DECEMBER	2009	2008	CHANGE %
Revenue and other income ($ million)	**780.6**	691.7	**+13**
Earnings before interest and tax ($ million)	**374.8**	318.0	**+18**
Net profit after tax ($ million)	**272.6**	221.8	**+23**
Underlying earnings ($ million)	**272.6**	119.0	**+129**
Total dividends (cents per share)	**39.0**	28.0	**+39**
Uranium oxide production (tonnes drummed)	**5,240**	5,339	**-2**
Uranium oxide production (thousand pounds drummed)	**11,553**	11,771	
Total tonnes uranium oxide sold	**5,497**	5,272	**+4**
Total pounds uranium oxide sold (thousands)	**12,119**	11,622	

The financial statements have been prepared under the International Financial Reporting Standards. All figures are Australian dollars unless otherwise noted.

Strong operations

Improvements in operational performance give ERA the solid foundation for further production achievements.

Production

Total production for 2009 was 5,240 tonnes (2008: 5,339 tonnes), which is in line with the levels of production in recent years. Ranger is the second largest uranium mine in the world, based on 2009 production.

This production result was achieved due to consistently strong performance in the processing plant through the year with improvements to utilisation, milling rates and process stability now embedded. Mill throughput for the year was 2.3 million tonnes (2008: 2.0 million tonnes). Lower average head grades (0.26 per cent compared to 0.30 per cent in 2008) were processed due to the impact of mine sequencing around the removal of waste and ore through the second half of 2009. This offsets the benefits of an upgraded pit water pumping system and lower than average rainfall which enabled extended access to high grade ore at the bottom of the mine.

Total material mined was 19.5 million tonnes (2008: 20.2 million tonnes), with operations impacted by precautionary work conducted in the fourth quarter on a localised area of instability on the south wall of the mine, and by longer haul distances.

Future supply

The Ranger Project Area and Jabiluka Mineral Lease contain world class ore bodies and exploration prospects. ERA was awarded 2009 *Australian Mining* Explorer of the Year.

Exploration

Continuing ERA's recent record of significant investment in exploration, ERA's active exploration programme in 2009 focused on near mine exploration drilling, as well as resource drilling in support of the Ranger 3 Deeps and heap leach facility studies. Total exploration expenditure for the year was $5 million, compared with $16 million in 2008.

In 2010, ERA's exploration programme will include further exploration drilling of areas adjacent to the Ranger 3 Deeps mineral resource, as well as other exploration targets on the Ranger Project Area.

Ranger reserves and resources

Resources at Ranger decreased by 7,216 tonnes to 108,152 tonnes of contained uranium oxide, primarily due to grade adjustments to the low grade in situ and stockpiled ores, as a result of updates to the resource model as well as due to the conversion of resources to reserves. Of the 108,152 tonnes of uranium oxide in confirmed resources at Ranger, around 34,000 tonnes is associated with the Ranger 3 Deeps mineral resource.

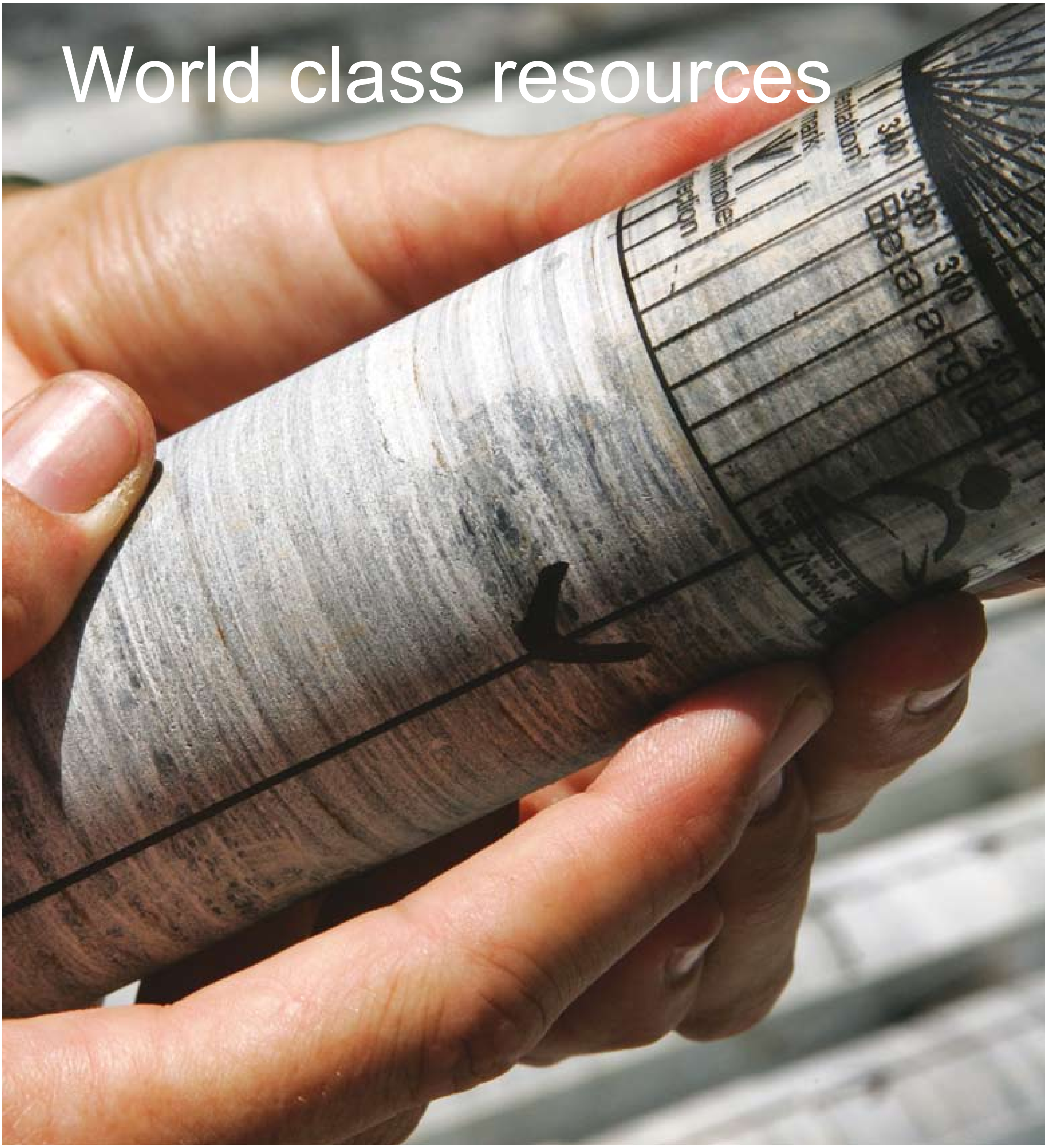
Jabiluka reserves and resources

The Jabiluka project remains under long term care and maintenance, and development will not proceed without the agreement of the Mirarr Traditional Owners.

The reserves and resources at Jabiluka remained unchanged during the year at 67,700 tonnes and 73,940 tonnes of contained uranium oxide, respectively.

RANGER RESERVES RECONCILIATION	CONTAINED U_3O_8 (TONNES)
Reserves as at 1 January 2009	**43,966**
Reserves depleted by processing	**(5,931)**
Net all adjustments - see explanatory notes	**(642)**
Reserves as at 31 December 2009	**37,393**
Explanatory notes	
Modified pit design	1,972
New stockpile model	(2,018)
Update to in situ resource model	(549)
Miscellaneous	(47)
Net adjustments	(642)

World class resources



ERA ore reserves and mineral resources

	AS AT 31 DECEMBER 2009			AS AT 31 DECEMBER 2008		
	ORE (MT)	% U_3O_8	t U_3O_8	ORE (MT)	% U_3O_8	t U_3O_8
RANGER ORE RESERVES (1)						
Current Stockpiles						
Proved	21.43	0.10	22,278	22.29	0.11	25,452
Ranger No. 3 Pit						
In situ						
Proved	3.19	0.24	7,709	4.66	0.24	11,109
Probable	3.06	0.24	7,406	3.24	0.23	7,405
Subtotal Proved & Probable Reserves	6.25	0.24	15,115	7.90	0.23	18,514
Total Proved & Probable Reserves	27.69	0.14	37,393	**30.19**	**0.15**	**43,966**

(1) Cut-off grade in situ ore 0.08% U_3O_8, stockpile ore 0.06% U_3O_8

	ORE (MT)	% U_3O_8	t U_3O_8	ORE (MT)	% U_3O_8	t U_3O_8
RANGER MINERAL RESOURCES (2) In addition to the above reserves						
Current Mineralised Stockpiles						
Measured	44.54	0.04	17,248	36.00	0.05	17,506
In situ resource						
Measured	21.46	0.09	19,969	24.48	0.08	20,112
Indicated	53.22	0.11	60,998	61.67	0.11	69,601
Subtotal Measured & Indicated	119.22	0.08	98,215	122.16	0.09	107,219
Inferred	8.01	0.12	9,937	6.10	0.13	8,149
Total Resources	127.23	0.09	108,152	**128.26**	**0.09**	**115,368**

(2) Cut-off grade open pit in situ resource 0.02% U_3O_8, underground in situ resource 0.15% U_3O_8, stockpile ore 0.02% U_3O_8

	ORE (MT)	% U_3O_8	t U_3O_8	ORE (MT)	% U_3O_8	t U_3O_8
JABILUKA ORE RESERVES (3)						
Proved	–	–	–	–	–	–
Probable	13.80	0.49	67,700	13.80	0.49	67,700
Total Proved & Probable Reserves	13.80	0.49	67,700	**13.80**	**0.49**	**67,700**

(3) Cut-off grade underground in situ resource 0.20% U_3O_8

	ORE (MT)	% U_3O_8	t U_3O_8	ORE (MT)	% U_3O_8	t U_3O_8
JABILUKA MINERAL RESOURCES (3) In addition to the above reserves						
Measured	0.24	0.48	1,140	0.24	0.48	1,140
Indicated	4.30	0.36	15,330	4.30	0.36	15,300
Sub-total Measured & Indicated	4.54	0.36	16,440	4.54	0.36	16,440
Inferred	10.90	0.53	57,500	10.90	0.53	57,500
Total Resources	15.44	0.48	73,940	**15.44**	**0.48**	**73,940**

(3) Cut-off grade underground in situ resource 0.20% U_3O_8

Rounding differences may occur.

As required by the Australian Securities Exchange, the above tables contain details of other mineralisation that has a reasonable prospect of being economically extracted in the future but which is not yet classified as Proved or Probable Reserves. This material is defined as Mineral Resources under the JORC Code. Estimates of such material are based largely on geological information with only preliminary consideration of mining, economic and other factors. While in the judgment of the Competent Person there are realistic expectations that all or part of the Mineral Resources will eventually become Proved or Probable Reserves, there is no guarantee that this will occur as the result depends on further technical and economic studies and prevailing economic conditions in the future.

The information in this report that relates to Ranger and Jabiluka Mineral Resources or Ore Reserves is based on information compiled by Geologists Greg Rogers (a full time employee of Energy Resources of Australia Ltd) and Arnold van der Heyden (a full time employee of Hellman & Schofield Pty Ltd and consultant to Energy Resources of Australia) and Mining Engineers Reid Miller and John Murphy (full time employees of Energy Resources of Australia Ltd) who are all members of the Australasian Institute of Mining & Metallurgy. Greg Rogers, Arnold van der Heyden, Reid Miller and John Murphy have sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration, and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Greg Rogers, Arnold van der Heyden, Reid Miller and John Murphy consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Major projects

ERA is continuing its significant investment programme, with the Ranger heap leach facility and the Ranger 3 Deeps exploration decline progressing to the next phase.

Projects

ERA has a number of major projects in planning designed to support existing operations and lead to expansions in reserves and production in the years to come.

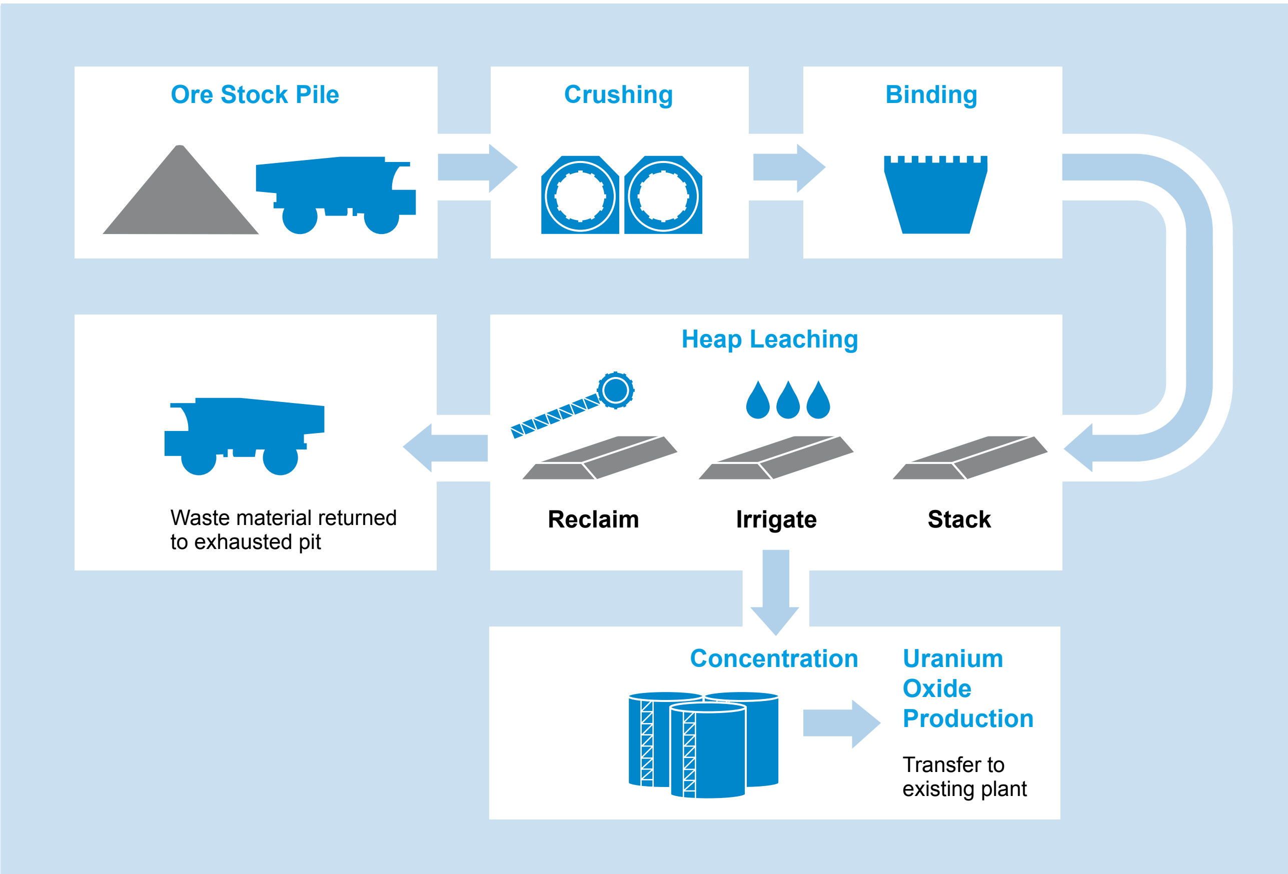
Heap leach facility

ERA's proposal to construct and operate a heap leach facility at the Ranger mine is now in feasibility, at a cost of $36 million, and with the parallel statutory approval processes underway.

The proposed heap leach facility is intended to recover between 15,000 to 20,000 tonnes of uranium oxide from low grade ores contained within the current pit and in existing stockpiles. The feasibility study is intended to ensure that the existing heap leaching technology is designed and adapted for Ranger's operating environment, and is implemented to world class standards to achieve the highest levels of performance and full compliance with Ranger's stringent environmental protection practices.

The Commonwealth and Northern Territory governments determined that ERA was required to produce an Environmental Impact Statement (EIS) for the proposed heap leach facility as part of the statutory approvals processes under the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999* and the Northern Territory *Environmental Assessment Act 1994.*

After a period of public consultation, the Northern Territory and Commonwealth governments provided ERA with their required Guidelines for the EIS in September 2009. ERA is now proceeding with the preparation of the EIS, including demonstration that the proposed facility will meet international best environmental protection standards, details of engineering design and controls, environmental risk assessments, social and economic impacts and cultural heritage management. The draft EIS is expected to be completed and available for public comment during 2010.



Ranger 3 Deeps exploration decline

ERA commenced detailed studies into the construction of an exploration decline to conduct underground exploration drilling of the Ranger 3 Deeps mineral resource, adjacent to the current pit, which contains a resource estimated at 34,000 tonnes of uranium oxide.

ERA received confirmation from the Commonwealth and Northern Territory governments in 2009 that a full EIS was not required for the proposal to construct an exploration decline in or adjacent to the current operating pit at Ranger for exploration drilling. Final approvals, including regulatory approval of the engineering designs and environmental protections, are expected in 2010.

Water management

Sound water management is imperative to operations at Ranger and to the continued protection of the surrounding environment. ERA's water management systems and investments have been instrumental to ERA's excellent record of environmental protection, with the Commonwealth Government's Supervising Scientist concluding every year in his annual report that the environment around Ranger has remained protected.

ERA's capital investments over the past two years at Ranger have included significant expenditure on additional water containment and treatment facilities, to ensure that the environment continues to be protected. This included a new tailings management system (tailings being the solid residues from the processing of uranium ore), commissioning of the process water treatment plant (water exposed to the mineral processing systems and unsuitable for release to the environment) and an increase in the capacity of the tailings dam for storage of both tailings and process water.

Studies continued to develop on a number of options to increase process water treatment capacity, including the installation of innovative evaporation channels fitted with transparent covers to keep out rainfall and enhance evaporation.

Jabiru East accommodation village

ERA is working towards the establishment of a dedicated accommodation village for ERA's fly-in fly-out employees, contractors and other temporary workers. The accommodation village is being planned for Jabiru East, on the Ranger Project Area, adjacent to the Jabiru airport. Decisions on final design and investment are likely during 2010.

Collaboration

ERA is continually seeking collaboration with strategic partners to improve operational performance, exploration and environment protection.

Collaborative partnerships featured in a range of ERA activities, including minerals exploration, processing, environmental management and rehabilitation research, health and safety, and community engagement.

Research undertaken with the Commonwealth's Environmental Research Institute of the Supervising Scientist is particularly important to ERA's operations and to ensuring the surrounding environment remains protected. Both the Supervising Scientist division and Greening Australia worked with ERA's environmental scientists on the landform rehabilitation trials.

ERA has long-standing research relationships with the Australian Nuclear Science and Technology Organisation (ANSTO) and the Commonwealth Scientific and Industrial Research Organisation (CSIRO).

ANSTO has been working with ERA on a number of projects, including heap leaching of low grade ores and process water treatment. Projects with CSIRO have included identifying exploration targets, hydrogeology and the interactions between groundwater and surface water systems, and process water treatment strategies.

ERA and Curtin University have worked together on developing innovative exploration techniques. Work included trials of new hard rock applications of seismic survey techniques combined with aerial electromagnetic surveys of sub-surface ground structures.

ERA utilised the resources of Rio Tinto to assist with improving our mining and processing operations.

We have also shared and benchmarked best practice in health and safety, and contributed to work with Bird Life International and Birds Australia in biodiversity action planning and ecotourism.

Markets and customers

Solid long term relationships with customers across the world underpin ERA's position as a leading supplier of uranium oxide for electricity generation.

Ranger continues to be the second largest uranium mine in the world, with more than 100,000 tonnes of Ranger uranium oxide sold, and now joins the Rössing uranium mine in Namibia (owned 68 per cent by Rio Tinto) as the only mines which have achieved this milestone.

Spot uranium prices remained volatile in 2009, cycling between US$53 per pound in January and US$42 per pound in September as the effects of the global financial crisis continued to impact near-term supplies and utility procurement practices. Despite a high level of spot transactions concluded during the year, ample supply became available, including sales of inventories from the USA Department of Energy stockpile that contributed to a bearish market sentiment for much of the year. Utility inventories now stand at the highest levels of the past five years.

As a long-term supplier to the market, ERA's sales are not overly dependent on the spot price. Most of 2009 production was, as is usually the case, delivered into long-term contracts. The bulk of those contracts were signed in the recent period of rising prices and as a consequence ERA's average realised price for the year was higher than the average spot price.

Increasing competition from new and existing suppliers, as well as a softer spot price, did have a negative effect on published long-term prices in 2009, which fell from US$69.50 per pound at the beginning of the year to US$61 per pound at year-end. This has impacted sales revenues and is indicative of a more competitive environment in the near term as buying activity slows following the heavy contracting period of 2005-07. Long-term contracting volumes for the market as a whole in 2009 were at the lowest level in five years. Softening of prices is not surprising, but is a concern particularly when evaluating new development investment opportunities.

A number of planned new mines around the world are now experiencing difficulties due to weaker uranium prices and the global economic crisis. Spot price levels in the US$40s, particularly with the weakness of the US dollar (which is the payment currency for uranium) are unlikely to offer the necessary return for many of the higher-cost projects under development. If they do not succeed in the next three to five years in production, the market may see a sudden and significant price recovery as it becomes apparent that production increases are not occurring to support the large number of new reactors being built.

In 2009 Kazakhstan increased production to surpass Canada as the largest uranium-producing country. There remains uncertainty as to Kazakhstan's long-term plans and, more importantly, nuclear fuel buyers want to maintain a significant degree of supplier diversity in their portfolios and not become overly dependent on one source, no matter how large.

The demand for nuclear fuel is expected to increase significantly over this new decade, as concerns about climate change and energy security encourage the further development of nuclear power. Nuclear energy, a competitive energy source with low overall greenhouse gas emissions, is now seen as a key component of the long-term energy solution. China, in particular, leads the world with more than 20 units under construction and many more in the planning stage.

Although the economic crisis has temporarily slowed plans for additional nuclear plants in the United States and Europe, a number of new units are still expected to begin construction and come into operation toward the end of this decade. By 2030, according to the World Nuclear Association, the number of operating units worldwide will have risen from 436 to more than 600.

The long-term outlook for the industry remains robust.

Major employer

ERA is proud to be one of the leaders in Indigenous employment in Australia. In 2009, ERA entered into an education partnership with the Northern Territory Government.

Employees

Employment levels for ERA remained steady, after the significant increase in 2008 associated with a range of major projects. Employee numbers were 521 at 31 December 2009 (2008: 517).

A key feature of the year has been improved retention, with employee turnover rates down to 10 per cent. This compares with the 2009 mining industry average of 20 per cent.

Higher retention rates reflect ERA's focus on leadership development, training, changes in labour market conditions and a focus on improving support for the families of mine employees living in Jabiru.

ERA has made a concerted effort to substantially increase Indigenous employment. This is an important way that we contribute to local and regional communities, and seek to directly address the nationally critical issue of Indigenous disadvantage.

ERA's programmes to enhance Indigenous employment and training include the innovative Gunbalanya job sharing programme. This provides training opportunities and jobs for Indigenous people from the remote community of Gunbalanya. Eight community members share a roster designed to provide a four-man work crew at Ranger.

The Trainee Mine Haul Truck Driver Training Programme is also ongoing, with two intakes and a total of eight trainee drivers completing training.

As a result of these sustained efforts, in September 2009 ERA achieved the major milestone of 100 Indigenous employees. An event to celebrate this achievement involving the local community was held at Ranger mine.

ERA now has a workforce that is about 18 per cent Indigenous, with employees occupying positions across the company, both at Ranger and in Darwin. Measured across the whole year, average Indigenous employment levels were equal to 99 people. At the end of the year total Indigenous employment was 91 people. Improving retention will be a major focus of ERA's Indigenous employment strategies in 2010.

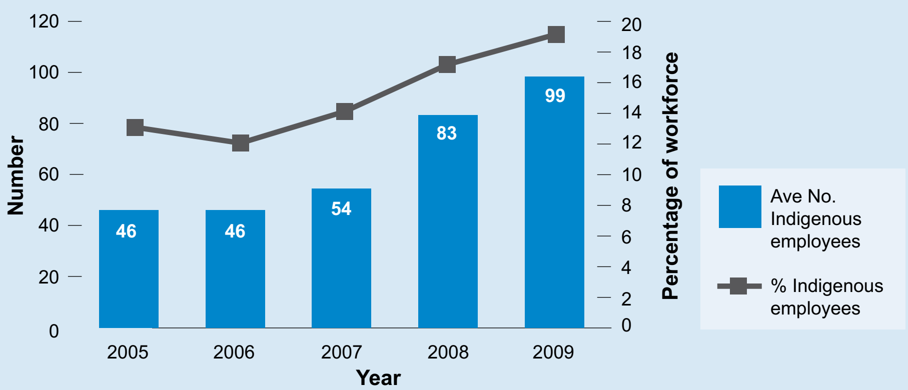
In August, ERA broadened its focus on local employment opportunities with the announcement of an education partnership with the Northern Territory Government's Department of Education and Training. The partnership offers all students in Jabiru, Gunbalanya and the surrounding region greater education opportunities and access to pathways for future career options and training.

Nine school-based apprentices worked part time at ERA during 2009. At the end of the year, three apprentices completed their schooling and transferred to a full-time apprenticeship with ERA.

