

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

Head office: Level 10, TIO Centre,  
24 Mitchell St, Darwin NT 0800  
GPO Box 2394, Darwin NT 0801, Australia  
T +61 8 8924 3500 F +61 8 8924 3555

Ranger mine: Locked Bag 1,  
Jabiru NT 0886 Australia  
T +61 8 8938 1211 F +61 8 8938 1203

[www.energyres.com.au](http://www.energyres.com.au)

ABN 71 008 550 865

A member of the Rio Tinto Group

ASX Announcement

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO U.S. PERSONS**

Wednesday 19 October 2011

**RETAIL ENTITLEMENT OFFER BOOKLET**

In accordance with ASX Listing Rule 3.17, attached is a copy of the Retail Entitlement Offer booklet and sample Entitlement and Acceptance Form which are today being sent to eligible retail shareholders of Energy Resources of Australia Ltd ('**ERA**').

In accordance with ASX Listing Rule 3.17, also attached is a copy of a letter which is today being sent to ineligible retail shareholders of ERA.

**Contacts:**

Media enquiries:	Janet Hamilton	+61 (0) 8 8924 3550, 0437 326 696
	Jane Hart	+61 (0) 8 8924 3589, 0419 972 784
Investor enquiries:	Dave Skinner	+61 (0) 3 9283 3628

For further information on the company's activities please access ERA's website at [www.energyres.com.au](http://www.energyres.com.au)

**Important information**

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the Securities Act of 1933, as amended (the "Securities Act")) ("U.S. Person"), or in any other jurisdiction in which such an offer would be illegal. The securities referred to herein have not been and will not be registered under the Securities Act, or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons, unless the securities have been registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

This document may not be distributed or released in the United States or to U.S. Persons.

# Retail Entitlement Offer



**ERA**

**Energy Resources of Australia Ltd**

ABN 71 008 550 865

- Details of a 12 for 7 accelerated renounceable entitlement offer of Energy Resources of Australia Ltd ordinary shares at an offer price of \$1.53 per share
- Retail Entitlement Offer closes at 5.00pm (AEDT) on Wednesday, 9 November 2011

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO U.S. PERSONS**

This is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read in their entirety.

Please call your stockbroker, accountant or other independent professional adviser or the ERA Entitlement Offer Information Line if you have any questions.



## Important Information

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES  
OR TO U.S. PERSONS

No cooling-off rights apply to the Retail Entitlement Offer – you cannot withdraw your application once it has been accepted.

This Booklet contains certain 'forward looking statements'. Forward looking statements include those containing words such as: 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', 'consider', 'foresee', 'aim', 'will' and other similar expressions. Any forward looking statements, opinions and estimates provided in this Booklet are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of Energy Resources of Australia Ltd (**ERA**), including the risks and uncertainties described in the 'Key risks' section of the Investor Presentation included herein. This includes any statements about market and industry trends, which are based on interpretations of current market conditions.

Forward looking statements may include indications, projections, forecasts and guidance on sales, earnings, dividends and other estimates. Forward looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which those statements are based. These statements may assume the success of ERA's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond ERA's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward looking statements and except as required by law or regulation, ERA assumes no obligation to update these forward looking statements. To the maximum extent permitted by law, ERA and its directors, officers, employees, agents, associates and advisers disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions, do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of such information, or likelihood of fulfilment of any forward looking statement or any event or results expressed or implied in any forward looking statement, and disclaim all responsibility and liability for these forward looking statements (including, without limitation, liability for negligence).

The information in this Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit a public offering of the New Shares in any jurisdiction outside of Australia and New Zealand.

### United States

This Booklet and any material accompanying it may not be released or distributed in the United States or to U.S. Persons (as defined below). This Booklet and any material accompanying it does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Entitlements and New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 (the **U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by any "U.S. person" (as defined in Regulation S under the U.S. Securities Act) (**U.S. Person**) or persons who are acting for the account or benefit of, U.S. Persons, and the New Shares may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons, except in transactions exempt from, or not subject to the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction of the United States. The New Shares to be offered and sold to Eligible Retail Shareholders (as defined in the 'Additional Information' section) will only be sold in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S thereunder.

## Contents

Chairman's Letter	3
Key Dates	4
How to Apply	5
ASX Announcements	9
1. ASX Offer Announcement dated 12 October 2011	9
2. Investor Presentation dated 12 October 2011	13
3. ASX Institutional Offer Completion Announcement dated 17 October 2011	64
Additional Information	66
Glossary	71
Corporate Directory	73


**ERA**

# Chairman's Letter

Dear Shareholder,

On behalf of the Board of Energy Resources of Australia Ltd (**ERA**), I am pleased to invite you to participate