During the year, 289 staff and contractors attended 18 cross-cultural awareness courses. These courses have been developed by the Gundjeihmi Aboriginal Corporation and are supported by Kakadu National Park. They provide valuable cultural and environmental perspectives.

ERA also maintained its leading reputation for providing employment opportunities for women. For the fifth year running, ERA received a citation from the Commonwealth Government's Equal Opportunity for Women in the Workplace Agency as an Employer of Choice for Women. At the end of the year, women made up 20 per cent of ERA's workforce.

Indigenous employees



Safety performance

ERA achieved world class safety performance with a 33 per cent improvement in the All Injury Frequency Rate from 2008.

Safety and Health

2009 was a record year of safety performance for ERA. Safety is our most important value. There is a strong link between safety performance and quality in the workplace, so it is no coincidence that we delivered our best ever safety performance in a year of record profits.

ERA measures safety by the All Injury Frequency Rate. This is a measure of all reportable injuries - lost time injuries, restricted work injuries and medical treatment cases - per 200,000 hours worked.

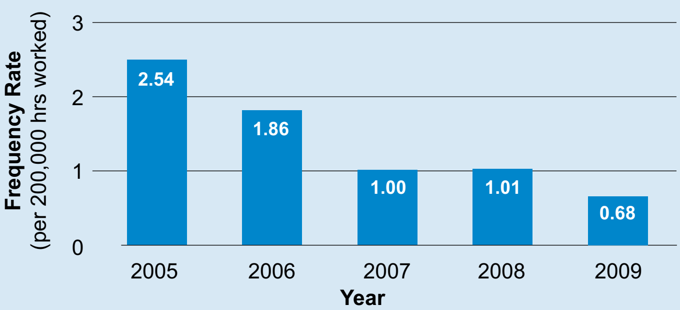
ERA achieved a 33 per cent improvement in All Injury Frequency Rate, with a full year result of 0.68 per 200,000 hours worked (2008: 1.01). This continues a strong trend of improvements and represents a world class performance. The Company will continue its unrelenting commitment to the goal of zero injuries and its focus on strong safety leadership and direct engagement with its employees, to ensure that this performance becomes our new benchmark for further improvements.

To emphasise the link between safety at work, families and community, the Safety Milestone campaign was introduced in September 2009 to recognise the achievement of safety milestones. To mark the first Safety Milestone of 90 injury free days, achieved in October, ERA provided funds for the construction of new playground equipment in Jabiru. New outdoor fitness equipment was purchased for Jabiru and $10,000 was donated to the Royal Darwin Hospital when 150 injury free days was achieved in December.

During the year there were three lost-time injuries. These incidents were thoroughly investigated and results discussed with all work teams. ERA provided support to the injured workers, who have made full recoveries.

ERA retained certification to AS4801 for its safety management systems, and worked with Rio Tinto coal, iron and aluminium business units to benchmark and share best practice in health and safety procedures and audits.

All injury frequency rates



Radiation management

ERA's safety and health management systems include a comprehensive radiation management system.

Monitoring results are compared to limits recommended by the International Commission on Radiological Protection (ICRP) for uranium industry workers.

The ICRP sets three levels of radiation exposure, other than from natural sources, to distinguish between three types of people: members of the public, non-designated workers and designated workers:

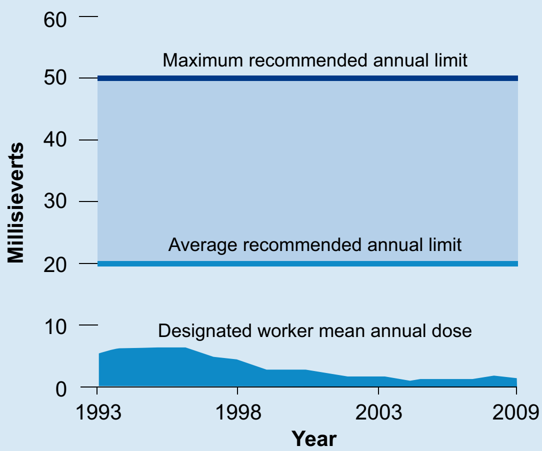
- Members of the public: 1 millisievert (mSv) per year
- Non-designated workers: 5 mSv per year
- Designated workers: 20 mSv per year over five years with a maximum of 50 mSv in any one year.

ERA employees and contractors whose occupational exposure to radiation may exceed 5 mSv per year are declared 'designated' workers and their exposure is closely monitored.

During 2009 319 designated workers received a mean radiation dose of 1.1 mSv. This compares with the maximum ICRP annual exposure limit of 50 mSv. In 2009 the mean radiation dose for non-designated workers was 0.7 mSv.

The potential exposures of Jabiru residents and surrounding communities are also monitored, and the contribution from the Ranger mine was assessed as 0.0 mSv in 2009. The natural background in the area is 2-3 mSv.

Designated worker mean annual radiation dose



Protecting the future

"During the year there were no reported incidents that resulted in any environmental impact off the immediate minesite. The extensive monitoring and research programmes of the Supervising Scientist Division confirm that the environment has remained protected through the period."

Source: Supervising Scientist 2009, Annual Report 2008-2009. Supervising Scientist, Darwin

Environment

ERA is proud of its proven track record of environmental protection. The Company operates in a highly sensitive environment under strict supervision, and maintains international certification (ISO14001) of its environmental management system.

ERA's operations are closely supervised and monitored by its regulators including the Northern Territory Department of Resources and the Supervising Scientist Division of the Commonwealth Department of Environment, Water, Heritage and the Arts.

In his Annual Report 2008/2009 to the Commonwealth Minister for the Environment, the Supervising Scientist advised that his division's extensive monitoring and research programmes confirmed that the surrounding environment remained protected.

In addition to the monitoring, supervision and research conducted by regulators, the Company's team of experienced scientists, technicians and operators provides research and operational capability to enhance environmental protection and support operational and rehabilitation activities.

Rehabilitation

ERA's mine closure model documents the strategies and actions needed to close and rehabilitate the Ranger Project Area when ERA's mining and processing operations come to an end. The closure model is based on current scientific and operational knowledge regarding rehabilitation techniques and ERA's current plans for future operations, and must also take into account ERA's legal obligations as well as the expectations of Traditional Owners, regulators, the broader community and other stakeholders.

The closure model requires a continual process of review and updating, as operations change and scientific knowledge increases. For example, the interpretation of results of the large scale landform trial, constructed in 2008 and planted with seeds and seedlings in 2009, will provide ERA, regulators and stakeholders with vital information on the optimal species, planting techniques and growing conditions for optimal revegetation.

The Jabiluka site remains under long term care and maintenance. In 2009, ERA worked with the Gundjeihmi Aboriginal Corporation and the Mirarr Traditional Owners to further implement rehabilitation and monitoring works required by the Jabiluka Mine Site Technical Committee.

Weeds management

The introduction of weeds via roads and creeks from surrounding areas is a significant threat to the environment of Kakadu National Park and the Ranger Project Area. ERA built on its successful weed control programmes with a whole of lease survey and over 1,200 hours of weed control activities, resulting in a further 22 hectare reduction in areas affected by weeds.

Biodiversity

ERA's land use management plans at Ranger and Jabiluka deliver a net positive impact on biodiversity value through avoidance, offsets or additional conservation actions.

As part of ERA's Biodiversity Action Plan, the Company conducted a number of surveys of threatened species on the Ranger and Jabiluka project areas in collaboration with the Northern Territory Government and Parks Australia.

Energy efficiency

Work on a range of energy efficiency initiatives continued in 2009, including set-temperature air conditioning in worker accommodation, trials of split system air conditioning in Jabiru houses, pilot of a computer power management system, mine haul truck fuel efficiency monitoring, and identifying and repairing steam leaks.

2009 also marked a milestone in ERA's three year Climate Change Action Plan, with achievement of many key aspects, including the implementation of new government Energy Efficiency and Reporting legislation.

Part of the community

ERA is delivering sustainable benefits to the community.

Community

ERA is a strong and dynamic part of the local community, and makes significant contribution to the Northern Territory, including $400,000 in partnerships and sponsorships.

ERA, together with Rio Tinto, is a Principal Partner for the Territory Teams programme. In 2009 fans saw the high profile Territory Thunder football team and Territory Storm netball team achieve great success in their inaugural years, and gain widespread support in the general community. As part of this relationship, Territory Thunder football players held coaching clinics for school students in Jabiru and Gunbalanya.

ERA provided $25,000 in 2009 to the George Chaloupka Fellowship to fund the first year of a three year research programme into Indigenous rock art in West Arnhem Land.

The community relations programme includes support for local schools and students, sport, the arts, regional festivals, community health and child care, business and cultural heritage.

ERA continued its long running support for the Mahbilil Festival in Jabiru, the Stone Country Festival in Gunbalanya and the Indigenous Music Awards in Darwin. The Company supported celebrations for the declaration of the Warddeken Indigenous Protected Area in western Arnhem Land during September.

ERA organised a range of activities in Jabiru throughout 2009, such as Welcome to Jabiru events and Jabiru Markets and Movie Nights help to make new families feel welcome. These activities make a significant contribution to community life in Jabiru, and assist with employee retention. A separate $70,000 was contributed to Kakadu Health Services to assist with the employment of a community doctor.

The highly popular ERA Birdwatch event was held in October, and featured as a key part of the inaugural Kakadu Bird Week. More than 300 people attended ERA's Open Day in September.

ERA engages with the Mirarr Traditional Owners through the Gundjeihmi Aboriginal Corporation on a range of issues of mutual interest including environmental management, cultural heritage and community development.

ERA consulted with Traditional Owners and the Gundjeihmi Aboriginal Corporation to develop a cultural heritage management system to manage and protect sites of cultural significance. The system has been reviewed by Traditional Owners and is in operation across the Ranger Project Area.

Ten archaeological surveys were conducted on the Ranger Project Area with the assistance of Mirarr Traditional Owners in 2009. Associated activities included three days of traditional burning east of Magela Creek to support heritage survey work.

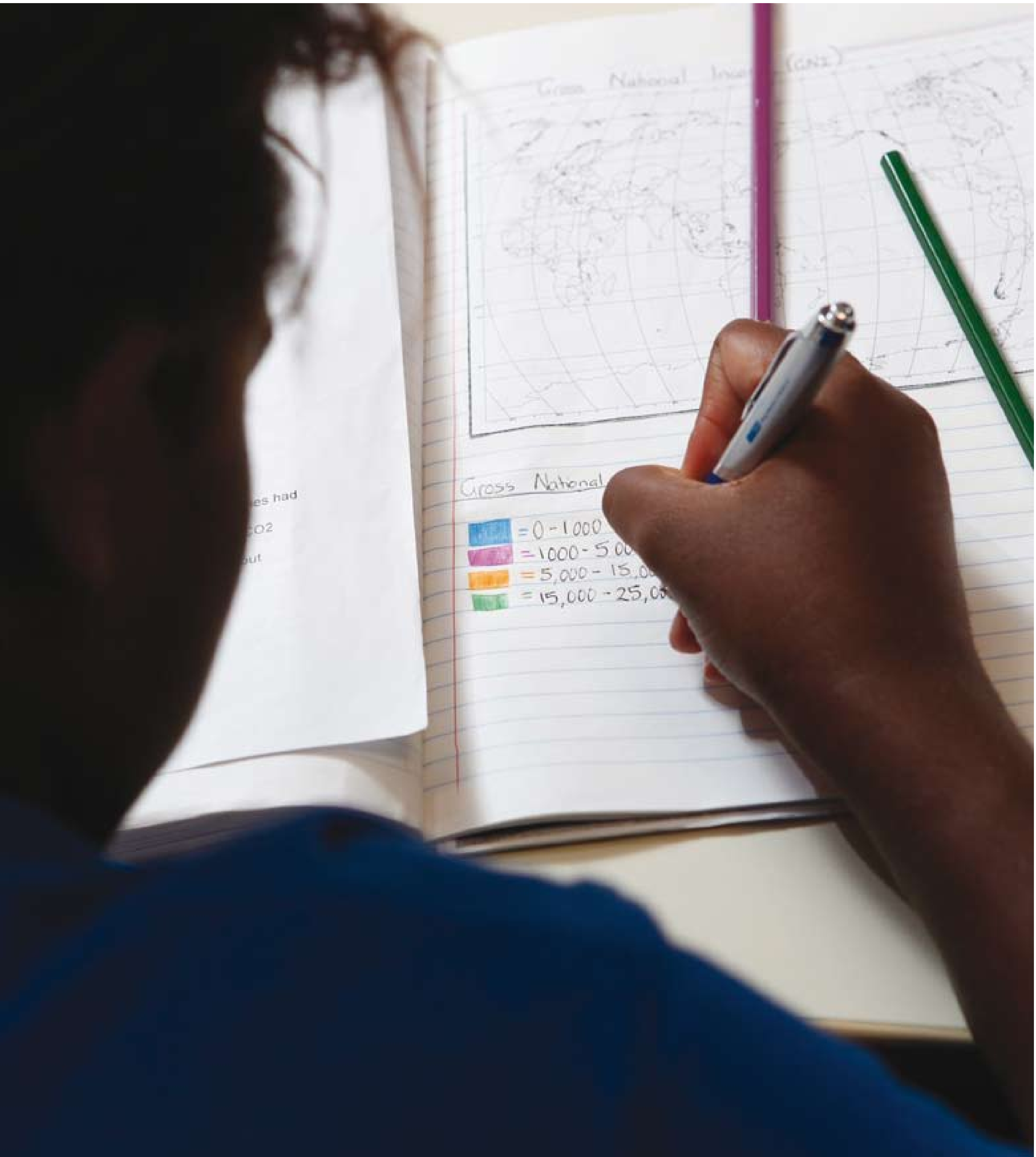
Royalty payments

ERA makes royalty payments to the Commonwealth Government of 4.25 per cent of net sales revenue. The Commonwealth Government distributes this money to Northern Territory based Aboriginal groups, including the Mirarr Traditional Owners. In addition, annual land rental of $200,000 is paid to the Mirarr Tradtional Owners. An additional 1.25 per cent of net sales revenue is paid to the Commonwealth and distributed to the Northern Territory Government. In 2009, ERA's royalty expenses totalled $42 million (2008: $25 million).

Jabiru township

ERA supported efforts by the Mirarr Traditional Owners to resolve their native title claim over Jabiru, and welcomed a proposed settlement agreed in principle in November 2009. The settlement will see Jabiru recognised as Aboriginal land and the town areas being leased to the Commonwealth Government for 99 years. The native title application over the town was first lodged in 1997 and is one of the longest running native title cases in Australia.

Jabiru is a diversified regional centre which, in addition to housing many of ERA's employees and contractors, supports many of the estimated 216,000 tourists who visit Kakadu National Park each year. The town has a population of approximately 1,200.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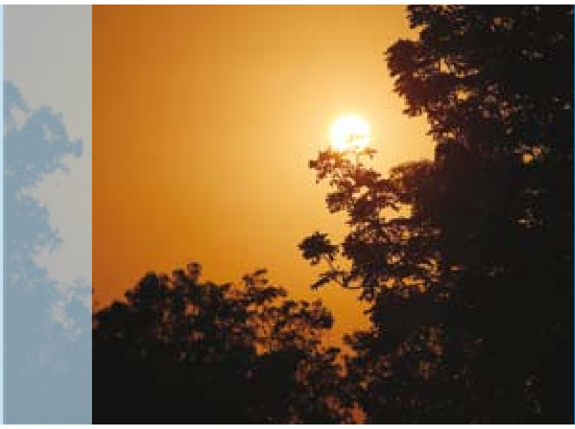
Directors’ outlook

ERA continues to deliver safety leadership, environmental protection and operational excellence.
ERA progresses development opportunities to secure its future and capitalise on the strong market outlook.



Directors' outlook

Despite price weakening in 2009, the long-term outlook for the uranium market remains strong, with nuclear power now recognised as a key element of the global energy solution. Countries are facing an increasingly carbon-constrained world and the need for stable, reliable power options with low carbon emissions. Continued growth in electricity demand, especially in high-growth emerging economies, along with concerns over energy security and the cost and availability of fossil fuels are focusing renewed attention on clean, safe nuclear power. The ability of large-scale nuclear power plants to meet baseload electricity demands with no carbon emissions is highly valued.

Despite the challenging economic climate, global demand for uranium is still expected to grow significantly in the next decade. The requirements of the world's existing 436 reactors and the construction of new reactors combine to increase demand. Fifty-five new units are currently under construction around the world (20 of which are located in China), with over 100 more planned over the next decade. Much of this growth in demand will occur in ERA's established markets, where ERA can capitalise on its long-standing reputation as a reliable supplier and its relationships with key utility customers around the world.

Looking to the immediate future, the recent financial crisis has had a negative impact on uranium prices in 2009. This price weakness has in turn negatively affected new mine development plans as well as expansions at existing operations. This may lead to delays to new mine production over the next few years, which could result in improved prices.

While market prices have stabilised well below the historic highs reached in 2007, current prices are still significantly higher than for most of ERA's 30-year history, supporting investments to increase output. The supply-demand fundamentals point to the likelihood of stronger prices in the longer term. ERA's market position and reputation as a large and reliable long-term supplier will ensure the Company retains a significant presence in the global uranium market and capitalises on opportunities to add value by extending and expanding production from its resources.

ERA is therefore planning an ambitious and exciting programme of significant investments for 2010 and 2011, to ensure sound and successful operations at Ranger and to lay a solid foundation for the Company's future. Due to ERA's excellent financial performance and strong balance sheet, ERA retains sufficient cash on hand to progress this programme of investments at a time when the world's financial markets remain uncertain and access to external funding may be difficult.

ERA's investments planned for 2010 include the potential construction of an underground exploration decline at the Ranger 3 Deeps mineral resource, progress on other near mine exploration targets, and the completion of the feasibility study and environmental approvals process for the proposed Ranger heap leach facility. This facility will produce an additional 15,000 to 20,000 tonnes of uranium oxide.

ERA also proposes to construct a new accommodation facility, located and designed to minimise the impact on the community while providing an appealing living environment for workers. The new facility will accommodate an anticipated increase in ERA's temporary workforce, including its fly-in fly-out employees, for the construction phases of its development projects. Water management and environmental protection remain of the highest importance at Ranger, and ERA is committed to extensive studies and significant capital investment to further improve ERA's water management capability over the coming 12 months.

ERA's partnerships with its stakeholders and the community must lead to positive outcomes if ERA's operations in the region are to be sustainable. ERA will continue to engage with the Mirarr Traditional Owners, with local communities and with governments to secure a future for Jabiru as an important regional centre, and to create real cultural, social and economic development opportunities that are valued and valuable for our neighbours and future generations.

In meeting the future demand for uranium supply, and the expectations of electricity consumers the world over, ERA will continue to strive for safety leadership, environmental protection and strong and enduring relationships with all stakeholders.

In summary, the outlook for ERA's business is very positive. A strong market and sustained global interest in nuclear energy will support ERA's efforts to generate value and deliver sustainable resource development for the benefit of shareholders and stakeholders.

Directors' report

The Directors of Energy Resources of Australia Ltd present their report together with the financial report of the Company and the consolidated financial report of the consolidated entity, being the Company and its controlled entity, for the year ended 31 December 2009.

Directors

The Directors of the Company at any time during or since the end of the financial period are:

NAME AND QUALIFICATIONS	EXPERIENCE AND SPECIAL RESPONSIBILITIES
Dr D Klingner BSc(Hons), PhD, FAusIMM **Chairman**	Appointed as a Director in July 2004 and as Chairman in January 2005. Member of the Audit Committee. Dr Klingner retired from Rio Tinto in 2004 after 38 years of service. During his time with Rio Tinto he worked in roles involving exploration, project development and production including a period as Group Executive in charge of coal and gold. He was head of exploration when he retired and a member of Rio Tinto's Executive Committee. Dr Klingner is also a Director and the Chairman of Codan Limited.
Mr R Carter CitWA, BCom, FTSE, FAusIMM, FAIM, FAICD **Director**	Appointed as a Director in November 1999. Member of the Audit Committee. Mr Carter served 37 years with the BHP Group, including as BHP Minerals Executive General Manager and Chief Executive Officer, and is a past President of the Australasian Institute of Mining and Metallurgy. Mr Carter was appointed a Director of Marion Energy Limited in March 2008, served as a Director and Chairman of Consolidated Minerals Limited until January 2008 and as a Director and Chairman of Macmahon Holdings Limited until November 2009. Mr Carter is Chairman of Zeal Consulting, an occupational health & safety business improvement consultancy, Prahran Mission – UnitingCare, and the UCA Funds Management Group.
Prof H Garnett BSc(Hons), PhD, PSM, FTSE, FAICD **Director**	Appointed as a Director in January 2005. Chair of the Audit Committee. From October 2003 to 31 December 2008, Professor Garnett was Vice Chancellor of Charles Darwin University in the Northern Territory. Between 1994 and 2003, Professor Garnett served as the Executive Director of the Australian Nuclear Science & Technology Organisation (ANSTO) and as an Australian representative to the United Nations International Atomic Energy Agency. Professor Garnett is an Emeritus Professor of the University of Wollongong and of Charles Darwin University, a Fellow of the Academy of Technological Sciences and Engineering and a Fellow of the Australian Institute of Company Directors. Professor Garnett is currently Director of the Australian Centre for Plan Functional Genomics, Director of the Grape and Wine Research and Development Corporation and Director of the Museum and Art Gallery, NT Foundation. She chairs the Australian Biosecurity Intelligence Network.
Mr P Taylor BA, BSc, LLB, LLM **Director**	Appointed as a Director in February 2007. A lawyer in private practice before joining Rio Tinto, Mr Taylor has held a number of executive and management positions in the exploration, project development, commercial and legal operations of the Rio Tinto Group. Mr Taylor has served as Managing Director and Chairman of Bougainville Copper Limited since 21 October 2003, having been a Director since April 1997. Mr Taylor is also a director of a number of unlisted Rio Tinto Group companies.
Mr C Salisbury B.Eng (with Distinction), Met Eng **Director**	Appointed as a Director in February 2007. Mr Salisbury has served over 20 years with the Rio Tinto Group, in a variety of operating and management roles with the Aluminium and Energy Product Groups, and is a past president of the Northern Territory Resources Council and past Chairman of the Australian Uranium Association. Mr Salisbury joined ERA as General Manager Operations in December 2004 and served as Chief Executive from 1 February 2007 until 31 July 2008. Mr Salisbury is currently Chief Operating Officer Pacific with the Bauxite & Alumina division of Rio Tinto Alcan and a director of a number of unlisted Rio Tinto companies.

Directors (continued)

NAME AND QUALIFICATIONS	EXPERIENCE AND SPECIAL RESPONSIBILITIES
Mr J Pegler B.Eng Mining **Director**	Appointed as a Director in July 2009. Member of the Audit Committee. Mr Pegler is presently Chairman and a Director of the Australian Coal Association Ltd, and also a Director of ACALET Ltd and Tarong Energy Corporation. He is Past President and a Life Member of the Queensland Resources Council. Mr Pegler was most recently Chief Executive Officer of Ensham Resources Pty Limited and has previously held operational roles within BP Australia Limited and the Rio Tinto Group including President Director of PT Kelian Equatorial Mining and Managing Director Group Procurement Eastern Hemisphere.
Mr R Atkinson B.Eng (Hons) Mining & Petroleum Engineering **Chief Executive**	Appointed as a Director in September 2008 and Chief Executive in September 2008. Mr Atkinson has served with the Rio Tinto Group since 1993, holding management, operational and corporate roles in Australia, the US and the UK, in the Energy, Iron Ore and Aluminium Product Groups. Before joining ERA, Mr Atkinson was General Manager Operations Weipa, Rio Tinto Alcan, responsible for managing all aspects of mining and processing operations.

Company Secretaries

NAME AND QUALIFICATIONS	EXPERIENCE AND SPECIAL RESPONSIBILITIES
Mr S Thibeault BA (Acc), CMA	Appointed as a Company Secretary in September 2009. Mr Thibeault commenced as the Company's Chief Financial Officer in July 2009, having previously served in diverse finance roles with Rio Tinto Alcan and Alcan Aluminium Limited. Mr Thibeault joined ERA from the role of General Manager Controller Bauxite and Alumina, Rio Tinto Alcan, where from 2008 he was responsible for managing all aspects of finance operations.
Mr C Ritchie LLB (Hons), BA	Appointed as a Company Secretary in November 2007, Mr Ritchie has been the Company's Legal Counsel since October 2007 and employed as a lawyer by Rio Tinto Limited since March 2004. Prior to joining the Rio Tinto Group, Mr Ritchie was engaged in private legal practice in Melbourne and in the United Kingdom since 1995.
Mr C Bateman B.Eng (Hons)	Appointed as a Company Secretary in July 2006, and resigned in June 2009, Mr Bateman was the Company's Chief Financial Officer from June 2006 to June 2009.

Meetings of Directors

The number of Directors' and Audit Committee meetings held and the number of meetings attended by each of the Directors of the Company during the financial year is shown below:

	DIRECTORS MEETINGS		AUDIT COMMITTEE MEETINGS		OTHER COMMITTEE MEETINGS	
DIRECTOR	HELD*	ATTENDED	HELD*	ATTENDED	HELD*	ATTENDED
D Klingner	6	6	3	3	2	2
R Carter	6	6	3	3	–	–
H Garnett	6	6	3	3	2	2
P Taylor	6	6	–	–	–	–
C Salisbury	6	6	–	–	–	–
J Pegler	3	3	–	–	2	2
R Atkinson	6	6	–	–	–	–

*Reflects the number of meetings held during the time the Director held office in the 2009 year.

Mr Atkinson was invited to Audit Committee meetings and attended all such meetings held during the year, as did Mr Pegler since his appointment as a Director in July 2009.

Interests of Directors

The interests of each Director in the share capital of the Company, other companies within the consolidated entity or in a related body corporate as at 12 February 2010 are shown below:

DIRECTOR	ENERGY RESOURCES OF AUSTRALIA LTD, ORDINARY SHARES	RIO TINTO LIMITED, ORDINARY SHARES	RIO TINTO LIMITED, OPTIONS IN ORDINARY SHARES	RIO TINTO LIMITED, CONDITIONAL INTERESTS IN ORDINARY SHARES
D Klingner	–	46,787	4,117	–
R Carter	25,000	4,613	–	–
H Garnett	–	–	–	–
P Taylor	–	6,353	20,591	15,318
C Salisbury	–	7,571	9,416	15,426
J Pegler	–	6,331	–	–
R Atkinson	–	2,041	5,278	11,246

Remuneration report

The Remuneration Report is set out under the following main headings:

A Principles used to determine non-executive Directors' remuneration
B Principles used to determine executive remuneration
C Details of remuneration
D Executive service agreements
E Share based compensation
F Additional information

The information provided in the Remuneration Report has been audited by the Company's independent auditor as required by section 308(3c) of the *Corporations Act 2001*.

A Principles used to determine non-executive Directors' remuneration

Fees and payments to non-executive Directors reflect the demands which are made on, and the responsibilities of, the non-executive Directors. Non-executive Directors' fees and payments are reviewed annually by the Board.

The following principles are applied in determining the remuneration of non-executive Directors:

- The responsibilities of and time spent by Directors on the affairs of ERA, including preparation time;
- Acknowledgement of the personal risk borne as a Director;
- Comparison with professional market rates of remuneration to remain competitive with the market having regard to companies of similar size and complexity; and
- The desire to attract Directors of a high calibre with appropriate levels of expertise and experience.

At the 2008 Annual General Meeting, shareholders resolved to amend the constitution of the Company to provide that the aggregate remuneration for non-executive Directors of ERA would be not more than $800,000 per annum. At the 2009 Annual General Meeting, shareholders approved the 2008 Remuneration Report. The aggregate amount of non-executive Directors' remuneration paid in 2009 was $547,730, inclusive of statutory superannuation.

The Directors' fees were reviewed by the Board in November 2009. The annual fees for non-executive Directors for 2010 are as follows:

	2010	2009
Chairman	$148,500	$135,000
Director	$82,500	$75,000
Audit Committee Chairman*	$20,000	$17,000
Audit Committee Member*	$13,000	$11,000

* additional fees

Retirement allowances for non-executive Directors

The entering into of contracts with Directors for the provision of a retirement allowance was approved by shareholders on 18 October 1990. A retirement allowance provides benefits to certain non-executive Directors who have served for three years or less, an amount equal to the fees; or longer than three years, an amount equal to the statutory three years emoluments plus for each year or part of a year of service exceeding three years, an additional amount equal to five per cent of the statutory three years emoluments.

In April 2004, the Board resolved to remove this retirement allowance for non-executive Directors appointed after this date, and for existing Directors with accrued entitlements to freeze those entitlements until that Director retires, when it will be paid out. Non-executive Directors appointed after this date are only entitled to statutory superannuation contributions.

The Company's liability for Directors' retirement benefits, which is based on the number of years service provided at the balance date, has been included in employee entitlements.

B Principles used to determine executive remuneration

The Company's Remuneration Policy can be found at the Corporate Governance section of the Company's website at www.energyres.com.au. To determine the remuneration of the Chief Executive and other key management personnel of the Company and the consolidated entity (together, "senior executives"), the Company generally implements the remuneration policies and procedures determined by the Rio Tinto Remuneration Committee and applied to senior management personnel across the wider Rio Tinto Group.

The related costs of these programmes are recognised in the companies financial statements. For the purpose of disclosures under the *Corporations Act 2001* and relevant Accounting Standards, the "key management personnel" of the Company and the consolidated entity, apart from the Chief Executive and the non-executive Directors, have been determined to be the General Managers of the Company reporting directly to the Chief Executive. The same group includes the "five highest paid executives" below Board level.

Executive remuneration, including base salary and short and long term incentive awards, and other terms of employment are reviewed annually having regard to the evaluation of personal and business performance against goals set at the start of the year, relevant comparative information and independent expert advice. As well as base salary, remuneration packages may include fringe benefits such as medical insurance and car and other allowances, superannuation, retirement and termination entitlements and short and long term incentives.

The annual performance evaluation and management process includes formal consultation between the Board and the Chief Executive of the Rio Tinto Energy Product Group regarding the Chief Executive of the Company, and between the Board and the Chief Executive of the Company regarding the other senior executives.

The executive pay and reward framework is designed to provide a total remuneration package which is competitive in the market; aligns total remuneration with delivered personal and short and long term business performance including long term shareholder value creation and performance relating to environment, safety and health; strikes an appropriate balance between fixed and variable components; links variable components to the achievement of challenging individual and business performance targets, and ensures the attraction and retention of key staff.

The Company Secretaries of the Company are subject to the same executive remuneration pay and reward framework.

The executive pay and reward framework has four components:

- Base salary and benefits;
- Short term incentives;
- Long term incentives through participation in the Rio Tinto Share Option Plan (SOP), Rio Tinto Mining Companies Comparative Plan (MCCP) and Rio Tinto Management Share Plan (MSP); and
- Other remuneration such as superannuation.

Performance and non-performance related remuneration

Total remuneration is a combination of the fixed, performance and service related elements described in this report. The short and long term incentives are the variable components of the total remuneration package and are therefore “at risk”. They are tied to achievement of specific business measures, personal performance and service. The other components are referred to as “fixed” as they are not at risk.

The long term incentives programme is designed to provide an expected value of between 22.5 and 45 per cent of base salary for the senior executives and the Chief Executive, delivered in any one year through a blend of SOP, MCCP and MSP awards.

Excluding post employment and non-monetary benefits, the proportion of total direct remuneration provided by way of variable at risk components, assuming maximum levels of performance, as at 31 December 2009 for the Chief Executive and other senior executives was between approximately 45 and 55 per cent (of which between approximately three and six per cent in 2009 would have consisted of options). The actual proportion of total direct remuneration provided by way of variable performance related components (including proportion of options) will differ from these percentages depending on measured Company and personal performance for 2010 and the current blend of share plans.

Base salary

Base salary is set at a level consistent with market expectations within the wider Rio Tinto remuneration framework and may be delivered as a mix of cash and prescribed non-financial benefits. Base salary is reviewed annually and adjusted taking into account the nature of the role, external market trends and personal performance.

Short term incentives programme

The short term incentives programme provides a bonus opportunity and is designed to support the overall remuneration policy by focusing management personnel on calendar year performance against challenging personal and business targets including environment, safety and health.

Short term incentives performance conditions

Individual performance is reviewed against relevant targets and objectives annually. All senior executives of the Company have a percentage (at least 12.5 per cent) of their performance based bonus linked to the safety performance of ERA. The financial performance of the Company constitutes at least another 35 per cent of the performance based bonus. The success of designated value creation projects and key strategic issues (at least 25 per cent) are further used to measure performance with discretionary elements (at least 20 per cent) linked to factors including underlying business performance, unplanned events and value enhancement.

Bonus Deferral Plan

In 2009, the Chief Executive’s short term incentive bonus for 2008 service to the Company was satisfied partly in cash (50 per cent) and partly through the deferred award of shares of Rio Tinto Limited (50 per cent), under the terms of the Rio Tinto Bonus Deferral Plan (BDP). At the same time, Rio Tinto made an additional “Company Contributed Award” of deferred shares, equal to 25 per cent of base salary. Half of these deferred share awards will vest at the end of 2010 and half will vest at the end of 2011, subject to continued service with the Rio Tinto Group. A deferral of the Chief Executive’s short term incentive bonus will not apply for the bonus to be paid in 2010 for 2009 service to the Company.

Retention bonus

In December 2007, Rio Tinto introduced a non-recurring retention bonus programme, which provided for a cash bonus opportunity upon fulfilment of time based vesting conditions for senior Rio Tinto employees (50 per cent vesting after 12 months; 50 per cent vesting after a further six months). This was designed to further support the Rio Tinto Group’s ability to retain key staff in a competitive labour market and to mitigate the risk of losing key senior employees with direct impacts on business performance.

Long term incentives programme

Share based remuneration dependent on performance

Rio Tinto Share Option Plan (SOP)

An annual grant of options to purchase shares (in Rio Tinto Limited or Rio Tinto plc, determined by the employee's contractual employing entity) in the future at current market prices may be made by Rio Tinto to eligible senior management personnel.

Each year, the Rio Tinto Remuneration Committee considers whether a grant of options should be made under the SOP and, if so, at what level. In arriving at a decision, the Rio Tinto Remuneration Committee takes into consideration Group remuneration approaches, personal performance as well as local remuneration practice.

Under the SOP, options are granted to purchase shares at an exercise price based on the share price at time of grant. No options are granted at a discount and no amount is paid or payable by the recipient upon grant of the options.

No options under the SOP become exercisable unless Rio Tinto has met stretching performance conditions. In addition, before approving any vesting and regardless of performance against the respective performance conditions, the Rio Tinto Remuneration Committee retains discretion to satisfy itself that Rio Tinto's Total Shareholder Return (TSR) performance is a genuine reflection of value available to shareholders.

Under the SOP, vesting is subject to Rio Tinto's TSR equalling or outperforming the HSBC Global Mining Index over a three year performance period. The HSBC Global Mining Index covers the mining industry globally. If TSR performance equals the index (threshold performance) then awards of up to 20,000 or one-third of the award (whichever is greater) will vest. The full grant may vest if the TSR performance is equal to or greater than the HSBC Global Mining Index plus five per cent per annum. Between these points, options may vest on a sliding scale, with no options becoming exercisable for a three year TSR performance below the index.

Options will lapse if they do not vest at the conclusion of the three year performance period.

Prior to any options vesting, the Rio Tinto Group's performance against the criteria relevant to the SOP is calculated independently by Towers Watson & Co, global financial services provider.

If Rio Tinto were subject to a change of control or a company restructuring, options would vest subject to the satisfaction of the performance condition measured at the time of the takeover or restructuring. Depending on the circumstances, the Rio Tinto Remuneration Committee has the discretion to adjust the performance condition to ensure a fair measure of performance. In the case of an acquirer, the Rio Tinto Remuneration Committee may at its discretion and with the agreement of participants determine that options will be replaced by equivalent new options over shares in the acquiring company. If a performance period is deemed to end during the first 12 months after the options were granted, the grant will be reduced to pro rata.

Where an option holder dies in service, subsisting option grants vest immediately, regardless of whether the performance conditions have been satisfied. The estate will have 12 months in which to exercise the options.

The SOP grant made in 2007 was tested against the performance condition at the end of the performance period, which was 31 December 2009. The performance condition was not met and these options will lapse in March 2010.

SOP options may be exercised within ten years of initial grant, and upon exercise may be satisfied by Rio Tinto through the transfer of treasury shares, the issue of new shares or the purchase of shares in the market.

Rio Tinto Mining Companies Comparative Plan (MCCP)

Rio Tinto's performance share plan, the MCCP, provides a conditional right to Rio Tinto shares to eligible senior management personnel within the Rio Tinto Group, including the senior executives of the Company entity. No awards were made to senior executives of the Company in 2008 or 2009 under the MCCP as remuneration. Instead, awards were made under the Rio Tinto MSP.

The conditional awards only vest if the performance condition set by the Rio Tinto Remuneration Committee is satisfied by Rio Tinto, although the Rio Tinto Remuneration Committee retains discretion to satisfy itself that satisfaction of the performance condition is a genuine reflection of value available to shareholders. Prior to the vesting of conditional awards, Rio Tinto's TSR performance against the performance condition is calculated independently by Towers Watson & Co.

The performance condition compares Rio Tinto's four year TSR with the TSR of a comparator group of other mining companies, reviewed as at 31 December of the fourth year of the grant. The level of vesting depends on performance against the comparator group. The 2006 award was tested against the performance condition at the end of the performance period, which was 31 December 2009, and will vest to 57.1 per cent in March 2010.

If Rio Tinto were subject to a change of control or a company restructuring, the conditional awards would only vest subject to the satisfaction of the performance condition measured at the time of the change of control or restructuring. The Rio Tinto Remuneration Committee has discretion to adjust the performance condition to ensure a fair measure of performance. Additionally, if a performance period is deemed to end during the first 12 months after the conditional award is made, that award will be reduced pro-rata.

Rio Tinto releases awards to participants as either Rio Tinto plc or Rio Tinto Limited shares or as an equivalent amount in cash. Awards may, upon vesting, be satisfied by Rio Tinto through the transfer of treasury shares, the issue of new shares or the purchase of shares in the market.

Share based remuneration not dependent on performance

Rio Tinto Management Share Plan (MSP)

Under the Management Share Plan, conditional grants of Rio Tinto shares may be awarded to eligible senior executives of the Company which will vest, wholly or partly, upon expiry of a three year vesting period. Rio Tinto shares to satisfy the vesting are purchased by Rio Tinto in the market. Award levels under the MSP are at the discretion of Rio Tinto.

In the case of a change of control, awards vest on the date of the change of control, but the award may be reduced pro rata to reflect the acceleration of vesting. Prior to the change of control, and with the consent of the acquiring company, the shares can be converted to shares in the acquirer. After a change of control, this can only be achieved with the consent of the employee.

Other Share Plans

The senior executives of the Company, together with all employees of ERA, may participate in Rio Tinto share savings and share option plans applicable at particular locations. These include the Rio Tinto Limited share savings plan for senior executives employed from the Rio Tinto Limited group of companies and the Rio Tinto plc share savings plan for senior executives employed from the Rio Tinto plc group. Further details are at Note 34 to the Financial Statements.

Rio Tinto Rights Issue

On 5 June 2009 the Rio Tinto Group announced a fully underwritten rights issue consisting of a 21 for 40 rights issue of 524,460,478 new Rio Tinto plc shares at 1,400 pence per share and a 21 for 40 rights issue of 150,015,297 new Rio Tinto Limited shares at $28.29 per share. Rio Tinto plc received valid acceptances in respect of 508,577,688 shares representing 96.97 per cent of the total number of new shares and Rio Tinto Limited received valid acceptances in respect of 142,149,887 shares representing 94.76 per cent of the total number of new shares. The remaining shares over which valid acceptances were not received were placed in the market by the underwriters.

As permitted under the rules of the Rio Tinto share option and share award plans, adjustments were made to existing balances of participants to ensure that the value of options and awards held was not significantly impacted by the rights issue.
The adjustments reflected the terms of the plans and governing laws and included the award of additional conditional shares and the award of additional options and/or adjustment of the exercise price of outstanding options. The adjustments relevant to the senior executives of the Company are reflected in the Tables included in Section E below.

Share dealing policy

The participation of senior executives in the Rio Tinto share plans involving the awarding of Rio Tinto securities at a future date, and any grants of shares and options under these plans, is subject to and conditional upon compliance with the terms of the 'Rules for dealing in securities of Rio Tinto, its subsidiary and associated companies' ("Rules for dealing"). The Rules for dealing expressly prohibit the limiting of exposure to economic risk in relation to such securities, and are available on the Rio Tinto website at www.riotinto.com/documents/Securities_trading_policy.pdf.

C Details of remuneration

Details of the remuneration of each non-executive and executive Director and each of the other senior executives in respect of their services to the Company and the consolidated entity are set out in the following tables.

Non-executive directors of Energy Resources of Australia Ltd

		SHORT TERM BENEFITS			POST EMPLOYMENT BENEFITS	
		DIRECTORS FEES ($000)	CASH BONUS ($000)	NON- CASH BENEFITS ($000)	SUPER-ANNUATION ($000)	TOTAL ($000)
D Klingner	**2009**	**146**	**–**	**–**	**13**	**159**
	2008	137	–	–	12	149
R Carter	**2009**	**92**	**–**	**–**	**8**	**100**
	2008	87	–	–	8	95
H Garnett	**2009**	**86**	**–**	**–**	**8**	**94**
	2008	81	–	–	7	88
P Taylor	**2009**	**75**[1]	**–**	**–**	**–**	**75**[1]
	2008	70[1]	–	–	–	70[1]
C Salisbury[2]	**2009**	**75**[1]	**–**	**–**	**–**	**75**[1]
	2008	29[1]	–	–	–	29[1]
J Pegler[3]	**2009**	**40**	**–**	**–**	**4**	**44**
C Lenegan[4]	2008	6[1]	–	–	–	6[1]
Total 2009		**514**	**–**	**–**	**33**	**547**
Total 2008		410	–	–	27	437

Note 1 Amounts paid directly to Rio Tinto Limited
Note 2 Resigned as Chief Executive on 31 July 2008, thereafter a non-executive Director
Note 3 Appointed as a Director on 30 July 2009
Note 4 Resigned as a Director on 31 January 2008

Executive directors & other key management personnel of the consolidated entity

		SHORT TERM BENEFITS			POST EMPLOYMENT BENEFITS	SHARE BASED PAYMENTS	
		CASH SALARY ($000)	CASH BONUS ($000)	NON-CASH[10] ($000)	SUPER-ANNUATION PENSION ($000)	CASH & EQUITY SETTLED ($000)	TOTAL ($000)
Executive directors							
R Atkinson[1]	**2009**	**354**	**55**	**80**	**85**	**269**	**843**
	2008	114	64	122	23	28	351
C Salisbury[2]	**2009**	**–**	**37**	**–**	**–**	**–**	**37**
	2008	249	339	29	57	44	718
Other senior executives							
A Milnes[3]	**2009**	**271**	**68**	**29**	**63**	**158**	**589**
	2008	263	94	29	72	21	479
D Paterson[4]	**2009**	**231**	**56**	**66**	**55**	**140**	**548**
	2008	227	76	66	54	19	442
C Bateman[5]	**2009**	**139**	**158**	**172**	**–**	**44**	**513**
	2008	228	307	108	14	12	669
S Rajapakse[6]	**2009**	**137**	**63**	**27**	**18**	**40**	**285**
	2008	269	275	43	–	19	606
G Sinclair[7]	**2009**	**248**	**39**	**71**	**49**	**144**	**551**
	2008	241	78	66	59	19	463
D Janney[8]	**2009**	**184**	**11**	**121**	**17**	**–**	**333**
S Thibeault[9]	**2009**	**94**	**78**	**106**	**–**	**–**	**278**
Total 2009		**1,658**	**565**	**672**	**287**	**795**	**3,977**
Total 2008		1,591	1,233	463	279	162	3,728

Note 1 Appointed as Chief Executive on 8 September 2008. Performance related cash bonus: 56% awarded in 2009, 44% forfeited on achievement of 2008 performance criteria for ERA (50% of the bonus was deferred into shares under the Bonus Deferral Plan, with an additional 25% of annual salary under the Company Contributed Award). No performance related cash bonus was paid during 2008 in respect of 2007 service to ERA. Cash Bonus includes accrued value of Rio Tinto Retention Bonus.

Note 2 Resigned as Chief Executive on 31 July 2008, thereafter continued service as a non-executive Director. Performance related cash bonus: 49% awarded in 2009, 51% forfeited on achievement of 2008 performance criteria for ERA (50% of the bonus was deferred into shares under the Bonus Deferral Plan, with an additional 25% of annual salary under the Company Contributed Award). 84% of performance related cash bonus paid in 2008; 16% forfeited. 2008 cash bonuses includes accrued value of Rio Tinto Retention Bonus.

Note 3 Performance related cash bonus: 51% awarded in 2009, 49% forfeited; 75% awarded in 2008, 25% forfeited.

Note 4 Performance related cash bonus: 49% awarded in 2009, 51% forfeited; 70% awarded in 2008, 30% forfeited.

Note 5 Resigned as Chief Financial Officer on 25 June 2009. Performance related cash bonus: 64% awarded in 2009, 36% forfeited, 78% awarded in 2008, 22% forfeited. Cash bonus includes accrued value of Rio Tinto Retention Bonus. Tax equalisation costs incurred, but not disclosed as remuneration.

Note 6 Resigned as General Manager Operations on 31 March 2009. Performance related cash bonus: 31% awarded in 2009, 69% forfeited; 77% awarded in 2008, 23% forfeited. Cash bonus includes accrued value of Rio Tinto Retention Bonus. Tax equalisation costs incurred, but not disclosed as remuneration.

Note 7 Performance related cash bonus: 32% awarded in 2009, 68% forfeited; 74% awarded in 2008, 26% forfeited.

Note 8 Appointed as General Manager Operations on 1 April 2009. No performance related cash bonus paid in 2009 for service to ERA. Cash Bonus includes accrued value in 2009 of Rio Tinto Retention Bonus.

Note 9 Appointed as Chief Financial Officer on 27 July 2009. No performance related cash bonus paid in 2009 for service to ERA. Cash Bonus includes a cash payment equivalent to the value of the former Alcan long term incentive share scheme.

Note 10 Non-cash benefits includes relocation, accommodation and other allowances and other employment related benefits.

The value of share based payments has been determined in accordance with the recognition and measurement requirements of IFRS2 “Share-based Payment”. The fair value of awards granted under the SOP, MSP and the BDP have been calculated at their dates of grant using an independent lattice-based option valuation model provided by external consultants, Lane Clark & Peacock LLP. Some of these awards will be settled in cash, rather than the transfer of shares, and so the fair value of these cash settled awards has been calculated based on Rio Tinto’s share price at 31 December 2009. The fair value of awards granted under the MCCP has been calculated using a Monte Carlo valuation model based on the market price of shares and their relative TSR performance at 31 December 2009.
The disclosure for 2008 share based payments reflects the disclosure made in the 2008 Remuneration Report, based on the fair value of the individual grants under each of the plans which would have been realised during the year if vested on 31 December 2008.

D Executive service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. These agreements provide for participation in the Rio Tinto short and long term incentive programmes including bonus opportunities upon achieving performance and service goals and performance related share plans. The agreements may also provide for other benefits, including: medical insurance; vehicle and accommodation allowances; relocation allowances and expenses and travel allowances for expatriates.

Key management personnel will also be entitled to a range of pre-existing redundancy entitlements, depending on the business and region from where they were originally employed within the Rio Tinto Group:

- Notice may be worked or fully or partly paid in lieu, at Company discretion.
- Additional capped service related payments may apply.
- Pro rata short term incentive programme payments may be paid based on the proportion of the performance period worked.
- Long term incentive programme benefits may be paid or vest to the extent provided by the relevant programme.
- Share options or conditional share awards held for less than 12 months at date of termination may be reduced pro-rata.

There is no contractual entitlement to payments in the event of a change of control.

Other major provisions of the agreements relating to remuneration are set out below.

R Atkinson – Chief Executive

Term of agreement – Open, commenced 8 September 2008

Base salary (excluding superannuation, allowances and other benefits) as at 31 December 2009 of $355,350 per annum. Maximum short term incentive bonus upon meeting performance criteria is 70 per cent of base salary. Base salary and short term incentive targets are to be reviewed annually. Termination by the employee is two month's notice in writing or by the employer giving six month's notice or equivalent payment in lieu of notice.

A Milnes – General Manager Environmental Strategy

Term of agreement – Open, commenced 1 July 1996

Base salary (excluding superannuation, allowances and other benefits) as at 31 December 2009 of $270,740 per annum. Maximum short term incentive bonus upon meeting performance criteria is 50 per cent of base salary. Base salary and short term incentive targets to be reviewed annually. Termination by the employee is one month's notice in writing or by the employer giving three month's notice or equivalent payment in lieu of notice.

D Paterson – General Manager External Relations

Term of agreement – Open, commenced 18 October 2004

Base salary (excluding superannuation, allowances and other benefits) as at 31 December 2009 of $231,845 per annum. Maximum short term incentive bonus upon meeting performance criteria is 50 per cent of base salary. Base salary and short term incentive targets to be reviewed annually. Termination by the employee is one month's notice in writing or by the employer giving three month's notice or equivalent payment in lieu of notice.

G Sinclair – General Manager Technical Projects

Term of agreement – Open, commenced 1 May 2007.

Base salary (excluding superannuation, allowances and other benefits) as at 31 December 2009 of $249,125 per annum. Maximum short term incentive bonus upon meeting performance criteria is 50 per cent of base salary. Base salary and short term incentive targets to be reviewed annually. Termination by the employee is one month's notice in writing or by the employer giving three month's notice or equivalent payment in lieu of notice.

D Janney – General Manager Operations

Term of agreement – 3 years, commenced 1 April 2009

Base salary (excluding superannuation, allowances and other benefits) as at 31 December 2009 of USD190,000 per annum. Maximum short term incentive bonus upon meeting performance criteria is 80 per cent of base salary. Base salary and short term incentive targets to be reviewed annually. Termination by the employee is one month's notice in writing or by the employer giving three month's notice or equivalent payment in lieu of notice.

S Thibeault – Chief Financial Officer

Term of agreement – 3 years, commenced 27 July 2009

Base salary (excluding superannuation, allowances and other benefits) as at 31 December 2009 of CAD213,700 per annum. Maximum short term incentive bonus upon meeting performance criteria is 60 per cent of base salary. Base salary and short term incentive targets to be reviewed annually. Termination by the employee is four week's notice in writing or by the employer giving eight week's notice or equivalent payment in lieu of notice.

S Rajapakse – General Manager Operations

Resigned – 31 March 2009

Base salary (excluding superannuation, allowances and other benefits) as at date of resignation of GBP114,433 per annum. Maximum short term incentive bonus upon meeting performance criteria was 60 per cent of base salary.

C Bateman – Chief Financial Officer

Resigned – 25 June 2009

Base salary (excluding superannuation, allowances and other benefits) as at date of resignation of USD199,288 per annum. Maximum short term incentive bonus upon meeting performance criteria was 70 per cent of base salary.

E Share based compensation

Rio Tinto Share Option Plan

Details of the costs of the share based payment plans applied by the Company are provided at Note 34 of the Financial Statements.

Options under the SOP are granted at the discretion of the Rio Tinto Remuneration Committee in line with Rio Tinto guidelines. The terms and conditions of each grant of options affecting remuneration in this or future reporting periods are as follows:

GRANT DATE	EXPIRY DATE	EXERCISE PRICE (PRE RIGHTS ISSUE)	EXERCISE PRICE (POST RIGHTS ISSUE)	VALUE PER OPTION AT GRANT DATE	VALUE PER OPTION POST RIGHTS ISSUE	EARLIEST EXERCISE DATE
RIO TINTO LIMITED		$	$	$	$	
13/03/2002	13/03/2012	39.87	23.76	13.71	13.71	13/03/2005
7/03/2003	7/03/2013	33.33	17.23	6.68	6.68	7/03/2006
22/04/2004	22/04/2014	34.41	18.30	6.17	6.18	22/04/2007
9/03/2005	9/03/2015	47.04	30.93	8.93	8.93	9/03/2008
7/03/2006	7/03/2016	71.06	54.95	17.09	17.09	7/03/2009
13/03/2007	13/03/2017	74.59	58.48	14.23	14.23	13/03/2010
10/03/2008	10/03/2018	134.18	118.07	44.04	44.04	10/03/2011
17/03/2009	17/03/2019	49.56	33.45	13.36	13.36	17/03/2012
RIO TINTO PLC		£	£	£	£	
13/03/2002	13/03/2012	14.59	12.05	4.99	4.12	13/03/2005
7/03/2003	7/03/2013	12.63	10.43	2.97	2.46	7/03/2006
22/04/2004	22/04/2014	13.29	10.98	2.81	2.33	22/04/2007
9/03/2005	9/03/2015	18.26	15.09	4.09	3.38	9/03/2008
7/03/2006	7/03/2016	27.11	22.40	7.40	6.11	7/03/2009
13/03/2007	13/03/2017	27.01	22.32	6.17	5.10	13/03/2010
10/03/2008	10/03/2018	57.23	47.28	20.63	17.04	10/03/2011
17/03/2009	17/03/2019	20.01	16.53	6.62	5.47	17/03/2012

Rio Tinto Mining Companies Comparative Plan

Share awards under the MCCP are granted at the discretion of the Rio Tinto Remuneration Committee in line with Rio Tinto guidelines. The terms and conditions of each right to Rio Tinto Limited or Rio Tinto plc shares affecting remuneration in this or future reporting periods are as follows:

AWARD DATE	AWARD PRICE	VESTING DATE*	PRICE AT 31 DECEMBER 2009
RIO TINTO LIMITED			
1 January 2005	$39.12	1 January 2009	$74.89
1 January 2006	$69.00	1 January 2010	$74.89
1 January 2007	$74.79	1 January 2011	$74.89
RIO TINTO PLC			
1 January 2005	£15.40	1 January 2009	£33.80
1 January 2006	£26.55	1 January 2010	£33.80
1 January 2007	£27.55	1 January 2011	£33.80

Note * Vesting dependent upon continued employment with a Rio Tinto Group company.

No conditional awards of either Rio Tinto plc or Rio Tinto Limited shares were made as remuneration for key management personnel of the consolidated entity under the MCCP in 2008 or 2009, although adjustments were made to MCCP balances following the Rio Tinto rights issue. The Rio Tinto Remuneration Committee reviewed the performance condition applicable to the conditional award and confirmed that vesting will be dependent on Rio Tinto's TSR relative to the designated comparator mining companies.

Rio Tinto Management Share Plan

Share awards under the Management Share Plan are granted at the discretion of the Rio Tinto Remuneration Committee in line with Rio Tinto guidelines. The terms and conditions of each right to Rio Tinto Limited or Rio Tinto plc shares affecting remuneration in this or future reporting periods are as follows:

AWARD DATE	AWARD PRICE	VESTING DATE*	PRICE AT 31 DECEMBER 2009
RIO TINTO LIMITED			
13 March 2007	$74.50	1 January 2010	$74.89
10 March 2008	$126.48	1 January 2011	$74.89
17 March 2009	$41.77	1 January 2012	$74.89
RIO TINTO PLC			
13 March 2007	£26.81	1 January 2010	£33.80
10 March 2008	£52.58	1 January 2011	£33.80
17 March 2009	£17.32	1 January 2012	£33.80

Note * Vesting dependent upon continued employment with a Rio Tinto Group company.

Rio Tinto Bonus Deferral Plan & Company Contributed Award

Share awards under the Rio Tinto Bonus Deferral Plan and Rio Tinto Company Contributed Award are granted at the discretion of the Rio Tinto Remuneration Committee in line with Rio Tinto guidelines. The terms and conditions of each right to Rio Tinto Limited shares affecting remuneration in this or future reporting periods are as follows:

AWARD DATE	AWARD PRICE	VESTING DATE*	PRICE AT 31 DECEMBER 2009
RIO TINTO LIMITED BONUS DEFERRAL PLAN			
17 March 2009	$41.77	50% 31 December 2010 50% 31 December 2011	$74.89
RIO TINTO LIMITED COMPANY CONTRIBUTED AWARD			
17 March 2009	$41.77	50% 31 December 2010 50% 31 December 2011	$74.89

Note * Vesting dependent upon continued employment with a Rio Tinto Group company.

Share based compensation – Rio Tinto employee share schemes

The Directors of ERA and key management personnel of the consolidated entity who elected to participate in the Rio Tinto employee share schemes as at 31 December 2009 are set out below:

R Atkinson	2004 Rio Tinto Limited scheme commencing 1 January 2005
	2005 Rio Tinto Limited scheme commencing 1 January 2006
D Paterson	2006 Rio Tinto Limited scheme commencing 1 January 2007
A Milnes	2005 Rio Tinto Limited scheme commencing 1 January 2006
	2006 Rio Tinto Limited scheme commencing 1 January 2007
	2007 Rio Tinto Limited scheme commencing 1 January 2008
G Sinclair	2002 Rio Tinto Limited scheme commencing 1 January 2003
P Taylor	2009 Rio Tinto Limited scheme commencing 1 January 2010
D Janney	2007 Rio Tinto plc scheme commencing 5 October 2007
	2008 Rio Tinto plc scheme commencing 1 December 2008
	2009 Rio Tinto plc scheme commencing 15 December 2009

Equity instrument disclosures relating to Directors and key management personnel

Options provided as remuneration (SOP)

Details of options over ordinary shares in Rio Tinto Limited and Rio Tinto plc held during the year and provided as remuneration to the key management personnel of the consolidated entity in respect of their service to ERA are set out below. When exercisable, each option is convertible into one ordinary share of Rio Tinto Limited or Rio Tinto plc.

		BALANCE AT START OF THE YEAR OR ON JOINING[7]	GRANTED AS REMUNERATION	EXERCISED DURING THE YEAR	OTHER CHANGES[8]	BALANCE AT END OF THE YEAR[8]	
						VESTED & EXERCISABLE	UN–VESTED
RIO TINTO PLC							
Other senior executives							
C Bateman[1]	**2009**	**1,416**	**1,068**	**–**	**522**	**–**	**3,006**
	2008	1,416	–	–	–	–	1,416
S Rajapakse[2]	**2009**	**3,229**	**1,125**	**–**	**914**	**2,130**	**3,138**
	2008	3,229	–	–	–	981	2,248
D Janney[3]	**2009**	**2,925**	**–**	**–**	**615**	**–**	**3,540**
S Thibeault[4]	**2009**	**980**	**–**	**–**	**206**	**–**	**1,186**
RIO TINTO LIMITED							
Executive directors							
R Atkinson	**2009**	**3,110**	**2,168**	**–**	**–**	**1,782**	**3,496**
	2008	3,110	–	–	–	–	3,110
Other senior executives							
A Milnes	**2009**	**9,749**	**826**	**–**	**–**	**8,757**	**1,818**
	2008	9,749	–	–	–	7,369	2,380
D Paterson	**2009**	**9,326**	**707**	**–**	**–**	**8,460**	**1,573**
	2008	9,326	–	–	–	7,259	2,067
G Sinclair	**2009**	**4,173**	**760**	**(529)**	**(530)**	**2,219**	**1,655**
	2008	4,173	–	–	–	2,040	2,133
Non-executive Directors[6]							
D Klingner	**2009**	**4,117**	**–**	**–**	**–**	**4,117**	**–**
	2008	4,117	–	–	–	4,117	–
C Lenegan	2008	38,906	–	–	1,875	24,062	16,719
P Taylor	**2009**	**18,162**	**–**	**–**	**2,007**	**13,755**	**6,414**
	2008	18,162	–	(1,875)	1,875	10,450	7,712
C Salisbury[5]	**2009**	**7,416**	**–**	**(1,335)**	**3,335**	**3,332**	**6,084**
	2008	7,416	–	–	–	2,488	4,928

Note 1 Upon resignation as Chief Financial Officer on 25 June 2009, balance of 2,484.

Note 2 Upon resignation as General Manager Operations on 31 March 2009, balance of 4,354.

Note 3 Upon appointment as General Manager Operations on 1 April 2009, balance of 2,925.

Note 4 Upon appointment as Chief Financial Officer on 27 July 2009, balance of 980.

Note 5 Upon resignation as Chief Executive on 31 July 2008, balance of 7,416.

Note 6 Changes to balances for non-executive Directors do not relate to remuneration for service to ERA.

Note 7 Where a KMP joined during the year, balance at start of the year reflects holdings at time of commencement with ERA.

Note 8 Other changes and end of year balance include changes made in relation to awards for service within the wider Rio Tinto Group, including before joining or after ceasing with ERA and Rio Tinto Rights Issue adjustments to accrued balances of Rio Tinto plc share options.

Details of remuneration: Share options

For each grant of options included in the table on page 41, the percentage of the available grant that was paid, or that vested, in 2009, and the percentage that was forfeited because the service and performance criteria were not met, is set out below. The options vest after three years, provided the vesting conditions are met (see page 33). No options will vest if the conditions are not satisfied hence the minimum value of the options yet to vest is nil. The maximum value of the options yet to vest has been determined as the amount of the grant date fair value of the options that is yet to be expensed.

	OPTIONS					
	AWARD DATE	VESTED %	FORFEITED %	FUTURE VESTING TITLE	MINIMUM TOTAL VALUE OF UNVESTED GRANT $	MAXIMUM TOTAL VALUE OF UNVESTED GRANT $
RIO TINTO PLC						
C Bateman	**2009**	**–**	**–**	**17/03/2012**	**nil**	**12,698**
	2007	–	–	13/3/2010	nil	18,285
S Rajapakse	**2009**	**–**	**–**	**17/03/2012**	**nil**	**13,376**
	2007	–	–	13/3/2010	nil	18,957
D Janney	**2009**	**–**	**–**	**17/03/2012**	**nil**	**19,981**
	2007	–	–	13/3/2010	nil	13,804
S Thibeault	**2009**	**–**	**–**	**17/03/2012**	**nil**	**11,656**
RIO TINTO LIMITED						
R Atkinson	**2009**	**–**	**–**	**17/03/2012**	**nil**	**28,964**
	2007	–	–	13/3/2010	nil	18,897
A Milnes	**2009**	**–**	**–**	**17/03/2012**	**nil**	**11,035**
	2007	–	–	13/3/2010	nil	14,116
D Paterson	**2009**	**–**	**–**	**17/03/2012**	**nil**	**9,445**
	2007	–	–	13/3/2010	nil	12,323
G Sinclair	**2009**	**–**	**–**	**17/03/2012**	**nil**	**10,154**
	2007	–	–	13/3/2010	nil	12,736

Conditional awards provided as remuneration

Mining Companies Comparative Plan; Management Share Plan; Bonus Deferral Plan; Companies Contributed Award

No conditional awards of ordinary shares of either the parent entity or of Rio Tinto Limited or Rio Tinto plc were provided during the year as remuneration to any of the non-executive Directors of the parent entity.

No conditional awards were made under the MCCP as remuneration to any of the other key management personnel of the consolidated entity in 2008 or 2009, although adjustments were made to MCCP balances following the Rio Tinto rights issue.

Details of conditional awards of ordinary shares in Rio Tinto Limited and Rio Tinto plc held during the year and provided as remuneration to each of the key management personnel of the consolidated and parent entity in respect of their duties as officers of the consolidated and parent entity are set out below. When exercisable, each award converts into one ordinary share of Rio Tinto Limited or Rio Tinto plc.

		BALANCE AT START OF THE YEAR OR ON JOINING[7]	GRANTED AS REMUNERATION[8]	CRYSTALLISATION OF PRIOR AWARD		AWARDS CANCELLED	OTHER CHANGES[8]	BALANCE AT END OF THE YEAR[8]
				VESTED	LAPSED			
RIO TINTO PLC								
Other key management personnel								
C Bateman[1]	**2009**	**2,683**	**1,505**	**–**	**–**	**–**	**880**	**5,068**
	2008	2,241	442	–	–	–	–	2,683
S Rajapakse[2]	**2009**	**4,704**	**1,200**	**(817)**	**(164)**	**–**	**1,034**	**5,957**
	2008	4,193	511	–	–	–	–	4,704
D Janney[3]	**2009**	**4,823**	**–**	**–**	**–**	**–**	**1,014**	**5,837**
S Thibeault[4]	**2009**	**2,216**	**–**	**–**	**–**	**–**	**466**	**2,682**
RIO TINTO LIMITED								
Executive directors								
R Atkinson	**2009**	**5,603**	**4,710**	**(883)**	**(178)**	**–**	**1,944**	**11,196**
	2008	5,603	–	–	–	–	–	5,603
Other key management personnel								
A Milnes	**2009**	**4,578**	**860**	**(967)**	**(195)**	**–**	**898**	**5,174**
	2008	5,372	386	(590)	(590)	–	–	4,578
D Paterson	**2009**	**4,066**	**736**	**(847)**	**(170)**	**–**	**793**	**4,578**
	2008	4,929	332	(597)	(598)	–	–	4,066
G Sinclair	**2009**	**4,118**	**791**	**(817)**	**(164)**	**–**	**688**	**4,616**
	2008	3,764	354	–	–	–	–	4,118
Non-executive Directors[6]								
D Klingner	**2009**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2008	10,673	–	(5,336)	(5,337)	–	–	–
C Lenegan	2008	20,264	–	–	–	–	–	20,264
P Taylor	**2009**	**9,999**	**–**	**(1,691)**	**(340)**	**–**	**7,280**	**15,248**
	2008	10,993	–	(1,012)	(1,013)	–	1,031	9,999
C Salisbury[5]	**2009**	**8,597**	**–**	**(1,112)**	**(223)**	**–**	**9,677**	**16,939**
	2008	8,666	1,084	(576)	(577)	–	–	8,597

Note 1 Upon resignation as Chief Financial Officer on 25 June 2009, balance of 4,188.

Note 2 Upon resignation as General Manager Operations on 31 March 2009, balance of 4,923.

Note 3 Upon appointment as General Manager Operations on 1 April 2009, balance of 4,823.

Note 4 Upon appointment as Chief Financial Officer on 27 July 2009, balance of 2,216.

Note 5 Upon resignation as Chief Executive on 31 July 2008, balance of 8,597.

Note 6 Changes to balances for non-executive Directors do not relate to remuneration for service to ERA.

Note 7 Where a KMP joined during the year, balance at start of the year reflects holdings at time of commencement with ERA.

Note 8 Other changes and end of year balance include changes made in relation to awards for service within the wider Rio Tinto Group, including before joining or after ceasing with ERA, and Rio Tinto Rights Issue adjustments to accrued balances.

Share holdings

The number of shares held in Energy Resources of Australia Ltd or Rio Tinto Limited during the financial year by each Director of Energy Resources of Australia Ltd are set out below.

		BALANCE AT END OF THE YEAR[1]	RECEIVED DURING THE YEAR ON EXERCISE OF OPTIONS	OTHER CHANGES DURING THE YEAR	BALANCE AT END OF THE YEAR[2]
ENERGY RESOURCES OF AUSTRALIA LTD					
R Carter	**2009**	**25,000**	**–**	**–**	**25,000**
	2008	25,000	–	–	25,000
RIO TINTO LIMITED					
R Carter	**2009**	**3,025**	**–**	**1,588**	**4,613**
	2008	3,025	–	–	3,025
D Klingner	**2009**	**39,959**	**–**	**11,828**	**51,787**
	2008	39,959	–	–	39,959
C Salisbury	**2009**	**5,658**	**1,335**	**578**	**7,571**
	2008	5,001	576	81	5,658
P Taylor	**2009**	**2,475**	**–**	**3,878**	**6,353**
	2008	600	1,875	–	2,475
R Atkinson	**2009**	**2,041**	**–**	**–**	**2,041**
	2008	2,041	–	–	2,041
J Pegler	**2009**	**6,331**	**–**	**–**	**6,331**
C Lenegan	2008	1,457	–	–	1,457

Note 1 Where a Director was appointed during the year, balance reflects holdings at time of commencement with ERA.

Note 2 Where a Director resigned during the year, balance reflects holdings at time of resignation as a Director of ERA.

F Additional information

Loans and other transactions with Directors and other key management personnel

There are no loans with Directors and other key management personnel. Other transactions with Director related entities are disclosed in Note 25 – related parties.

Directors' report

Principal activities

The principal activities of the consolidated entity during the course of the year consisted of:

(i) Mining, processing and sale of uranium; and
(ii) Provision of environmental consulting services by EWL Sciences Pty Ltd.

Dividends

Details of the dividends paid by ERA to members in respect of the 2009 financial year are included in the "Financial performance" on page 8. As disclosed in the 2008 Annual Report, a final ordinary dividend was declared in respect of the 2008 financial year of 20.0 cents per share, fully franked based on tax paid at 30 per cent, totalling $38,147,586.80, paid on 27 February 2009 with a record date of 13 February 2009.

Review and results of operations

Details of ERA's review and results of operations are included in the "Chairman's and Chief Executive's Report" on page 5 and the "Financial performance" and "Production" sections at pages 7 and 9, respectively.

Significant changes to the state of affairs

In the opinion of the Directors, other than matters reported in the Directors' Report and in the Chairman's and Chief Executive's Report, there were no significant changes in the state of affairs of the consolidated entity during the year ended 31 December 2009.

Matters subsequent to the end of the financial year

Other than the dividends declared, at 25 cents per share, there has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material nature, that has significantly affected or may significantly affect:

(i) the operations of the consolidated entity;
(ii) the results of those operations; or
(iii) the state of affairs of the consolidated entity subsequent to the financial year ended 31 December 2009.

Likely developments

In the opinion of the Directors any other likely developments in the operations of the consolidated entity known at the date of this report have been covered within the Annual Report and Notes to the financial statements.

A general review of developments for ERA is presented in the "Chairman's and Chief Executive's Report", "Major projects" and "Directors' outlook" sections.

Further information as to likely developments in the operations of the consolidated entity and the expected results of those operations in subsequent financial years has not been included in this report because the Directors believe, on reasonable grounds, that to include such information would be likely to result in unreasonable prejudice to the consolidated entity.

Annual General Meeting

The 2010 Annual General Meeting will be held on 21 April 2010 in Darwin, in the Northern Territory of Australia. Notices of the 2010 Annual General Meeting are set out in separate letters to the shareholders of the Company.

Indemnification and insurance

Indemnification

Clause 11 of the Company's constitution provides that every Director, manager, officer or employee of the Company shall be indemnified out of the funds of the Company against all liability incurred by them in defending any proceedings in which they are successful.

The *Corporations Act 2001* prohibits a company from indemnifying Directors, secretaries, executive officers and auditors from liability except for liability to a party, other than the Company or a related body corporate, where the liability does not arise out of conduct involving a lack of good faith and except for liability for costs and expenses incurred in defending proceedings in which the officer or auditor is successful. An indemnity for officers or employees who are not Directors, secretaries or executive officers, is not expressly prohibited by the *Corporations Act 2001*.

The Directors and secretaries of the Company, and all former Directors and secretaries, have the benefit of the indemnity in Clause 11 of the Company's constitution.

The indemnity also applies to executive officers of the Company (being the Chief Financial Officer and General Managers and other key management personnel and managers who are concerned with, or take part in the management of the Company) as well as other employees.

Insurance

Since the end of the previous financial year, the Company has paid insurance premiums in respect of a Directors' and officers' liability policy of insurance.

The policy indemnifies all Directors and officers of ERA and its controlled entities (including the Directors, secretaries, and executive officers referred to above) against certain liabilities.

In accordance with common commercial practice, the insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of Directors' and officers' liability insurance as such disclosure is prohibited under the terms of the contract.

Environmental regulation and policy

ERA strives to be at the forefront of environmental management in the uranium industry. It operates in accordance with relevant Commonwealth and Northern Territory environmental legislation as well as site specific environmental licences, permits and statutory authorisations. ERA's environmental management system is ISO14001 compliant.

ERA is required to report any incident that is a divergence from strict compliance with statutory requirements, even if the incident has no detrimental environmental impact, and reports are made to the Minister for Resources (Northern Territory), the Supervising Scientist Division of the Commonwealth Department of the Environment, Water, Heritage and the Arts, the Northern Land Council, the Commonwealth Department of Resources, Energy & Tourism and the Gundjeihmi Aboriginal Corporation (representatives of the Mirarr Traditional Owners).

The Supervising Scientist confirmed in his most recent report, relating to the operating year to 30 June 2009, that there were no reported incidents that resulted in any environmental impact off the immediate mine site, and that the environment remained protected through the period.

There were no prosecutions commenced or fines incurred in respect of ERA's environmental performance during 2009.

Further details of ERA's environmental performance are included in the "Environment" section of the Annual Report on page 21.

Corporate governance

The Board of ERA considers high standards of corporate governance to be critical to business integrity and performance. The corporate governance structures and practices in place at ERA are substantially in compliance with the Corporate Governance Principles and Recommendations – Second Edition ("Principles") developed by the Australian Securities Exchange ("ASX") Corporate Governance Council ("Council").

Areas where the corporate governance practices of ERA do not follow the Council's recommendations arise due to Rio Tinto's 68.4 per cent ownership of the Company and the management direction, services and support this provides. The extent to which the Company does not comply is detailed in the Corporate Governance Statement at page 49.

Directors' report

Rounding of amounts

The Company is of a kind referred to in ASIC Class Order 98/0100 and in accordance with that Class Order amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars, unless otherwise indicated.

Auditors

PricewaterhouseCoopers are the auditors of the consolidated entity.

No person who was an officer of the consolidated entity during the year was a former partner or director of the auditors. Each of the Directors at the time this report was approved has confirmed that:

- so far as he or she is aware, there is no relevant audit information (ie information needed by the auditors in connection with preparing their report) of which the auditors are unaware; and
- he or she has taken all steps that they ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the auditors are aware of that information.

Non Audit services

The Company may decide to employ the auditors on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

Details of the amount paid or payable to the auditors for audit services are set out below. No amounts were paid to the auditors for non-audit services in 2009.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit Committee, is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. All non-audit services are reviewed by the Audit Committee to ensure they do not impact on the impartiality and objectivity of the auditors and do not undermine the general principles relating to auditors' independence as set out in Professional Statement F1, including reviewing or auditing the auditors' own work, acting in a management or decision making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards. Accordingly, the Directors satisfy themselves that the provision of non-audit services by the auditors does not compromise the auditor independence requirements of the *Corporations Act 2001*.

During the year the following fees were paid or payable for services provided by the auditors of the Company, its related practices and non-audit related firms.

	CONSOLIDATED	
	2009 $000	**2008 $000**
AUDIT SERVICES		
PricewaterhouseCoopers		
Audit and review of financial reports	**260**	278
Total Remuneration for audit services	**260**	278
Taxation services	**–**	–
Non-audit services	**–**	–
Total Remuneration	**260**	278

Information on Auditor

PricewaterhouseCoopers continues in office in accordance with Section 327 of the *Corporations Act 2001*.

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 48.

Signed at Melbourne this 1 March 2010 in accordance with a resolution of the Directors.

Dr D Klingner

Director

Melbourne

1 March 2010

Auditors Independence Declaration

PRICEWATERHOUSECOOPERS

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Auditor's Independence Declaration

As lead auditor for the audit of Energy Resources of Australia Limited for the year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Energy Resources of Australia Limited and the entities it controlled during the period.

Debbie Smith

Partner
PricewaterhouseCoopers
Melbourne
1 March 2010

Corporate governance

Corporate governance statement for the year ended 31 December 2009

Corporate governance statement

The Board of ERA considers high standards of corporate governance to be critical to business integrity and performance, to maximise the overall long term return to shareholders. The Board seeks to ensure that ERA meets the objectives of its shareholders, while paying proper regard to the interests of employees and external stakeholders.

The corporate governance structures and practices in place at ERA are substantially in compliance with the 2nd Edition of the Corporate Governance Principles and Recommendations ("Principles") developed by the Australian Securities Exchange ("ASX") Corporate Governance Council ("Council").

The Board has considered the Council's Principles, and ERA does not comply with the following recommendations:

- Recommendations 2.1 and 2.2 – There is not a majority of independent Directors nor an independent Chairman;
- Recommendation 2.4 – There is no established nominations committee; and
- Recommendation 8.1 – There is no remuneration committee.

Areas where the corporate governance practices in place at ERA do not follow the recommendations set out in the Council's Principles arise due to Rio Tinto's ownership of 68.4 per cent of the shares of the Company and the management direction, services and support provided by Rio Tinto. As explained further below, the Board considers that in each case this is appropriate.

The Corporate Governance section of the Company's website sets out the further information required by the Council's Principles at www.energyres.com.au.

The Board

Responsibilities and charter

In carrying out its responsibilities and powers, the Board at all times recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of the Company's shareholders and employees and the community.

The Board Charter underpins the strategic guidance and effective management oversight provided by the Board, and defines the division of responsibility between Board and management by formal delegation and a system of Board reserve powers. The Board reviews the Board Charter on an annual basis, and a copy is available on the Company's website at www.energyres.com.au.

The Directors approve strategy and business plans and monitor the performance of the Company against these plans. The Directors also monitor compliance with policies prescribed by the Board in areas such as health and safety, environment, business ethics, internal control and risk management. These policies are designed to ensure that ERA meets or exceeds the regulatory requirements governing its operations.

Composition

The Board of ERA currently consists of seven Directors, six of whom are non-executive. The Chairman is Dr D Klingner who is a non-executive Director and a former executive of Rio Tinto. Two additional non-executive Directors, Mr P Taylor and Mr C Salisbury, are current executives of Rio Tinto. Mr R Carter, Prof H Garnett and Mr J Pegler are independent non-executive Directors. Mr R Atkinson is an executive Director and holds the position of Chief Executive.

Details of the Directors, their experience, qualifications and other appointments are set out on page 28.

Qualification for Board membership is related to the mix of skills and knowledge that the Board considers will best serve the interests of ERA and all of its shareholders. Decisions relating to appointment of Directors are made by the full Board. Directors appointed by the Board are required by ERA's constitution to submit themselves for election by shareholders at the Annual General Meeting following their appointment. There is no share ownership qualification for appointment as a Director.

The Board has not established a nominations committee. The Board recognises that this does not follow Recommendation 2.4 of the Council's Principles. The Board considers that its existing practices in reviewing director competencies, Board succession planning, Board performance evaluation and director selection and nomination, carried out in accordance with the Board Charter, are satisfactory and are appropriate given the size of the Board and the Company's current ownership structure.

Non-executive Directors are subject to retirement by rotation at least every three years in accordance with ERA's constitution, but may offer themselves for re-election.

Independence

Mr R Carter, Prof H Garnett and Mr J Pegler are independent non-executive Directors.

For the purposes of determining Director independence, the Board considers any material business relationship which could interfere, or be perceived to interfere, with the Director's independence of judgement, ability to provide a strong, valuable contribution to the Board's deliberations and the Director's ability to act in the best interest of the Company and all shareholders. Where contracts in the ordinary course of business exist between the Company and a company in which a Director has declared an interest, these are reviewed for materiality to both ERA and the other party to the contract.

The following may be taken into account in considering such material business relationships:

- whether within the last five years the Director or a close family member has been a member of executive management of the Company, employed in a senior position with a member of the Rio Tinto Group or has received additional remuneration from the Company or a member of the Rio Tinto Group;
- whether the Director or a close family member is, or is associated with, a substantial shareholder (more than 5 per cent of the voting shares) in the Company or in a member of the Rio Tinto Group;
- the Director's cross directorships of or significant links with or involvement in other companies;
- the Director's length of service on the Board; and
- whether within the last three years the Director or a close family member has had, either directly or indirectly and whether as principal, employee or consultant, a material business relationship with the Company or with a member of the Rio Tinto Group, whether as an auditor, professional adviser, supplier, or customer ("material" being more than five per cent of the Company's or the counterparty's consolidated gross revenue per annum).

The Board of Directors does not consist of a majority of independent Directors. This does not follow Recommendation 2.1 of the Council's Principles. The Board considers it appropriate that the composition of the Board recognises Rio Tinto's 68.4 per cent shareholding.

All Directors are required to, and do, bring an independent judgment to bear on Board decisions and act in accordance with their statutory duties of good faith and for a proper purpose, and in the interests of all shareholders.

All related party transactions, including those with Rio Tinto, have been determined by the independent Directors to be in the interests of ERA.

Chairman and Chief Executive

The Chairman, Dr D Klingner, was until 2004 a Rio Tinto executive and subsequently has undertaken some limited consulting work for Rio Tinto. To the extent that Dr Klingner may not be an independent Director and that therefore the Company may not follow Recommendation 2.2 of the Council's Principles, the Board considers that Dr Klingner's appointment is appropriate.

The Chief Executive is Mr R Atkinson, who is also a Director. This is consistent with Recommendation 2.3 of the Council's Principles that the Chief Executive and Chairman be different people.

Board meetings

The Board held six scheduled meetings during 2009, and did not meet for any unscheduled meetings to deal with urgent issues. In addition, a Committee of the Board was formed during the year and met on two occasions to consider particular issues. The Board meeting attendance details for Directors in 2009 are set out on page 30.

Performance self assessment

In 2009 the Board performed an annual evaluation of itself that:

(a) Considered the performance of the Directors and the Board and the adequacy of the Board's structures and processes, including the Board Charter;

(b) Set out goals and objectives of the Board for the upcoming year; and

(c) Considered whether any improvements or changes to the Board structures and processes, including the Board Charter and Audit Committee and Charter, were necessary or desirable.

The process of evaluation and self assessment took the form of a questionnaire completed by each of the Directors. Following collation, the results and the adequacy and appropriateness of the self assessment process were considered and discussed by the Directors at the next Board meeting, and actions arising were agreed.

Independent professional advice

The Board has adopted a procedure for Directors wishing to seek independent professional advice at the Company's expense, in the furtherance of their duties. The Board recognises that there may be circumstances in which individual Directors are entitled to independent professional advice at the Company's expense, in the furtherance of their duties, and any Director may do so by arrangement with the Company Secretary.

Remuneration

The Company's Constitution provides that the aggregate remuneration paid to non-executive Directors of ERA in any one year will not exceed $800,000 or such other amount as may be approved by shareholders from time to time. At the 2009 Annual General Meeting, shareholders approved the 2008 Remuneration Report.

The Board has not established a remuneration committee. The Board recognises that this does not follow Recommendation 8.1 of the Council's Principles. The Board considers that its existing practices in reviewing and approving remuneration arrangements, carried out in accordance with the Board Charter, are satisfactory and are appropriate given the size of the Board, the ownership by the Rio Tinto Group of 68.4 per cent of the shares of the Company and the support provided by Rio Tinto with respect to executive remuneration policies and procedures.

The policies and procedures applied by the Company in setting non-executive director and executive remuneration, and reviewing and evaluating executive performance, are set out in the Remuneration Policy at www.energyres.com.au and at pages 31-34 of the Remuneration Report. Executive performance was reviewed in accordance with these policies and procedures.

Audit committee

The Audit Committee is appointed by the Board and currently comprises four non-executive Directors, three of whom are independent including the Chairperson. Two Directors constitute a quorum. The present members of the Audit Committee are Prof H Garnett (Chair), Mr R Carter, Dr D Klingner and Mr J Pegler. The Company's Chief Financial Officer, Chief Executive, other senior financial management, the external auditor and the internal auditors may be invited to attend all meetings.

The Audit Committee Charter sets out the role and terms of reference of the Audit Committee and is reviewed regularly. The Audit Committee Charter is available at the Corporate Governance section of ERA's website.

The Committee provides a formal structure for reviewing ERA's financial statements, accounting policies, control systems, risk management practices and taxation issues, and for liaison with the external and internal auditors. The Committee also reviews the adequacy of internal and external audit arrangements.

The Committee advises the Board of any matters that might have a significant impact on the financial condition of ERA and has the authority to investigate any matters within its terms of reference, having full access to the information and resources of ERA to fulfil its function. Related party transactions are considered by the Audit Committee and, where they relate to Rio Tinto, by the independent Directors only. The Committee reviews compliance with the Corporations Act, and the requirements of the ASX and other regulatory requirements.

The Audit Committee held three scheduled meetings during 2009. Attendance details of the 2009 meetings of the Audit Committee, and the qualifications and senior executive experience of the members, are set out in the Directors' Report on pages 30 and 28 respectively.

Any work to be conducted by the external auditor other than the audit is approved by the Audit Committee.

Code of business conduct

ERA has a Code of Business Conduct to be met by all employees and Directors. All employees are required to maintain high standards of ethical behaviour in the execution of their duties and comply with all applicable laws and regulations in Australia and in every other country in which the Company engages in business.

The Code of Business Conduct is reviewed to ensure it adequately addresses the issues facing the Company and is available for inspection on the Corporate Overview section of the Company's website at www.energyres.com.au.

In addition to the Company's Code of Business Conduct, the Company's employees are required to comply with Rio Tinto's statement of business practice *The Way We Work*, available at Rio Tinto's website at www.riotinto.com.

The Company has a confidential whistleblower programme known as 'Speak-OUT'. Employees are encouraged to report any suspicion of unethical or illegal practices.

Purchase and sale of Company securities

ERA has in place a formal policy that reinforces to all Directors, officers and employees the prohibitions against insider trading. The Share Trading Policy is available for inspection at the Corporate Governance section of the Company's website at www.energyres.com.au.

In addition, the *Rules for dealing in securities of Rio Tinto*, its subsidiary and associated companies ("Rules for dealing") apply to the participation of ERA executives in the Rio Tinto long term incentive plans involving the awarding of Rio Tinto securities at a future date. Any such grants of shares and options under the Rio Tinto plans are subject to and conditional upon compliance with the terms of the Rules for dealing, including an express prohibition on hedging or limiting of exposure to economic risk in relation to such securities.

Under the ERA Share Trading Policy:

- Directors and senior managers must advise the Chairman in writing, and receive approval in writing from the Chairman, if they intend to purchase or sell securities in the Company. In regard to his own dealings, the Chairman is required to notify the Chairman of the Audit Committee; and
- No dealings in securities of the Company may take place for the period from the end of any relevant financial period to the trading day following announcement of ERA's annual results or half year results.

Risk identification and management

ERA has in place a range of policies and procedures to manage the risks associated with its operating activities. These policies and procedures have been adopted by the Board, with primary oversight by the Audit Committee, to ensure that potential business risks are identified and appropriate action taken.

The management of risk is an integral part of the responsibility of both the Board and management and is carried out through an integrated risk management assurance process including an internal audit programme delivered by the Company's internal auditors Ernst & Young and a detailed internal control questionnaire process covering all of the Company's material business risks.

ERA benefits from the Rio Tinto Group's knowledge, policies and practices on risk management and corporate assurance, developed to manage Rio Tinto's diverse business activities covering a variety of commodities and operational locations. Together, these make up a comprehensive framework and approach to risk analysis and risk management.

Key material business risks and opportunities inherent to the Company's operations and the mining industry include (but are not necessarily limited to): economic conditions (and consequent fluctuations in commodity pricing, exchange rates and costs of finance); delivery of exploration and development projects; energy cost and supply; international regulation of greenhouse gas emissions; ore reserve estimates; community relationships and government regulation; land and resource tenure; rehabilitation including impacts of climatic conditions, and costs of operations including changes to input costs and an uncertain industrial relations environment.

The Board has in place a number of systems to identify and manage business risks. These include:

- The identification and review of all of the business risks known to be facing the Company;
- The provision of reports and information by management to the Board, on a periodic basis, confirming the status and effectiveness of the plans, controls, policies and procedures implemented to manage business risks;
- Guidelines for ensuring that capital expenditure and revenue commitments exceeding certain approved limits are placed before the Board for approval;
- Limits and controls for all financial exposures, including the use of derivatives;
- A regulatory compliance programme; and
- Safety, health and environmental policies which are supported by a set of standards and management systems which recognise the Company's commitment to achieving high standards of performance in all its activities in these areas.

The Chief Executive and Chief Financial Officer give statements, in writing, to the Board regarding the financial reporting and operational results being founded on a sound system of internal compliance and control and the financial statements giving a true and fair view of the Company's position and of the results of the Company's operations. This statement relies on ERA's sound system of risk management and internal compliance and control which implements the policies adopted by the Board, and confirms that ERA's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

Each year, the leaders of ERA's operational and administrative functions complete an internal control questionnaire that seeks to confirm that adequate internal controls are in place, are operating effectively and are designed to capture and evaluate failings and weaknesses, if any exist, and take prompt action if appropriate. The results of this process are reviewed by ERA's senior leadership, and then presented by the Chief Executive to the Audit Committee and the Board as a further review of ERA's internal controls. The Chief Executive then certifies that ERA has maintained an effective system of internal compliance and control.

Public statements and disclosure matters

ERA makes full and immediate disclosures to its shareholders and the market as required by and in accordance with its legal and regulatory obligations. Established systems are in place to ensure compliance and matters that may have a material impact on the price or value of ERA's securities are reported to the market in accordance with the ASX listing rules and the *Corporations Act, 2001.* ERA's Continuous Disclosure Policy is available on the Company's website at www.energyres.com.au.

Shareholder communication

ERA recognises the importance of effective communication with shareholders and the general investment community. Apart from ERA's compliance with its mandatory continuous disclosure obligations, ERA takes steps to ensure that its shareholders and other stakeholders are kept informed.

Full advantage is taken of the annual general meeting to inform shareholders of current developments and to give shareholders the opportunity to ask questions. As recommended by the Council's Principles, PricewaterhouseCoopers, ERA's auditor, attend the Annual General Meeting and are available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report. ERA shareholders are also able to submit written questions regarding the statutory audit report to the auditor via the Company. Any questions received and answers provided will be made available to members at ERA Annual General Meetings.

In addition, the Chief Executive and Chief Financial Officer conduct regular meetings with the Company's major investors and with analysts, and the Company organises investor briefings to coincide with the release of half year and full year financial results. ERA also reviews its web site to include up to date information released to the market, investor presentations, general investor information, publications and Company policies.

Statements of comprehensive income

For the year ended 31 December 2009

		CONSOLIDATED		PARENT	
	NOTES	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Revenue from continuing operations	3	780,643	504,050	780,146	503,221
Other income	3	–	187,699	–	187,699
Changes in inventories		51,491	62,881	51,491	62,881
Raw materials and consumables used		(120,013)	(123,706)	(119,786)	(123,573)
Employee benefits and contractor expense		(179,331)	(164,539)	(179,333)	(164,307)
Government and other royalties	4	(41,650)	(24,905)	(41,650)	(24,905)
Commission and shipping expenses		(13,936)	(9,166)	(13,936)	(9,166)
Depreciation and amortisation expenses	4	(66,602)	(47,277)	(66,506)	(47,186)
Financing costs	4	(11,191)	(56,465)	(11,191)	(56,468)
Statutory and corporate expenses		(14,238)	(11,146)	(13,951)	(11,018)
Other expenses		(3,120)	(4,857)	(3,080)	(4,800)
Profit before income tax		382,053	312,569	382,204	312,378
Income tax expense	5	(109,479)	(90,784)	(109,581)	(90,768)
Profit for the year		272,574	221,785	272,623	221,610
Other comprehensive income					
Cash flow hedges		(1,705)	(19,191)	(1,705)	(19,191)
Income tax relating to components of other comprehensive income		512	5,757	512	5,757
Other comprehensive income for the year, net of tax		(1,193)	(13,434)	(1,193)	(13,434)
Total comprehensive income for the year		271,381	208,351	271,430	208,176
Profit is attributable to:					
Owners of Energy Resources of Australia Ltd		272,574	221,785	272,623	221,610
Total comprehensive income for the year is attributable to:					
Owners of Energy Resources of Australia Ltd		271,381	208,351	271,430	208,176
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company:					
Basic earnings per share (cents)	30	142.9	116.3		
Diluted earnings per share (cents)	30	142.9	116.3		
Earnings per share for profit attributable to the ordinary equity holders of the company:					
Basic earnings per share (cents)	30	142.9	116.3		
Diluted earnings per share (cents)	30	142.9	116.3		

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

Balance sheets

As at 31 December 2009

		CONSOLIDATED		PARENT	
	NOTES	2009 $'000	2008 $'000	2009 $'000	2008 $'000
ASSETS					
Current assets					
Cash and cash equivalents	7	**253,672**	106,894	**252,149**	105,999
Trade and other receivables	8	**60,049**	51,930	**61,754**	51,679
Inventories	9	**134,376**	116,374	**134,376**	116,374
Derivative financial instruments	10	**–**	1,705	**–**	1,705
Other	11	**921**	711	**917**	709
Total current assets		**449,018**	277,614	**449,196**	276,466
Non-current assets					
Other financial assets		**–**	–	**100**	100
Inventories	12	**182,786**	146,614	**182,786**	146,614
Undeveloped properties	13	**203,632**	203,632	**203,632**	203,632
Property, plant and equipment	14	**470,425**	490,851	**470,098**	490,435
Investment in trust fund	15	**53,270**	51,698	**53,270**	51,698
Total non-current assets		**910,113**	892,795	**909,886**	892,479
Total assets		**1,359,131**	1,170,409	**1,359,082**	1,168,945
LIABILITIES					
Current liabilities					
Payables	16	**68,888**	80,094	**68,352**	78,040
Current tax liabilities		**52,248**	84,864	**52,255**	84,812
Provisions	17	**24,279**	22,859	**23,962**	22,795
Total current liabilities		**145,415**	187,817	**144,569**	185,647
Non-current liabilities					
Deferred tax liabilities	19	**48,429**	39,783	**48,578**	39,890
Provisions	18	**198,713**	183,883	**198,579**	183,749
Total non-current liabilities		**247,142**	223,666	**247,157**	223,639
Total liabilities		**392,557**	411,483	**391,726**	409,286
Net assets		**966,574**	758,926	**967,356**	759,659
EQUITY					
Contributed equity	20	**214,585**	214,585	**214,585**	214,585
Reserves	21	**390,859**	390,934	**390,859**	390,934
Retained profits	21	**361,130**	153,407	**361,912**	154,140
Total equity		**966,574**	758,926	**967,356**	759,659

The above balance sheets should be read in conjunction with the accompanying notes.

Statements of changes in equity

For the year ended 31 December 2009

CONSOLIDATED	NOTES	CONTRIBUTED EQUITY $'000	RESERVES $'000	RETAINED EARNINGS $'000	TOTAL $'000
Balance at 1 January 2008		214,585	406,407	(14,971)	606,021
Total comprehensive income 2008		–	(13,434)	221,785	208,351
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	6	–	–	(53,407)	(53,407)
Employee share options – value of employee services	21	–	(2,039)	–	(2,039)
		–	(2,039)	(53,407)	(55,446)
Balance at 31 December 2008		214,585	390,934	153,407	758,926
Total comprehensive income 2009		**–**	**(1,193)**	**272,574**	**271,381**
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	6	**–**	**–**	**(64,851)**	**(64,851)**
Employee share options – value of employee services	21	**–**	**1,118**	**–**	**1,118**
		–	**1,118**	**(64,851)**	**(63,733)**
Balance at 31 December 2009		**214,585**	**390,859**	**361,130**	**966,574**

PARENT	NOTES	CONTRIBUTED EQUITY $'000	RESERVES $'000	RETAINED EARNINGS $'000	TOTAL $'000
Balance at 1 January 2008		214,585	406,407	(14,063)	606,929
Total comprehensive income 2008		–	(13,434)	221,610	208,176
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	6	–	–	(53,407)	(53,407)
Employee share options – value of employee services	21	–	(2,039)	–	(2,039)
		–	(2,039)	(53,407)	(55,446)
Balance at 31 December 2008		214,585	390,934	154,140	759,659
Total comprehensive income 2009		**–**	**(1,193)**	**272,623**	**271,430**
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	6	**–**	**–**	**(64,851)**	**(64,851)**
Employee share options – value of employee services	21	**–**	**1,118**	**–**	**1,118**
		–	**1,118**	**(64,851)**	**(63,733)**
Balance at 31 December 2009		**214,585**	**390,859**	**361,912**	**967,356**

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Cash flow statements

For the year ended 31 December 2009

	NOTES	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers					
(inclusive of goods and services tax)		**802,988**	677,209	**801,198**	677,633
Payments to suppliers and employees					
(inclusive of goods and services tax)		**(422,017)**	(389,016)	**(420,964)**	(389,560)
Payments for exploration		**(5,189)**	(15,608)	**(5,189)**	(15,608)
		375,782	272,585	**375,045**	272,465
Insurance recoveries		**–**	187,699	**–**	187,699
Interest received		**6,048**	1,778	**6,048**	1,746
Financing costs paid		**(1,301)**	(25,932)	**(1,301)**	(25,935)
Income taxes paid		**(131,731)**	(30,394)	**(131,629)**	(30,550)
Net cash inflow from operating activities	28	**248,798**	405,736	**248,163**	405,425
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for deferred stripping and property, plant and equipment		**(37,076)**	(166,817)	**(37,069)**	(166,620)
Proceeds from sale of property, plant and equipment		**105**	1,600	**105**	1,572
Net cash (outflow) from investing activities		**(36,971)**	(165,217)	**(36,964)**	(165,048)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		**–**	216,849	**–**	216,849
Repayment of borrowings		**–**	(313,134)	**–**	(313,134)
Employee share option payments		**(191)**	(1,842)	**(191)**	(1,842)
Dividends paid	6	**(64,851)**	(53,407)	**(64,851)**	(53,407)
Net cash (outflow) from financing activities		**(65,042)**	(151,534)	**(65,042)**	(151,534)
Net increase/(decrease) in cash and cash equivalents		**146,785**	88,985	**146,157**	88,843
Cash and cash equivalents at the beginning of the financial year		**106,894**	17,729	**105,999**	16,976
Effects of exchange rate changes on cash and cash equivalents		**(7)**	180	**(7)**	180
Cash and cash equivalents at end of year	7	**253,672**	106,894	**252,149**	105,999

The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 31 December 2009

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for Energy Resources of Australia Ltd (ERA) as an individual entity and the consolidated entity consisting of ERA and its subsidiaries.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

(i) Compliance with IFRS

The financial statements of Energy Resources of Australia Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets and financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

(iii) Critical accounting estimates

The presentation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies of ERA. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Energy Resources of Australia Ltd (Company or parent entity) as at 31 December 2009 and the results of all subsidiaries for the year then ended. Energy Resources of Australia Ltd and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of ERA.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for the Groups activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Sale of goods

Sales are brought to account when the products pass from the physical control of the Company pursuant to an enforceable contract, when selling prices are known or can be reasonably estimated and when the products are in a form that requires no further treatment by the Company.

In the case where a sale occurs and immediately after which (part of) the goods are borrowed back by ERA under a separate agreement, the revenue is deferred until repayment of the borrowed goods occurs.

(ii) Rendering of services

Revenue from the rendering of services is recognised when the service is provided.

(iii) Other revenue/income

Other revenue/income recognised by the Group includes:

- Interest income, which is recognised on a time proportion basis using the effective interest rate method;
- Rental income, which is recognised on a straight line basis;
- Net gains on disposal of assets, which is recognised at the date control of the asset passes to the acquirer;
- Foreign exchange gains, and
- Insurance recoveries, which is recognised on confirmation from the insurer that the claim payment has been approved.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is ERA's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

(e) Financing costs

Financing costs (including interest) are included in the statement of comprehensive income in the period during which they are incurred, except where they are included in the cost of non current assets that are currently being developed and will take a substantial period of time to complete. The borrowing costs included in the cost of such developments are those costs that would have been avoided if the expenditure on the development had not been made.

Once the asset is ready for use, the capitalised borrowing costs are depreciated as a part of the carrying amount of the related asset.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's outstanding borrowings during the year.

(f) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure, adjusted for risk, required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money. The increase in the provision due to the passage of time is recognised as interest expense.

(i) Rehabilitation

ERA is required to rehabilitate the Ranger Project Area upon cessation of mining operations. The costs are estimated on the basis of a closure model. The cost estimates are calculated annually during the life of the operation to reflect known developments, and are subject to regular reviews.

The amortisation or unwinding of the discount applied in establishing the net present value of provisions is charged to the profit and loss account in each accounting period. The amortisation of the discount is shown as a financing cost. Other movements in the provision for closure and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to lives of operations and revisions to discount rates are capitalised within fixed assets. These costs are then depreciated on a unit of production basis over the life of the reserves.

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the outstanding continuous rehabilitation work at each balance date. All costs of continuous rehabilitation work are charged to the provision as incurred.

Separately, ERA is required to maintain with the Commonwealth Government the Ranger Rehabilitation Trust Fund ("trust fund"), to provide security against the estimated costs of closing and rehabilitating the mine immediately (rather than upon the planned cessation of mining operations). Each year, ERA is required to prepare and submit to the Commonwealth Government an annual amended plan of rehabilitation. Once accepted by the Commonwealth Government, the annual amended plan is then independently assessed and costed and the amount to be provided by ERA, in the trust fund, is then determined. The trust fund includes both cash and financial instruments. The cash portion is shown as an investment on the balance sheet, and interest received by the trust fund is shown as interest income.

ERA is required to rehabilitate the Jabiluka Mineral Lease upon cessation of operations to a standard specified by the Authorisation to Operate issued by the Northern Territory Government. The estimated cost of rehabilitation is currently secured by a bank guarantee and fully provided for in the financial statements.

Notes to the financial statements

(g) Income tax

Income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(i) Tax consolidation legislation

Energy Resources of Australia Ltd and its wholly owned Australian controlled entities have implemented the tax consolidation legislation as at 31 December 2005 and have agreements governing these relationships for tax purposes in place.

The head entity, Energy Resources of Australia Ltd, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Energy Resources of Australia Ltd also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

(h) Trade and other receivables

Trade receivables are normally settled within 45 days and are carried at amounts due. The collectability of trade receivables is reviewed on an ongoing basis and specific provisions are made for any doubtful amounts. Debts which are known to be uncollectible are written off.

Other receivables relate to transactions outside the usual operating activities of the Group and are predominately concerned with rental receipts from employees and businesses located within the Jabiru township. These ongoing activities are expected to be settled during the 12 months subsequent to balance date but are assessed regularly and impaired accordingly.

(i) Inventories

Inventories, other than stores, are carried at the lower of cost and net realisable value. Net realisable value is determined based on estimated future sales prices, exchange rates and capital and production costs, including transport. Inventory is valued using the weighted average cost method and includes both fixed and variable production costs as well as cash and non-cash charges. No accounting value is attributed to ore in situ or stockpiles containing ore at less than the assessed cut off grade. Stores are valued at cost or net realisable value where applicable and are impaired accordingly to take into account obsolescence.

For inventory management purposes the Company may enter into uranium loans as a lending or receiving party. These loans are entered into for logistical purposes and are repaid from the Company's inventory. The uranium loans do not meet the definition of a financial liability and are recorded net of inventory.

Non current inventories consist of stockpiled ore not expected to be processed within twelve months.

(j) Impairment of assets

Assets that have an indefinite useful life and intangible assets that are not yet available for use are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction. The value in use is determined using a discount rate, adjusted for risk, appropriate to the assets inherent risks.

(k) Property, plant and equipment

(i) Acquisition

Items of property, plant and equipment are recorded at historical cost and, except for land, are depreciated as outlined below. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance are charged to the income statement during the period in which they are incurred.

(ii) Depreciation and amortisation

Depreciation of plant and equipment is provided for as follows:

(a) individual assets that have a life equal to or longer than the estimated remaining life of the Ranger mine are depreciated on a unit of production basis over the life of the reserves; and

(b) each other asset is depreciated over its estimated operating life on a straight line basis.

The following indicates the depreciation method for buildings and plant and equipment on which the depreciation charges are based:

- Buildings – units of production over the life of reserves
- Plant and equipment* – units of production over the life of reserves

*Some of these assets are depreciated on a straight line basis over their useful operating life which is less than the life of the Ranger mine. See below for the estimated useful lives.

- Office equipment: computers – three years
- Office equipment: general – five years
- Plant and equipment – five years
- Furniture & fittings – ten years
- Motor vehicles – five years

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

(iii) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases (Note 23). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(iv) Mine properties

Mine properties, consisting principally of Ranger Project Rights, are amortised on a unit of production basis over the life of the economically recoverable resources of Ranger.

(v) Deferred stripping costs

Stripping costs incurred in the development of a mine before production commences are capitalised as part of the cost of constructing the mine and subsequently amortised over the life of the mine on a units of production basis.

Stripping costs incurred during the production stage of mining operations are deferred where they are separately identifiable and do not form part of normal mining activities. These costs are deferred and amortised over the period in which the associated ore is produced.

(l) Exploration and evaluation expenditure

Exploration and evaluation expenditure comprises costs which are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and
- compiling pre-feasibility and feasibility studies.

Exploration and evaluation expenditure also includes the costs incurred in acquiring mineral rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects.

Capitalisation of exploration expenditure commences when there is a high degree of confidence in the project's viability and hence it is probable that future economic benefits will flow to ERA. Capitalised exploration expenditure is reviewed for impairment at each balance sheet date.

Subsequent recovery of the resulting carrying value depends on successful development of the area of interest or sale of the project. If a project does not prove viable, all unrecoverable costs associated with the project and the related impairment provisions are written off. Any impairment provisions raised in previous years are reassessed if there is a change in circumstances which indicates that they may no longer be required, for example if it is decided to proceed with development. If the project proceeds to development, the amounts included within intangible assets are transferred to property, plant and equipment.

(i) Undeveloped properties

Undeveloped properties are mineral concessions where the intention is to develop and go into production in due course. The carrying values of these assets are reviewed annually by management and the results of these reviews are reported to the Audit Committee. Impairment is assessed based on a status report regarding ERA's intentions for development of the undeveloped property and is reviewed using the fair value less cost to sell method.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Notes to the financial statements

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(n) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services received prior to the end of the financial year, whether or not billed to the Company or consolidated entity. Trade accounts payable are normally settled within 60 days.

(o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(p) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates derivatives as hedges against highly probable forecast transactions (cash flow hedges).

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective.

The effective portion of changes in the fair value is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income.

Amounts accumulated in equity are recycled in the statement of comprehensive income in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). When a forecast transaction is no longer expected to occur the cumulative gain or loss that was reported in equity is immediately transferred to the statement of comprehensive income.

Derivative financial instruments are not held for speculative purposes.

(q) Employee entitlements

(i) Wages and salaries, annual leave and sick leave

The liability for employee entitlements to wages and salaries represents the amount which the consolidated entity has a present obligation to pay resulting from employees' services provided up to the reporting date. A provision exists for annual leave as it is earned by employees and is measured at the amount expected to be paid when it is settled and includes all related on costs. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision of employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using the rates attaching to Commonwealth Government securities at the reporting date, which most closely match the terms of maturity of the related liabilities.

(iii) Superannuation plan

Employees of the Company are entitled to benefits on retirement, disability or death from their membership of the Rio Tinto Staff Superannuation Fund ("The Fund"). The Fund has both a defined benefit and a defined contribution section. Contributions to the defined contribution superannuation plans are expensed in the income statement when incurred.

The defined benefits section currently has only two members from Energy Resources of Australia Ltd and as such any surplus or deficit of plan assets are disclosed in the sponsoring entity, Rio Tinto Services Limited.

(r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive.

(i) Change in accounting policy

The Group has adopted AASB 8 Operating Segments from 1 January 2009. AASB 8 replaces AASB114 Segment Reporting. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. The adoption of AASB 8 has not resulted to any significant changes in disclosure of segment information.

(s) Cash and cash equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and deposits held at call, net of any bank overdrafts.

(t) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(u) Earnings per share

(i) Basic earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(v) Rounding of amounts

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial report. Amounts in the financial report have been 'rounded off' in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(w) Share based payments

The fair value of cash settled share plans is recognised as a liability over the vesting period of the awards. Movements in that liability between accounting dates are recognised as an expense. The grant date fair value of the awards is taken to be the market value of the shares at the date of award reduced by a factor for anticipated relative Total Shareholder Return ('TSR') performance. Fair values are subsequently re-measured at each accounting date to reflect the number of awards expected to vest based on the current and anticipated TSR performance. If any awards are ultimately settled in shares, the liability is transferred direct to equity as the consideration for the equity instruments issued.

Equity settled share plans are settled either by the issue of shares by the relevant parent Company, by the purchase of shares on market or by the use of shares previously acquired as part of a share buyback. The fair value of the share plans is recognised as an expense over the expected vesting period with a corresponding entry to other reserves. If the cost of shares acquired to satisfy the plans exceeds the expense charged, the excess is taken to the appropriate reserve. The fair value of the share plans is determined at the date of grant, taking into account any market based vesting conditions attached to the award (e.g. Total Shareholder Return). The Group uses fair values provided by independent actuaries calculated using a lattice based option valuation model.

Non-market based vesting conditions (e.g. earnings per share targets) are taken into account in estimating the number of awards likely to vest. The estimate of the number of awards likely to vest is reviewed at each balance sheet date up to the vesting date, at which point the estimate is adjusted to reflect the actual awards issued. No adjustment is made after the vesting date even if the awards are forfeited or not exercised.

Further information about the treatment of individual share based payment plans is provided in Note 34.

(x) Dividends

Provision is made for the amount of any dividend declared, determined or publicly recommended by the Directors on or before the end of the financial year but not distributed at balance date.

(y) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2009 reporting periods. The Group's and the parent entity's assessment of the impact of these new standards and interpretations is set out below.

(i) Revised AASB 3 *Business Combinations,* AASB 127 *Consolidated and Separate Financial Statements* and AASB 2008-3 *Amendments to Australian Accounting Standards* arising from AASB 3 and AASB 127 (effective 1 July 2009)

The revised AASB 3 continues to apply the acquisition method to business combinations, but with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs must be expensed.

The revised AASB 127 requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses, see Note 1(b) (i). The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss.

The Group will apply the revised standards prospectively to all business combinations and transactions with non-controlling interests from 1 January 2010.

Notes to the financial statements

(ii) AASB 2008-6 *Further Amendments to Australian Accounting Standards* arising from the Annual Improvements Project (effective 1 July 2009)

The amendments to AASB 5 Discontinued Operations and AASB 1 First-Time Adoption of Australian-Equivalents to International Financial Reporting Standards are part of the IASB's annual improvements project published in May 2008. They clarify that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosures should be made for this subsidiary if the definition of a discontinued operation is met. The Group and parent entity will apply the amendments prospectively to all partial disposals of subsidiaries from 1 January 2010.

(iii) AASB 2008-8 *Amendment to Australian Accounting Standards* – Eligible Hedged Items (effective 1 July 2009)

AASB 2008-8 amends AASB 139 Financial Instruments: Recognition and Measurement and must be applied retrospectively in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendment makes two significant changes. It prohibits designating inflation as a hedgeable component of a fixed rate debt. It also prohibits including time value in the one-sided hedged risk when designating options as hedges. The Group and parent entity will apply the amended standard from 1 January 2010. It is not expected to have a material impact on the Group's or the parent entity's financial statements.

(iv) AASB 2009-4 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (effective for annual periods beginning on or after 1 July 2009)

The AASB has made amendments to AASB 2 Share-based Payment, AASB 138 Intangible Assets and AASB Interpretations 9 Reassessment of Embedded Derivatives and 16 Hedges of a Net Investment in a Foreign Operation as a result to the IASB's annual improvements project. The Group and parent entity will apply the amendments from 1 January 2010. The Group and parent entity do not expect that any adjustments will be necessary as a result of applying the revised rules.

(v) AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (effective for annual periods beginning on or after 1 January 2010)

In May 2009, the AASB issued a number of improvements to existing Australian Accounting Standards. The Group and parent entity will apply the revised standards from 1 January 2010. The Group and parent entity do not expect that any adjustments will be necessary as the result of applying the revised rules.

(vi) AASB 2009-8 *Amendments to Australian Accounting Standards – Group Cash-Settled Share-based Payment Transactions* [AASB 2] (effective for annual periods commencing on or after 1 January 2010)

The amendments made by the AASB to AASB 2 confirm that an entity receiving goods or services in a group share-based payment arrangement must recognise an expense for those goods or services regardless of which entity in the group settles the transaction or whether the transaction is settled in shares or cash. They also clarify how the group share-based payment arrangement should be measured, that is, whether it is measured as an equity-settled or a cash-settled transaction. The Group and parent will apply these amendments retrospectively for the financial reporting period commencing on 1 January 2010.

2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Rehabilitation provision

The calculation of the rehabilitation provision relies on estimates of costs required to rehabilitate and restore disturbed land to their original condition. These estimates are reviewed annually and adjusted in order to ensure that the most up to date data is used.

(b) Taxation

The Group has recognised certain deferred tax assets for deductible temporary differences. In recognising these deferred tax assets assumptions have been made regarding the Group's ability to generate future taxable profits.

Judgement is required in regard to the application of income tax legislation. There is an inherent risk and uncertainty in applying these judgements and a possibility that changes in legislation will impact the carrying amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet.

(c) Determination of ore reserves and resources

ERA estimates its ore reserves and resources based on information compiled by Competent Persons as defined in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves of December 2004 (the JORC code).

There are numerous uncertainties inherent in estimating ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. Such changes in reserves could impact on depreciation and amortisation rates, asset carrying values and provisions for rehabilitation.

(d) Impairment

ERA's balance sheet contains items that are subject to impairment testing. In assessing impairment, estimates are required of future market prices, discount rates, exchange rates and capital and production costs in order to assist in the judgement of the recoverable amount.

Management makes estimates and assumptions in regard to impairment which are subject to risk and uncertainty. Changes in circumstances may affect these estimates and the recoverable amount. If the carrying values of the assets are assessed to be impaired, the impairment would be charged against the income statement. Specific details are provided in Note 13.

(e) Share based payments

ERA recognises the fair value of equity settled share based payments granted as remuneration. The fair value of share options is estimated as at the date of grant using a lattice based option valuation model. Key inputs for this valuation model for each of the relevant share based payments plans are detailed in Note 34.

3 Revenue

	CONSOLIDATED		PARENT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
REVENUE FROM CONTINUING OPERATIONS				
Sales revenue				
Sale of goods	767,825	495,557	767,825	495,557
Rendering of services	472	802	–	–
Total sales revenue	768,297	496,359	767,825	495,557
Other revenue				
Interest received/receivable, other parties	7,621	5,388	7,596	5,356
Rent received	729	904	729	904
Net gain on sale of property, plant and equipment	52	1,399	52	1,404
Foreign exchange gains	3,944	–	3,944	–
Total other revenue	12,346	7,691	12,321	7,664
Total revenue from continuing operations	780,643	504,050	780,146	503,221
OTHER INCOME				
Insurance recovery	–	187,699	–	187,699
Total other income	–	187,699	–	187,699

4 Expenses

	NOTES	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
PROFIT BEFORE INCOME TAX INCLUDES THE FOLLOWING SPECIFIC EXPENSES:					
Cost of sales		280,076	241,276	280,076	241,276
Depreciation					
Mine land and buildings		4,201	3,008	4,201	3,004
Plant and equipment		49,712	32,383	49,616	32,296
Total depreciation		53,913	35,391	53,817	35,300
Amortisation					
Mine properties		10,191	10,378	10,191	10,378
Rehabilitation asset		2,498	1,508	2,498	1,508
Total amortisation		12,689	11,886	12,689	11,886
Net exchange loss		50	388	52	388
Rental expense relating to operating leases		215	281	202	278
Royalty payments		9,466	5,660	9,466	5,660
Payments to Aboriginal interests	23	32,184	19,245	32,184	19,245
Financing costs					
Exchange losses on foreign currency borrowings		–	40,785	–	40,785
Related parties		160	4,119	160	4,119
Other parties		1,352	1,309	1,352	1,312
Unwinding of discount		9,679	10,252	9,679	10,252
Total financing costs		11,191	56,465	11,191	56,468
Impairment of assets					
Receivables		273	191	273	191
Inventories – stores and spares		371	1,097	371	1,097
Total impairment of assets		644	1,288	644	1,288
Research and development expenditure		35,280	34,229	35,280	34,229
Defined contribution superannuation expense		5,496	4,690	5,292	4,523

5 Income tax expense

	CONSOLIDATED		PARENT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
INCOME TAX EXPENSE				
Current tax	103,039	97,243	103,051	97,197
Deferred tax	7,972	(5,766)	8,005	(5,776)
Under/(over) provided in prior years	(1,532)	(693)	(1,475)	(653)
Income tax expense	109,479	90,784	109,581	90,768
Deferred income tax (revenue)/expense included in income tax expense comprises:				
Decrease/(increase) in deferred tax assets (Note 19b)	(3,431)	800	(3,369)	810
(Decrease)/increase in deferred tax liabilities (Note 19a)	11,403	(6,566)	11,374	(6,586)
Deferred tax	7,972	(5,766)	8,005	(5,776)
RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE				
Operating profit before income tax	382,053	312,569	382,204	312,378
Tax at the Australian tax rate of 30% (2008 – 30%)	114,616	93,770	114,661	93,714
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:				
R&D tax concession	(2,936)	(1,585)	(2,936)	(1,585)
Amortisation	749	452	749	452
Other items	(1,418)	(1,160)	(1,418)	(1,160)
Income tax under/(over) provided in prior years	(1,532)	(693)	(1,475)	(653)
Income tax expense	109,479	90,784	109,581	90,768
AMOUNTS RECOGNISED DIRECTLY IN EQUITY				
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or (credited) to equity				
Net deferred tax asset (Notes 19b)	(1,323)	861	(1,323)	942
Net deferred tax liability (Notes 19a)	(512)	(5,757)	(512)	(5,757)

Tax consolidation legislation

Energy Resources of Australia Ltd and its wholly-owned Australian controlled entities implemented the tax consolidation legislation as at 31 December 2005. The accounting policy in relation to this legislation is set out in Note 1(g).

6 Dividends

	PARENT	
	2009 $'000	2008 $'000
ORDINARY SHARES		
Final dividend:		
For the year ended 31 December 2008 of 20 cents (2007 – 20 cents) per fully paid share paid on 27 February 2009 (2007 – 29 February 2008). Fully franked (2008 –Fully franked 30%) based on tax paid @ 30% – 6 cents (2007 – 6 cents) per share	38,148	38,148
Interim dividend:		
For the year ended 31 December 2009 of 14 cents fully franked (2008 – 8 cents fully franked) per fully paid share paid on 28 August 2009 (2008 – 20 August 2008)	26,703	15,259
Total dividends provided for or paid	64,851	53,407

DIVIDENDS NOT RECOGNISED AT YEAR END

Since the end of the year the Directors declared the payment of a final dividend of 25 cents (2008: 20 cents) per fully paid ordinary share, fully franked based on tax paid at 30 per cent. The aggregate amount of the final dividend payable on 5 March 2010 out of retained profits at 31 December 2009 but not recognised as a liability is	47,685	38,148

DIVIDEND FRANKING ACCOUNT

	CONSOLIDATED		PARENT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Franking credits available for subsequent financial years based on a tax rate of 30% (2008 – 30%)	254,202	182,997	254,202	182,997

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for franking credits that will arise from the payment of the amount of the provision for income tax.

The impact on the franking account of the dividend recommended by the directors since year end, but not recognised as a liability at year end, will be a reduction in the franking account of $20,436,207 (2008: $16,438,996).

The ability to utilise the franking account credits is dependent upon there being sufficient available profits to declare dividends.

7 Cash and cash equivalents

	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
CURRENT				
Cash at bank and in hand	**4,183**	1,568	**2,660**	673
Deposits at call	**249,489**	105,326	**249,489**	105,326
Cash and cash equivalents	**253,672**	106,894	**252,149**	105,999

Cash at bank/Deposits at call

Cash assets and deposits bear floating interest rates between 0.00% and 4.95% (2008 – 0.00% and 7.63%).

Interest rate risk exposure

The Group's and the parent entity's exposure to interest rate risk is discussed in Note 31.

8 Trade and other receivables

	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT 2009 $'000	PARENT 2008 $'000
CURRENT				
Trade debtors	**55,478**	48,701	**55,429**	47,417
Other debtors	**7,007**	5,392	**6,869**	5,152
Provision for impairment	**(2,436)**	(2,163)	**(2,436)**	(2,163)
Net other debtors	**4,571**	3,229	**4,433**	2,989
Related entity	**–**	–	**1,892**	1,273
Trade and other receivables	**60,049**	51,930	**61,754**	51,679

Impairment of receivables

No trade receivables are past due. There is no impairment of trade receivables.

The impairment of other receivables relate to transactions outside the usual operating activities of the Group and are predominately concerned with receipts from employees and businesses operating within the Jabiru township. These ongoing activities are expected to be settled during the 12 months subsequent to balance date.

Foreign exchange and interest rate risk

ERA operates internationally but is primarily exposed to foreign exchange risk arising from currency exposures with respect to the US dollar. A summarised analysis of the sensitivity of trade and other receivables to foreign exchange and interest rate risk can be found in Note 31.

Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount approximates their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. The Group does not hold any collateral as security. Refer to Note 31 for more information on the risk management policy of the Group.

9 Inventories – current

	CONSOLIDATED		PARENT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Stores and spares	23,194	20,511	23,194	20,511
Ore stockpiles at cost	22,345	16,506	22,345	16,506
Work in progress at cost	3,580	2,691	3,580	2,691
Finished product U3O8 at cost	85,257	76,666	85,257	76,666
Total current Inventory	134,376	116,374	134,376	116,374

Inventory expense

Obsolescence of inventory provided for and recognised as an expense during the year ended 31 December 2009 amounted to $371,199 (2008: $1,097,479). Any expense incurred relates to raw materials and consumables and has been disclosed as such in the statements of comprehensive income.

10 Derivative financial instruments

	CONSOLIDATED		PARENT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Forward exchange contracts – cash flow hedges	–	1,705	–	1,705

Instruments used by the Group

The consolidated entity derives most of its revenue in United States dollars and incurs most of its costs in Australian dollars (refer to Note 31).

In the previous financial year, the consolidated entity utilised forward exchange contracts to protect against adverse exchange rate movements. Hedging gains and losses including option premiums were brought to account as part of the underlying transactions.

The contracts were hedged against highly probable forecast sales. At the balance date there are no outstanding hedging contracts.

	MATURITY	WEIGHTED AVERAGE RATE A$/US$	2009 $'000	2008 $'000
FORWARDS				
Sell US$/Buy A$	Less than 1 year	NA (2008: 0.57)	–	8,000
	Total	NA (2008: 0.57)	–	8,000

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity. When the cash flows occur, the initial measurement of the component recognised in the balance sheet is adjusted by the related amount deferred in equity.

Risk exposures

Information about the Group's and the parent entity's exposure to credit risk, foreign exchange and interest rate risk is provided in Note 31.

11 Other assets

	CONSOLIDATED		PARENT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Prepayments	921	711	917	709

12 Inventories – non-current

	CONSOLIDATED		PARENT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Ore stockpiles at cost	182,786	146,614	182,786	146,614

13 Undeveloped properties

	CONSOLIDATED		PARENT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Jabiluka: Long-term care and maintenance development project				
Balance brought forward	203,632	203,212	203,632	203,212
Amount capitalised during the year	–	420	–	420
Total undeveloped properties	203,632	203,632	203,632	203,632

Undeveloped properties are considered an asset not yet ready for use. The recoverable amount of the undeveloped properties is determined using the fair value less cost to sell method.

Fair value less cost to sell has been determined using a discounted cash flow model. Key assumptions to which the model is most sensitive include:

- Uranium prices
- Foreign exchange rates
- Production and capital costs
- Discount rate
- Mineral reserves and resources

In determining the value assigned to each key assumption, management has used external sources of information and has utilised the expertise of external consultants to validate entity–specific assumptions such as costs, production techniques and mineral reserves.

Further, the Company's cash flow forecasts are based on estimates of future uranium prices, which assume market prices will revert to the Company's assessment of the long term average price, generally over a period of three to five years.

The recoverable amount is dependent on the life of the ore body together with the term of the mining lease. It reflects expected future cashflows contained in the long term asset plan with an adjustment of cashflows expected to take into account project development risk. The Company has projected cashflows for the period of the current mining lease, together with a ten year renewal period.

The discount rate applied to the future cash flow forecasts represent an estimate of the rate the market would apply having regard to the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

During the period no scope changes have occurred that require reflection in the cash flow projections since the last reporting period. Key economic assumptions have been updated to reflect current best estimate.

A range of sensitivities have been conducted, including for discount rate, foreign exchange and uranium price. These sensitivities did not indicate the carrying value to be above fair value. Further, the sensitivities indicate the carrying value remains recoverable with a discount rate in excess of twice the base line.

Based on these procedures, including reasonable evidence and economic predictions available, the directors believe the recoverable amount of the undeveloped properties is in excess of the assets carrying value.

14 Property, plant and equipment

CONSOLIDATED	MINE LAND AND BUILDINGS $'000	PLANT AND EQUIPMENT $'000	MINE PROPERTIES $'000	REHABILITATION $'000	TOTAL $'000
YEAR ENDED 31 DECEMBER 2009					
Opening net book amount	**23,906**	**379,896**	**75,625**	**11,424**	**490,851**
Additions	**7,710**	**24,986**	**4,379**	**–**	**37,075**
Disposals	**–**	**(53)**	**–**	**–**	**(53)**
Change in estimate	**–**	**–**	**–**	**9,154**	**9,154**
Transfers	**–**	**–**	**–**	**–**	**–**
Depreciation/amortisation charge	**(4,201)**	**(49,712)**	**(10,191)**	**(2,498)**	**(66,602)**
Closing net book amount	**27,415**	**355,117**	**69,813**	**18,080**	**470,425**
Cost	**111,110**	**807,043**	**411,379**	**58,137**	**1,387,669**
Accumulated depreciation/ amortisation	**(83,695)**	**(451,926)**	**(341,566)**	**(40,057)**	**(917,244)**
Net book amount	**27,415**	**355,117**	**69,813**	**18,080**	**470,425**
YEAR ENDED 31 DECEMBER 2008					
Opening net book amount	24,093	248,904	86,003	9,612	368,612
Additions	419	165,978	–	–	166,397
Disposals	(77)	(124)	–	–	(201)
Change in estimate	–	–	–	3,320	3,320
Transfers	2,479	(2,479)	–	–	–
Depreciation/amortisation charge	(3,008)	(32,383)	(10,378)	(1,508)	(47,277)
Closing net book amount	23,906	379,896	75,625	11,424	490,851
Cost	103,399	782,273	407,000	48,983	1,341,655
Accumulated depreciation/ amortisation	(79,493)	(402,377)	(331,375)	(37,559)	(850,804)
Net book amount	23,906	379,896	75,625	11,424	490,851

14 Property, plant and equipment (continued)

PARENT	MINE LAND AND BUILDINGS $'000	PLANT AND EQUIPMENT $'000	MINE PROPERTIES $'000	REHABILITATION $'000	TOTAL $'000
YEAR ENDED 31 DECEMBER 2009					
Opening net book amount	**23,906**	**379,480**	**75,625**	**11,424**	**490,435**
Additions	**7,710**	**24,979**	**4,379**	**–**	**37,068**
Disposals	**–**	**(53)**	**–**	**–**	**(53)**
Change in estimate	**–**	**–**	**–**	**9,154**	**9,154**
Transfers	**–**	**–**	**–**	**–**	**–**
Depreciation/amortisation charge	**(4,201)**	**(49,616)**	**(10,191)**	**(2,498)**	**(66,506)**
Closing net book amount	**27,415**	**354,790**	**69,813**	**18,080**	**470,098**
Cost	**110,595**	**805,906**	**411,379**	**58,137**	**1,386,017**
Accumulated depreciation/ amortisation	**(83,180)**	**(451,116)**	**(341,566)**	**(40,057)**	**(915,919)**
Net book amount	**27,415**	**354,790**	**69,813**	**18,080**	**470,098**
YEAR ENDED 31 DECEMBER 2008					
Opening net book amount	24,075	248,579	86,003	9,612	368,269
Additions	418	165,782	–	–	166,200
Disposals	(63)	(105)	–	–	(168)
Change in estimate	–	–	–	3,320	3,320
Transfers	2,479	(2,479)	–	–	–
Depreciation/amortisation charge	(3,003)	(32,297)	(10,378)	(1,508)	(47,186)
Closing net book amount	23,906	379,480	75,625	11,424	490,435
Cost	102,885	781,143	407,000	48,983	1,340,011
Accumulated depreciation/ amortisation	(78,979)	(401,663)	(331,375)	(37,559)	(849,576)
Net book amount	23,906	379,480	75,625	11,424	490,435

Assets under construction

The carrying amounts of the assets disclosed above include the following expenditure recognised in relation to property, plant and equipment which is in the course of construction:

	CONSOLIDATED		PARENT	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Plant and equipment	**23,744**	162,408	**23,717**	162,346

15 Investment in trust fund

	CONSOLIDATED		PARENT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
NON-CURRENT				
Trust Fund	53,270	51,698	53,270	51,698

Trust fund

The Trust Fund holds a restricted fixed term investment in the form of bank bills which mature and are reinvested periodically. The applicable weighted average interest rate for the year ended 31 December 2009 was 4.09% (2008: 7.31%).

16 Payables

	CONSOLIDATED		PARENT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
CURRENT				
Trade payables	61,692	70,446	61,212	69,521
Amounts due to related parties	5,219	6,039	5,219	4,917
Other payables	1,977	3,609	1,921	3,602
Total payables	68,888	80,094	68,352	78,040

17 Provisions – current

	CONSOLIDATED		PARENT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
CURRENT				
Employee benefits	9,330	7,740	9,013	7,676
Rehabilitation	14,949	15,119	14,949	15,119
Total current provisions	24,279	22,859	23,962	22,795

Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	REHABILITATION $'000
CONSOLIDATED AND PARENT – 2009	
Carrying amount at the start of the year	15,119
Payments	(4,994)
Transfer from non-current provision	4,824
Carrying amount at the end of the year	14,949

	REHABILITATION $'000
CONSOLIDATED AND PARENT – 2008	
Carrying amount at the start of the year	3,206
Payments	(3,905)
Transfer from non-current provision	15,818
Carrying amount at the end of the year	15,119

18 Provisions – non-current

	CONSOLIDATED		PARENT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
NON-CURRENT				
Employee benefits	2,527	1,705	2,393	1,571
Rehabilitation	196,186	182,178	196,186	182,178
Total non-current provisions	198,713	183,883	198,579	183,749

Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	REHABILITATION $'000
CONSOLIDATED AND PARENT – 2009	
Carrying amount at the start of the year	182,178
Change in estimate	(1,641)
Unwinding of discount	9,679
Additional provisions recognised	10,794
Transfer to current provision	(4,824)
Carrying amount at the end of the year	196,186

	REHABILITATION $'000
CONSOLIDATED AND PARENT – 2008	
Carrying amount at the start of the year	184,424
Change in estimate	(5,504)
Unwinding of discount	10,252
Additional provisions recognised	8,824
Transfer to current provision	(15,818)
Carrying amount at the end of the year	182,178

19 Deferred tax liabilities

	CONSOLIDATED		PARENT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
(A) DEFERRED TAX LIABILITY				
The balance comprises temporary differences attributable to:				
Amounts recognised in profit and loss				
Property, plant and equipment	37,322	43,116	37,266	43,063
Investment in trust fund	15,981	15,509	15,981	15,509
Undeveloped properties	23,405	23,405	23,405	23,405
Inventories	25,623	4,929	25,623	4,929
Receivables	1,747	2,086	1,747	2,093
	104,078	89,045	104,022	88,999
Amount recognised directly in equity				
Cash flow hedges	–	512	–	512
Total deferred tax liabilities	104,078	89,557	104,022	89,511
Off-set of deferred tax asset pursuant to set-off provisions (Note 19b)	(55,649)	(49,774)	(55,444)	(49,621)
Net deferred tax liabilities	48,429	39,783	48,578	39,890
Movements				
Opening balance at 1 January	89,557	101,680	89,511	101,671
(Credited) to the income statement (Note 5)	11,403	(6,566)	11,374	(6,586)
(Credited) to equity (Note 21)	(512)	(5,757)	(512)	(5,757)
(Over) provided in prior years credited to the income statement	3,630	–	3,649	–
Over/(Under) provided in prior years credited to equity	–	200	–	183
Closing balance at 31 December	104,078	89,557	104,222	89,511

	CONSOLIDATED		PARENT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
(B) DEFERRED TAX ASSETS				
The balance comprises temporary differences attributable to:				
Amounts recognised in profit and loss				
Rehabilitation	48,893	45,362	48,893	45,362
Employee provisions	3,053	2,068	2,986	2,019
Other payables	2,379	3,360	2,241	3,256
	54,325	50,790	54,120	50,637
Amount recognised directly in equity				
Share benefits	1,324	(1,016)	1,324	(1,016)
Total deferred tax assets	55,649	49,774	55,444	49,621
Set-off of deferred tax liabilities pursuant to set-off provisions (Note 19a)	(55,649)	(49,774)	(55,444)	(49,621)
Net deferred tax assets	–	–	–	–
Movements				
Opening balance at 1 January	49,774	51,435	49,621	51,373
(Debited)/credited to the income statement (Note 5)	3,431	(800)	3,369	(810)
(Over) provided in prior years credited to the income statement	1,121	–	1,131	–
Under/(over) provided in prior years credited to equity	1,323	(861)	1,323	(942)
Closing balance at 31 December	55,649	49,774	55,444	49,621

20 Share capital

	CONSOLIDATED AND PARENT		CONSOLIDATED AND PARENT	
	2009 SHARES	2008 SHARES	2009 $'000	2008 $'000
SHARE CAPITAL				
A Class shares fully paid	**190,737,934**	190,737,934	**214,585**	214,585
Total contributed equity			**214,585**	214,585

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Capital risk management

Details of the Group's exposure to risks when managing capital are set out in Note 31.

21 Reserves and retained profits

	CONSOLIDATED		PARENT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
RESERVES				
Hedging reserve – cash flow hedges	–	1,193	–	1,193
Share-based payments reserve	1,359	241	1,359	241
Capital reconstruction	389,500	389,500	389,500	389,500
Total Reserves	390,859	390,934	390,859	390,934
Movements				
Hedging reserve – cash flow hedges				
Balance 1 January	1,193	14,627	1,193	14,627
Revaluation – gross	311	(642)	311	(642)
Deferred tax	(93)	192	(93)	192
Transfer to net profit – gross	(2,016)	(18,549)	(2,016)	(18,549)
Deferred tax	605	5,565	605	5,565
Balance 31 December	–	1,193	–	1,193
Share-based payments reserve				
Balance 1 January	241	2,280	241	2,280
Option expense	1,118	(2,039)	1,118	(2,039)
Balance 31 December	1,359	241	1,359	241
Capital reconstruction				
Balance 1 January	389,500	389,500	389,500	389,500
Movements	–	–		–
Balance 31 December	389,500	389,500	389,500	389,500
RETAINED PROFITS				
Movements in retained profits were as follows:				
Opening retained earnings – 1 January	153,407	(14,971)	154,140	(14,063)
Net profit for the year	272,574	221,785	272,623	221,610
Dividends paid	(64,851)	(53,407)	(64,851)	(53,407)
Closing retained earnings – 31 December	361,130	153,407	361,912	154,140

Nature and purpose of reserves

Hedging reserve – cash flow hedges

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, as described in Note 1(p). Amounts are recognised in profit and loss when the associated hedged transaction affects profit and loss.

Share-based payments reserve

The share based payments reserve is used to recognise the fair value of equity instruments issued to employees but not exercised.

Capital reconstruction reserve

In June 1995, ERA reduced its share capital by cancelling $0.95 of the capital paid up on each issued share and reducing the par value of each issued share from $1.00 to $0.05. The cancelled capital (comprising $389,500,000 in total) was credited to a Capital Reconstruction Reserve. The Company has the ability to distribute capital to shareholders from this reserve.

22 Contingencies

Contingent liabilities

Legal actions against Energy Resources of Australia Ltd.

The remaining argument in the action listed in the Federal Court against the former Commonwealth Minister for Resources and ERA claiming that due process was not followed in granting approvals for the Jabiluka Mill Alternative is dormant. Should ERA proceed with the Jabiluka Mill Alternative, notice will be given to the applicant who may or may not wish to pursue the argument further.

No material losses are anticipated in respect of any of the above contingent liabilities or legal disputes.

23 Commitments

Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	CONSOLIDATED		PARENT	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Within one year	**49,830**	34,900	**49,830**	34,900

Lease commitments

Operating leases

Future operating lease rentals not provided for in the financial statements and payable:

Commitments in relation to leases contracted for at the reporting datebut not recognised as liabilities, payable				
Within one year	**773**	1,466	**759**	1,452
Later than one year but not later than five years	**1,718**	2,847	**1,704**	1,598
Total operating leases	**2,491**	4,313	**2,463**	3,050

The consolidated entity leases property, plant and equipment under operating leases expiring from two to four years. Some leases provide the consolidated entity with a right of renewal at which time all terms are renegotiated. Lease payments comprise a base amount and may include an incremental contingent rental.

Mineral tenement leases

Future mineral tenement lease payment not provided for in the financial statements and payable:

Within one year	**73**	73	**73**	73
Later than one year but not later than five years	**291**	291	**291**	291
Later than five years	**699**	772	**699**	772
Total mineral tenement leases	**1,063**	1,136	**1,063**	1,136

In order to maintain current rights of tenure to mining tenements, the consolidated entity will be required to outlay an amount of approximately $73,000 in the year ending 31 December 2010 in respect of tenement lease rentals.

ERA is liable to make payments to the Commonwealth as listed below:

(i) An amount equal to the sum payable by the Commonwealth to the Northern Land Council pursuant to the Section 44 Agreement *Aboriginal Land Rights (NT) Act 1976*. This amounts to $200,000 per annum during the currency of the Agreement;

(ii) Amounts equal to the sums payable by the Commonwealth to the Aboriginal Benefits Reserve pursuant to a determination under Section 63(5) (b) of the *Aboriginal Land Rights (NT) Act 1976*. These amounts are calculated at 4.25 per cent of Ranger net sales revenue (amounts paid during 2009: $32,183,844. 2008: $19,245,102);

(iii) Amounts equal to sums payable by the Commonwealth to the Northern Territory pursuant to an understanding in respect of financial arrangements between the Commonwealth and the Government of the Northern Territory. These amounts are also calculated as though they were royalties and the relevant rate is 1.25 per cent of Ranger net sales revenue (amounts paid during 2009: $9,465,835. 2008: $5,660,324);

ERA is liable to make payments to the Northern Land Council (NLC) pursuant to the Section 43 Agreement *(Aboriginal Land Rights (NT) Act 1976)* between Pancontinental Mining Limited and Getty Oil Development Company Limited and the NLC dated 21 July 1982, which was assigned to ERA with the consent of the NLC, as listed below:

(i) Up front payment of $3,400,000 on the commencement of production at Jabiluka.

(ii) Annual royalty payments calculated at 4.5 per cent of net sales revenue less $500,000 less any amounts paid to the Aboriginal Benefits Reserve by the Commonwealth under the conditions specified in the mineral lease for the first 10 years and thereafter at 5 per cent of net sales revenue less any amounts paid to the Aboriginal Benefits Reserve by the Commonwealth under the conditions specified in the mineral lease (refer commitment below).

ERA is liable to make payments to the Commonwealth in respect of the Jabiluka project pursuant to the conditions attached to the Mineral Lease. The amount payable was, until 30 June 1990, calculated at the rate of 5.25 per cent of net sales revenue from the Jabiluka project.

24 Auditor's remuneration

During the year the auditor of the parent entity and its related practices earned the following remuneration:

	CONSOLIDATED		PARENT	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
AUDIT SERVICES				
PricewaterhouseCoopers Australian firm				
Audit and review of financial reports	**260**	278	**260**	278
Total remuneration for audit services	**260**	278	**260**	278

25 Related parties

Directors

The names of persons who were Directors of ERA at any time during the financial period are as follows:
R Carter, H Garnett, D Klingner, R Atkinson, C Salisbury, P Taylor and J Pegler, appointed 30th July, 2009.

Information relating to Directors' compensation, shareholdings and retirement benefits is set out in the Remuneration Report in the Directors' Report.

Key management personnel

Key management personnel compensation

	CONSOLIDATED		PARENT	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Short-term employee benefits	**3,409**	3,698	**3,041**	3,311
Post-employment benefits	**320**	306	**257**	234
Share-based payments	**795**	162	**637**	141
	4,524	4,166	**3,935**	3,686

In compliance with Corporations Regulations 2001 2M.3.03 the Company has provided detailed remuneration disclosures in the Directors report. The relevant information can be found in the remuneration report on pages 31 to 44.

Loans with Directors and key management personnel

There are no loans with Directors or key other management personnel during 2009 (2008: nil).

Transactions with Directors and Director-related entities

There were no transactions with Director related entities other than Rio Tinto Limited during 2009. Details of transactions with Rio Tinto Limited are outlined below.

Controlled entity

Information relating to the controlled entity is set out in Note 26 and Note 32.

Ultimate parent entity

The ultimate parent entity is Rio Tinto Limited. This interest is held through North Limited (incorporated in Victoria, Australia) which has beneficial ownership of 68.4 per cent of the issued ordinary shares of the Company. North Ltd owns 34.1 per cent directly and the remaining 34.3 per cent through its subsidiary, Peko Wallsend Ltd.

Loan from related party

During the period ERA was a party to a USD$140m short term loan arrangement with Rio Tinto Finance Limited, a wholly owned subsidiary of Rio Tinto Limited. During the period the facility was not utilised and subsequently expired on 30 June 2009. The facility was negotiated on commercial terms and conditions. Information relating to the financing arrangements is set out in Note 31.

Interest income

Interest income is received from Rio Tinto Finance Ltd which holds cash on behalf of the Company.

Intercompany foreign exchange contracts

Foreign currency forwards and options, as per Note 10 have previously been taken out with North Finance Limited, a wholly owned subsidiary of Rio Tinto Limited.

Notes to the financial statements

Transactions with related parties

The following transactions occurred with related parties:

	CONSOLIDATED		PARENT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Other transactions				
Management services fees paid to ultimate parent entity:				
Rio Tinto Limited	1,600	1,600	1,600	1,600
Consulting fees paid to:				
EWLS Pty Ltd – controlled entity	–	–	5,361	4,133
Rio Tinto Limited	5,768	5,136	5,768	5,136
Interest paid to:				
Rio Tinto Limited	–	5,347	–	5,347
Other re–imbursements for commercial services:				
Rio Tinto Limited	16,544	21,460	16,544	21,460
Amounts received from related parties:				
Rio Tinto Limited – other	264	172	264	172
Rio Tinto Limited – interest	5,383	1,407	5,383	1,407
Dividends paid to:				
Related parties – North Ltd	22,114	18,212	22,114	18,212
Related parties – Peko Wallsend Ltd	22,244	18,314	22,244	18,314

Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Aggregate amounts receivable from and payable to each class of other related parties at balance date were as follows:				
Assets – derivative financial instruments				
Related parties – North Finance Limited	–	1,705	–	1,705
Current assets – cash assets				
Related parties – Rio Tinto Finance Ltd	249,489	105,326	249,489	105,326
Current assets – receivables				
Related parties – Rio Tinto companies	423	215	423	215
Controlled entities – EWLS Pty Ltd	–	–	–	1,121
Current liabilities – creditors				
Related parties – Rio Tinto companies	4,286	8,401	4,268	8,401
Controlled entities – EWLS Pty Ltd	–	–	1,892	1,271

All related party transactions were conducted on commercial terms and conditions and at market rates.

26 Investment in controlled entity

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(b):

NAME OF ENTITY	COUNTRY OF INCORPORATION	CLASS OF SHARES	EQUITY HOLDING 2009 %	2008 %
EWL Sciences Pty Ltd	Australia	Ordinary	100	100

The above controlled entity is wholly-owned and no dividends were paid to the parent entity (2008: $Nil).

27 Segment information

Description of segments

Segment information is prepared in conformity with the accounting policies of the consolidated entity as disclosed in Note 1 and AASB 8 – Operating Segments. Management has determined the operating segments based on the reports reviewed by the Chief Executive that are used to make strategic decisions.

The Chief Executive considers the business from both a product and service type perspective and has identified two reportable segments:

Uranium – Mining, processing and sale of uranium
Consulting – Providing environmental consulting services

The segments identified are not materially different to the industry or those disclosed in previous financial years. The Chief Executive monitors the performance of these reportable segments separately. There are no other unallocated operations of the consolidated entity.

Primary reporting – business segments

The segment information provided to the Chief Executive for the reportable segments for the year ended 31 December 2009 is as follows:

2009	URANIUM $'000	CONSULTING $'000	ELIMINATIONS $'000	CONSOLIDATED $'000
Total segment revenue	780,146	5,858	(5,361)	780,643
Intersegment sales (note (ii))	–	5,361	(5,361)	–
Revenue from external customers	767,825	472	–	768,297
Other revenue	12,321	25	–	12,346
Total segment revenue	780,146	5,858	(5,361)	780,643
Other income	–	–	–	–
Segment result	382,204	(151)	–	382,053
Income tax expense	–	–	–	(109,479)
Profit for the year				272,574
Segment assets	1,359,082	49	–	1,359,131
Total assets				1,359,131
Segment liabilities	391,726	831	–	392,557
Total liabilities				392,557
Acquisitions of non-current assets	37,068	7	–	37,075
Depreciation and amortisation expense	66,506	96	–	66,602

Notes to the financial statements

There was no significant impairment charge or other significant non-cash item recognised in 2009.

The segment information provided to the Chief Executive Officer for the reportable segments for the year ended 31 December 2008 is as follows:

2008	URANIUM $'000	CONSULTING $'000	ELIMINATIONS $'000	CONSOLIDATED $'000
Total segment revenue	503,221	829	–	504,050
Intersegment sales	–	4,133	(4,133)	–
Revenue from external customers	503,221	4,962	(4,133)	504,050
Other revenue	–	–	–	–
Total segment revenue	503,221	4,962	(4,133)	504,050
Other income	187,699	–	–	187,699
Segment result	312,378	191	–	312,569
Income tax expense				(90,784)
Profit for the year				221,785
Segment assets	1,168,945	1,464	–	1,170,409
Total assets				1,170,409
Segment liabilities	409,286	2,197	–	411,483
Total liabilities				411,483
Acquisitions of non-current assets	166,200	197	–	166,397
Depreciation and amortisation expense	47,186	91	–	47,277

There was no significant impairment charge or other significant non-cash item recognised in 2008.

Other segment information

Segment revenue

Sales between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties reported to the Chief Executive Officer is measured in a manner consistent with that in the income statement.

Revenues from external customers are derived from the sale of uranium. A breakdown of revenue and results is provided in the tables above. Segment revenue reconciles to total revenue from continuing operations as disclosed in note 3.

The consolidated entity is domiciled in Australia. The result of its revenue from external customers in other countries is outlined in the table below:

	SEGMENT REVENUES FROM SALES TO EXTERNAL CUSTOMERS	
	2009 $'000	2008 $'000
Asia	**185,305**	235,736
United States	**432,272**	184,620
Europe	**150,248**	75,195
	767,825	495,557

Segment revenues are allocated based on the country in which the customer is located.

Segment assets

The amounts provided to the Chief Executive Officer with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, inventories, property, plant and equipment and other assets, net of provisions.

All assets of the consolidated entity as at 31 December 2009 are in Australia with the exception of inventories in transit or at converters of $45,870,578 (2008 – $38,605,000). All acquisitions of property, plant and equipment and other non-current assets occurred in Australia.

Segment liabilities

The amounts provided to the Chief Executive Officer with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. Segment liabilities consist primarily of trade and other creditors, employee entitlements and provisions. The consolidated entity does not have any borrowings or derivative financial instruments as at 31 December 2009.

28 Reconciliation of profit after income tax to net cash inflow from operating activities

	CONSOLIDATED		PARENT	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Profit for the year	**272,574**	221,785	**272,623**	221,610
Add/(less) items classified as investing/financing activities:				
Net gain (loss) on sale of non-current assets	**(52)**	(1,399)	**(52)**	(1,404)
Net gain (loss) on loan foreign exchange	**–**	40,785	**–**	40,785
Add/(less) non-cash items:				
Depreciation and amortisation	**66,602**	47,277	**66,506**	47,186
Rehabilitation provision: unwinding of discount	**9,679**	10,252	**9,679**	10,252
Employee benefits: share based payments	**1,309**	(197)	**1,309**	(197)
Net exchange differences	**7**	(180)	**7**	(180)
Change in operating assets and liabilities				
(Increase)/decrease in trade and other receivables	**(8,119)**	79,277	**(10,075)**	80,579
(Increase)/decrease in inventories	**(54,174)**	(68,580)	**(54,174)**	(68,580)
(Increase)/decrease in other assets	**(210)**	490	**(209)**	493
(Increase)/decrease in investment in trust fund	**(1,572)**	(3,610)	**(1,572)**	(3,610)
(Decrease)/increase in payables	**(11,206)**	31,368	**(9,689)**	30,249
(Decrease)/increase in current tax liabilities	**(32,616)**	65,095	**(32,557)**	64,869
(Decrease)/increase in deferred income	**–**	(10,192)	**–**	(10,192)
(Decrease)/increase in net provision for deferred tax liabilities	**9,157**	(4,705)	**9,198**	(4,651)
(Decrease)/increase in provisions	**(2,581)**	(1,730)	**(2,831)**	(1,784)
Net cash inflow provided from operating activities	**248,798**	405,736	**248,163**	405,425

29 Financing arrangements

	CONSOLIDATED		PARENT	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
The consolidated entity has access to the following lines of credit:				
Total facilities available:				
Loan from related party	**–**	202,576	**–**	202,576
Facilities not utilised at balance date:				
Loan from related party	**–**	202,576	**–**	202,576

Loan from related party

The loan facility from related parties was unsecured and expired on 30 June 2009, it was not used during the period. The facility was denominated in US$, however draw downs and repayments made during 2008 were denominated in either US$ or A$ specific to the transaction. The interest rate charged was the current bank bill swap bid rate at the date of draw down plus an agreed margin. For the year ended 31 December 2008 the weighted average interest rate was 6.55% pa.

30 Earnings per share

	CONSOLIDATED	
	2009 CENTS	2008 CENTS
Basic earnings per share	**142.9**	116.3
Diluted earnings per share	**142.9**	116.3

Earnings used in the calculation of basic and diluted earnings per share: 2009: $272,573,600 (2008: $221,785,000)

Weighted average number of ordinary shares on issue used in calculation of basic earnings per share: 2009: 190,737,934 shares (2008: 190,737,934)

Options

Options granted to employees are granted under the share-based payment plans are for options in Rio Tinto plc and Rio Tinto Ltd. Therefore, the options have not been included in the determination of diluted earnings per share. Details relating to the options are set out in Note 34.

31 Financial risk management

ERA carries out risk management under policies approved by the board of directors. The board provides principles for overall risk management, as well as written policies covering specific areas, such as mitigating interest rate and other risks, use of derivative and non-derivative financial instruments. The subsidiary does not utilise any financial instruments, and as such, sensitivities are identical for both parent and group.

The Group's business is mining and not trading. Accordingly, the Group only contracts to sell uranium that it plans to produce, however purchasing uranium for resale may be required in circumstances where actual production falls short of contractual sales volumes. The Group operates entirely in Australia and is exposed primarily to Australian dollar denominated costs. Sales are denominated in US dollars.

Market risk

Foreign exchange risk

ERA markets its products internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. It is no longer group policy to hedge against foreign exchange risk, all legacy financial instruments held in the form of foreign exchange contracts expired during 2009. Details of these financial instruments used are set out in Note 10.

The Group's exposure to foreign currency risk at the reporting date was as follows:

	CONSOLIDATED		PARENT	
	2009 USD $'000	2008 USD $'000	**2009 USD $'000**	2008 USD $'000
Trade receivables	**49,600**	27,596	**49,600**	27,596
Forward exchange contracts:				
Current	**–**	1,103	**–**	1,103

Group sensitivity

At 31 December 2009, had the Australian Dollar weakened/strengthened by 10% against the US Dollar with all other variables held constant, the change in trade receivables would have effected post-tax profit for the year by $3,153,068 higher/$3,505,221 lower (2008: $2,795,134 higher/$2,541,031 lower). The effect on equity of the derivative financial instruments at December 2008 would have been $170,000 higher/$155,000 lower arising from foreign forward exchange contracts designated as cash flow hedges. No derivative financial instruments were outstanding at December 2009. The group uses no other financial instruments to manage foreign exchange risks.

Commodity price risk

In the absence of uranium being traded on global futures exchanges, the Group uses a combination of both fixed and market price related contracts for future sales to manage this exposure. No financial instruments are used by the group to manage commodity price risk.

Interest rate risk

The Group's main interest rate risk arises from cash on deposit. When cash is surplus to operational and investing requirements it is invested in lump sum deposits to maximise interest received. In addition, the Group is exposed to interest rate risk on cash in the investment trust fund.

Notes to the financial statements

Credit risk

The group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. Where customers are rated by an independent credit rating agency, these ratings are used to set credit limits. If no independent rating exists, the credit quality of the customer is subject to extensive assessment. Letters of credit and other forms of credit insurance are also used as required. Derivative counterparties, cash transactions and cash invested through the investment/trust fund are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

	CONSOLIDATED		PARENT	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
TRADE RECEIVABLES				
AA	**–**	–	**–**	–
A	**10,065**	30,240	**10,065**	30,240
BBB	**–**	–	**–**	–
BB	**–**	9,690	**–**	9,690
B	**–**	–	**–**	–
Other	**45,413**	8,771	**45,364**	7,487

Liquidity and capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group does not have a target debt to equity ratio, but has a policy of maintaining a flexible financing structure to be able to fund capital expenditure programmes, pay dividends and fund expansion opportunities as they arise. This policy is balanced against the desire to ensure efficiency in the debt/equity structure of the Group's balance sheet in the longer term through pro-active capital management programmes.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these amounts.

Derivative financial instruments

The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date.

32 Economic dependency

A controlled entity, EWL Sciences Pty Ltd, depends on ERA for a significant source of revenue. During the 2009 reporting period, 88 per cent of EWL Sciences Pty Ltd revenue (2008: 84 per cent) was derived from services provided to ERA.

33 Events subsequent to balance date

Since the end of the year the Directors declared the payment of a final dividend, details of which are set out in Note 6.

No other matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect the operations or state of affairs of the consolidated entity in subsequent financial years.

34 Share-based payments

ERA participates in a number of share-based payment plans administered by Rio Tinto plc and Rio Tinto Limited, which are described in detail in the Remuneration Report. These plans have been accounted for in accordance with the fair value recognition provisions of AASB2, 'Share-based Payments', which means that AASB2 has been applied to all grants of employee share-based payments that had not vested as at 1 January 2004.

Mining Companies Comparative Plan ("MCCP")

Awards under this plan are accounted for in accordance with the requirements applying to cash-settled share-based payment transactions. If any awards are ultimately settled in shares, the liability is transferred direct to equity as the consideration for the equity instruments issued. The grant date fair value of the awards is taken to be the market value of the shares at the date of award reduced by 50 per cent for anticipated relative TSR performance. In addition for the valuations after 2005 the market value is reduced for non-receipt of dividends between measurement date and date of vesting. Forfeitures are assumed prior to vesting at 3 per cent per annum of outstanding awards. In accordance with the method of accounting for cash-settled awards, fair values are subsequently remeasured each year to reflect the number of awards expected to vest based on the current and anticipated TSR performance.

A summary of the status of shares granted under the share plan at 31 December 2009, and changes during the year, is presented below:

	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	TRANSFERS IN/(OUT)	EXERCISED DURING THE YEAR	FORFEITED DURING THE YEAR	BALANCE AT END OF THE YEAR	VESTED AND EXERCISABLE AT END OF THE YEAR
CONSOLIDATED AND PARENT – 2009							
Rio Tinto Limited	**13,911**	**2,036**	**–**	**(3,514)**	**(707)**	**11,726**	**6,788**
Weighted average exercise price	**\$61.63**	**\$71.44**	**–**	**\$39.12**	**\$39.12**	**\$71.44**	**\$69.00**
Rio Tinto plc	**4,609**	**262**	**(3,364)**	**–**	**–**	**1,507**	**–**
Weighted average exercise price	**£24.79**	**£27.55**	**£23.77**	**–**	**–**	**£27.55**	**–**
CONSOLIDATED AND PARENT – 2008							
Rio Tinto Limited	19,531	–	(2,092)	(1,763)	(1,765)	13,911	4,221
Weighted average exercise price	\$58.01	–	\$69.02	\$37.20	\$37.20	\$61.63	\$39.12
Rio Tinto plc	4,609	–	–	–	–	4,609	981
Weighted average exercise price	£24.79	–	–	–	–	£24.79	£15.40

The weighted average share price at the date of exercise of rights to shares exercised regularly during the year ended 31 December 2009 was \$39.12 (2008: \$37.20).

The weighted average remaining contractual life of rights to shares outstanding at the end of the period was 3 years (2008: 3 years).

There were no MCCP conditional rights to shares granted during the year ended 31 December 2009 as remuneration, although adjustments were made to MCCP balances following the Rio Tinto rights issue.

Where options are issued to employees of subsidiaries within the Rio Tinto Group, the subsidiaries compensate the parent for the amount recognised as expense in relation to these options.

Notes to the financial statements

Share Option Plan ("SOP")

The Group has a policy of settling these awards in equity, although the participants at their discretion can offer a cash alternative. The awards are accounted for in accordance with the requirements applying to equity-settled share-based payment transactions. The performance conditions in relation to Total Shareholder Return have been incorporated in the measurement of fair value for these awards by modelling the correlation between Rio Tinto's TSR and that of the index. The relationship between Rio Tinto's TSR and the index was simulated many thousands of times to derive a distribution which, in conjunction with the lattice-based option valuation model, was used to determine the fair value of the options.

A summary of the status of options granted under the plan at 31 December 2009, and changes during the year, is presented below:

	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	TRANSFERS IN/(OUT)	EXERCISED DURING THE YEAR	FORFEITED DURING THE YEAR	BALANCE AT END OF THE YEAR	VESTED AND EXERCISABLE AT END OF THE YEAR
CONSOLIDATED AND PARENT – 2009							
Rio Tinto Limited	**26,358**	**4,853**	**–**	**(529)**	**–**	**30,682**	**21,748**
Weighted average exercise price	**$50.66**	**$33.45**	**–**	**$18.30**	**–**	**$34.66**	**$30.46**
Rio Tinto plc	**4,645**	**3,219**	**(3,138)**	**–**	**–**	**4,726**	**–**
Weighted average exercise price	**£25.18**	**£16.53**	**£20.08**	**–**	**–**	**£18.37**	**–**
CONSOLIDATED AND PARENT – 2008							
Rio Tinto Limited	30,664	–	(3,245)	(1,061)	–	26,358	16,668
Weighted average exercise price	$51.27	–	$57.55	$47.04	–	$50.66	$37.94
Rio Tinto plc	4,645	–	–	–	–	4,645	981
Weighted average exercise price	£25.18	–	–	–	–	£25.18	£18.26

The weighted average share price at the date of exercise of options exercised regularly during the year ended 31 December 2009 was $18.30 (2008: $47.04).

The weighted average remaining contractual life of share options outstanding at the end of the period was 3 years (2008: 3 years).

Where options are issued to employees of subsidiaries within the Rio Tinto Group, the subsidiaries compensate the parent for the amount recognised as expense in relation to these options.

Share Savings Plan ("SSP")

Awards under these plans are settled in equity and accounted for accordingly. The fair value of each award on the day of grant was estimated using a lattice-based option valuation model, including allowance for the exercise price being at a discount to market price.

A summary of the status of options granted under the plan at 31 December 2009, and changes during the year, is presented below:

	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	TRANSFERS IN/(OUT)	EXERCISED DURING THE YEAR	FORFEITED DURING THE YEAR	BALANCE AT END OF THE YEAR	VESTED AND EXERCISABLE AT END OF THE YEAR
CONSOLIDATED AND PARENT – 2009							
Rio Tinto Limited	**47,330**	**27,519**	**(8,540)**	**(14,435)**	**(1,716)**	**50,158**	**12,938**
Weighted average exercise price	**$55.15**	**$48.73**	**$50.83**	**$33.12**	**$32.76**	**$54.31**	**$36.39**
CONSOLIDATED AND PARENT – 2008							
Rio Tinto Limited	59,250	–	(1,590)	(10,330)	–	47,330	14,824
Weighted average exercise price	$50.71	–	$66.99	$27.87	–	$55.15	$37.28

The weighted average share price at the date of exercise of options exercised regularly during the year ended 31 December 2009 was $52.18 (2008: $125.13).

The weighted average remaining contractual life of share options outstanding at the end of the period was 4 years (2008: 5 years).

Where options are issued to employees of subsidiaries within the Rio Tinto Group, the subsidiaries compensate the parent for the amount recognised as expense in relation to these options.

Notes to the financial statements

Management Share Plan ("MSP")

The Management Share Plan was introduced in 2007 and is described in the Remuneration Report. The awards will be settled in equity including the dividends accumulated from date of award to vesting. The awards are accounted for in accordance with the requirements applying to equity-settled share-based payment transactions. The fair value of each award on the day of grant is set equal to share price on the day of grant. Forfeitures are assumed prior to vesting at 3 per cent per annum of outstanding awards.

A summary of the status of shares granted under the share plan at 31 December 2009, and changes during the year, is presented below:

	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	TRANSFERS IN/(OUT)	EXERCISED DURING THE YEAR	FORFEITED DURING THE YEAR	BALANCE AT END OF THE YEAR	VESTED AND EXERCISABLE AT END OF THE YEAR
CONSOLIDATED AND PARENT – 2009							
Rio Tinto Limited	**4,454**	**7,046**	**–**	**–**	**–**	**11,500**	**–**
Weighted average fair value at grant date	**$93.22**	**$110.53**	**–**	**–**	**–**	**$103.82**	**–**
Rio Tinto plc	**2,778**	**5,169**	**(935)**	**–**	**–**	**7,012**	**–**
Weighted average fair value at grant date	**£35.65**	**£22.35**	**£28.67**	**–**	**–**	**£26.11**	**–**
CONSOLIDATED AND PARENT – 2008							
Rio Tinto Limited	3,200	2,688	(1,434)	–	–	4,454	–
Weighted average fair value at grant date	$74.50	$126.48	$113.79	–	–	$93.22	–
Rio Tinto plc	1,825	953	–	–	–	2,778	–
Weighted average fair value at grant date	£26.81	£52.58	–	–	–	£35.65	–

The weighted average share price at the date of exercise of conditional grants of shares exercised regularly during the year ended 31 December 2009 was nil (2008: nil).

The weighted average remaining contractual life of conditional grants of shares outstanding at the end of the period was 2 years (2008: 2 years).

The model inputs for conditional rights granted during the year ended 31 December 2009 included:

(a) rights are granted for no consideration and have a three year life
(b) exercise price: – (2008: –)
(c) grant date: 10 March 2009 (2008: 10 March 2008)
(d) expiry date: 10 March 2012 (2008: 10 March 2011)
(e) share price at grant date: $49.80 (2008: $126.48)

Where options are issued to employees of subsidiaries within the Rio Tinto Group, the subsidiaries compensate the parent for the amount recognised as expense in relation to these options.

Bonus Deferral Plan

The Bonus Deferral Plan was introduced during 2009 and is made up of two parts: the Bonus Deferral Award and the Company Contributed Award. The Bonus Deferral Award was established for the mandatory deferral of 100% of the 2008 Bonus for "Most Senior Executives" and 50% of the 2008 Bonus for "Band C and Above Executives". In addition, in order to enhance retention of key employees the Company Contributed Award was made in respect of 25% of the gross annual basic salary for each Band C and Above Executive. The vesting of these awards is dependent only on service conditions being met. The awards will be settled in equity including the dividends accumulated from date of award to vesting. The awards are accounted for in accordance with the requirements applying to equity-settled share based payment transactions. The fair value of each award on the day of grant is equal to share price on the day of grant less a small adjustment for the timing of dividends vesting. Forfeitures are assumed prior to vesting at three per cent per annum of outstanding awards.

	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	TRANSFERS IN/(OUT)	EXERCISED DURING THE YEAR	FORFEITED DURING THE YEAR	BALANCE AT END OF THE YEAR	VESTED AND EXERCISABLE AT END OF THE YEAR
CONSOLIDATED AND PARENT – 2009							
Rio Tinto Limited	–	798	–	–	–	798	–
Weighted average fair value at grant date	–	$41.77	–	–	–	$41.77	–

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	CONSOLIDATED		PARENT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Share based payment expense	671	481	671	481

Directors' declaration

In the Directors' opinion:

(a) the financial statements and notes set out on pages 53 to 94 are in accordance with the Corporations Act 2001, including:

(i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Company's and Consolidated Entity's financial position as at 31 December 2009 and of their performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations by the Chief Executive and Chief Financial Officer required by section 295A of the *Corporations Act 2001.*

This declaration is made in accordance with a resolution of the directors.

Dr D Klingner
Director

Melbourne
1 March 2010

Independent auditor's report

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
ABN 52 780 433 757

Freshwater Place
2 Southbank Boulevard
SOUTHBANK VIC 3006
GPO Box 1331
MELBOURNE VIC 3001
DX 77
Telephone 61 3 8603 1000
Facsimile 61 3 8603 1999
Website:www.pwc.com/au

Independent auditor's report to the members of Energy Resources of Australia Limited

Report on the financial report

We have audited the accompanying financial report of Energy Resources of Australia Limited (the company), which comprises the balance sheet as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both Energy Resources of Australia Limited and the Energy Resources of Australia Limited Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Independent auditor's report

PRICEWATERHOUSECOOPERS

Independent auditor's report to the members of Energy Resources of Australia Limited (continued)

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of Energy Resources of Australia Limited is in accordance with the *Corporations Act 2001,* including:

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2009 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001;* and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 31 to 44 of the directors' report for the year ended 31 December 2009. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of Energy Resources of Australia Limited for the year ended 31 December 2009, complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

D.G. Smith

Debbie Smith

Partner

Melbourne

1 March 2010

Shareholder information

The shareholder information set out below was applicable as at 31 January 2010

Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

	A CLASS ORDINARY SHARES			
	NUMBER OF SHARE-HOLDERS	% OF SHARE-HOLDERS	NUMBER OF SHARES	% OF ISSUED SHARES
1 – 1000	10,196	77.62	3,712,244	1.95
1,001 – 5,000	2,451	18.66	5,592,323	2.93
5,001 – 10,000	292	2.22	2,209,081	1.16
10,001 – 100,000	171	1.30	4,338,090	2.27
100,001 and over	26	0.20	174,886,196	91.69
	13,136	100.00	190,737,934	100.00

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest holders of quoted equity securities are listed below:

	NUMBER OF SHARES	% OF ISSUED SHARES
Peko Wallsend Ltd	65,407,896	34.29
North Limited	65,042,208	34.10
HSBC Custody Nominees (Australia) Limited	10,923,621	5.73
National Nominees Limited	10,816,730	5.67
JP Morgan Nominees Australia Limited	8,607,628	4.51
ANZ Nominees Limited	4,838,773	2.54
Citicorp Nominees Pty Limited	2,883,196	1.51
RBC Global Services Australia Nominees Pty Limited	1,433,821	0.75
Cogent Nominees Pty Limited	953,922	0.50
UBS Nominees Pty Ltd	807,165	0.42
Queensland Investment Corporation	485,684	0.25
AMP Life Limited	294,702	0.15
Citcorp Nominees Pty Limited	266,586	0.14
Ganra Pty Ltd	240,000	0.13
UBS Wealth Management Australia Nominess Pty Ltd	235,147	0.12
Merrill Lynch (Australia) Nominees Pty Limited	211,234	0.11
CS Fourth Nominess Pty Ltd	201,193	0.11
HSBC Custody Nominess (Australia) Limitied	201,107	0.11
HSBC Custody Nominess (Australia) Limitied	188,283	0.10
RBC Dexia Investor Services Australia Nominees Pty Limited	163,406	0.09

Entitlements to vote

Subject to any rights or restrictions for the time being attached to any shares on a show of hands, every member present in person or by proxy or by attorney or by representative and entitled to vote shall have one vote.

On a poll, every member present in person or by proxy or by attorney or by representative shall have one vote for each share held by him/her.

Annual general meeting

The next AGM will be held at 10:00am on Wednesday 21 April 2010 at SKYCITY, Gilruth Avenue, Darwin.

Tax file numbers

Tax file numbers or exemption details are recorded from shareholders who wish to provide the information. Dividend advice statements, when issued to shareholders, indicate whether or not a shareholder's tax file number has been recorded. ERA normally pays fully franked dividends. In the event of an unfranked dividend being paid, ERA will be required to deduct tax at the top marginal rate from the dividend paid to shareholders resident in Australia who have not supplied a tax file number or exemption form.

Information on shareholding

Shareholders who require information about their shareholding or dividend payment should contact ERA's principal registry.
Shareholders who have changed their address should advise the change in writing to:

ERA Share Registry

Computershare Investor Services Pty Ltd

Level 3
60 Carrington Street
SYDNEY NSW 2000
Telephone: +61 (0) 2 8234 5000
Facsimile: +61 (0) 2 8234 5050

Sponsored shareholders should note, however, that they should contact their sponsored broker to initiate a change of address.

2009 ANNOUNCEMENTS

25 Nov 2009	Settlement of Jabiru native title case
13 Nov 2009	ERA wins Explorer of the Year
10 Nov 2009	Presentation to financial community
14 Oct 2009	Quarterly operations review (Q3 2009)
25 Sep 2009	ERA scoops NT Export and Industry award
24 Sep 2009	Company Secretary appointment
31 Jul 2009	Presentation to financial community
31 Jul 2009	Half year results (H1 2009)
31 Jul 2009	Appointment of Director – John Pegler
30 Jul 2009	ASX Interim report 30 June 2009 – Appendix 4D
20 Jul 2009	ERA Earnings Outlook
16 Jul 2009	Ranger 3 Deeps Exploration Decline environment approval process
14 Jul 2009	Quarterly operations review (Q2 2009)
25 Jun 2009	Company secretary resignation
19 May 2009	Status of ERA Ranger environmental approvals processes
24 Apr 2009	AGM shareholder tour presentation
22 Apr 2009	2009 AGM – Chairman's address
22 Apr 2009	2009 AGM – Chief Executive's address
15 Apr 2009	Quarterly operations review (Q1 2009)
16 Mar 2009	Ranger expansion project – application for approval
30 Jan 2009	Annual statement of reserves and resources 2008
30 Jan 2009	Full year results 2008
30 Jan 2009	ASX Preliminary final report 31 December 2008 – Appendix 4E
30 Jan 2009	Presentation to financial community – full year results 2008
14 Jan 2009	Quarterly operations review (Q4 2008)

Details of these announcements are available at www.energyres.com.au.

Ten year performance

YEAR ENDED 31 DECEMBER	2009	2008	2007	2006	2005	2004[4]	2003	2002[2]	2001[1]	2000
Sales Revenue ($000)	**768,297**	496,359	357,080	312,698	262,036	236,270	196,216	198,703	232,808	181,847
Earnings Before Interest and Tax ($000)	**374,737**	317,957	108,012	68,745	65,452	42,773	35,298	39,214	36,467	46,312
Profit Before Tax ($000)	**382,053**	312,569	98,36	62,247	59,620	39,239	35,546	36,675	29,652	44,280
Income Tax Expense ($000)	**109,479**	90,784	22,277	18,640	18,554	2,193	15,674	15,490	13,624	9,597
Profit After Tax ($000)	**272,574**	221,785	76,089	43,607	41,066	37,046	19,872	21,185	16,028	34,683
Total Assets ($000)	**1,359,131**	1,170,409	985,353	869,350	864,162	862,875	756,327	830,260	810,699	807,966
Shareholders' Equity ($000)	**966,574**	758,926	606,021	552,491	539,764	509,819	614,345	605,917	605,713	604,945
Long Term Debt ($000)	**–**	–	–	–	–	–	–	–	–	–
Current Ratio	**3.1**	1.5	1.8	3.6	3.8	5.2	4.0	2.2	1.3	1.0
Liquid Ratio	**2.2**	0.8	1.0	2.1	2.3	3.1	1.9	1.1	0.6	0.3
Gearing Ratio (%)	**–**	–	–	–	–	–	–	–	–	–
Interest Cover (times)	**33.5**	5.6	7.79	6.3	6.5	4.7	48.0	14.0	4.7	8.0
Return on Shareholders' Equity (%)	**31.6**	29.2	13.1	8.0	7.6	7.3	3.2	3.5	2.6	5.7
Earnings Per Share (cents)	**142.9**	116.3	39.9	22.9	21.5	19	10	11	8	18
Dividends Per Share (cents)	**34.0**	28.0	20.0	17.0	17.0	17.0	11.0	11.0	8.0	49.0
Payout Ratio (%)	**24**	24	28	74	80	88	106	99	95	270[3]
Share Price ($)	**23.89**	19.00	19.50	20.80	10.02	6.59	3.40	1.71	1.94	2.31
Price-Earning Ratio	**16.72**	16.34	48.88	90.98	47.70	34.7	30.9	15.4	23.1	12.8
Dividend Yield (%)	**1.42**	1.47	1.03	0.82	1.70	2.58	3.24	6.4	4.1	21.2[3]
Net Tangible Assets per Share ($)	**5.07**	3.98	3.20	2.90	2.80	2.67	3.22	3.18	3.18	3.17
No. of Employees	**521**	519	419	385	354	273	238	184	231	257
Profit After Tax per Employee ($000)	**523.17**	427.33	181.6	113.3	116.0	143.7	83.5	115.1	70.3	134.9
Ore Mined (million tonnes)	**2.2**	3.5	2.9	3.3	2.2	0.8	1.8	0.8	3.2	2.4
Ore Milled (million tonnes)	**2.3**	2.0	1.9	2.0	2.3	2.1	2.1	1.8	2.5	1.5
Mill Head Grade (% U_3O_8)	**0.26**	0.30	0.31	0.26	0.29	0.28	0.28	0.28	0.29	0.30
Mill Recovery (%)	**88.3**	88.2	88.2	87.5	88.3	88.8	88.3	89.7	90.6	91.6
Production (tonnes U_3O_8) – Drummed	**5,240**	5,339	5,412	4,748	5,910	5,137	5,065	4,470	6,564	4,144
Sales – Ranger Concentrates (tonnes U_3O_8)	**5,497**	5,272	5,324	5,760	5,552	5,024	5,241	4,517	5,937	4,511
Sales – Other Concentrates (tonnes U_3O_8)	**–**	–	–	–	136	581	18	628	408	3
Sales – Total (tonnes U_3O_8)	**5,497**	5,272	5,324	5,760	5,688	5,605	5,259	5,145	6,345	4,514

Note 1 Change of accounting period to 31 December year end (period of 18 months from 1 July 2000 – 31 December 2001)
Note 2 Calendar year 1 January – 31 December 2002
Note 3 Based on special dividend
Note 4 Restated to comply with IFRS

Definition of statistical ratios

Current Ratio = current assets/current liabilities
Liquid Ratio = (current assets-inventory-prepayments-foreign exchange hedge asset on borrowings) /(current liabilities-bank overdraft – foreign exchange hedge liability)
Gearing Ratio = (long term debt + term creditors)/(shareholders' equity + long term debt + term creditors)
Interest Cover = earnings before interest and tax/interest expense
Return on Shareholders' Equity = profit after tax/average shareholders' equity
Earnings per Share = profit after tax/weighted average number of shares issued
Dividends per Share = dividends paid/number of shares issued
Payout Ratio = dividends paid/profit after tax
Price-Earnings Ratio = price/earnings per share
Dividend Yield = dividend per share/share price
Net Tangible Assets per Share = net assets/number of shares issued

Corporate directory

Management

Back left to right:
Greg Sinclair, General Manager Technical Projects;
Dan Janney, General Manager Operations;
Charlie Ritchie, Company Secretary.

Front left to right:
David Paterson, General Manager External Relations;
Steeve Thibeault, Chief Financial Officer;
Rob Atkinson, Chief Executive;
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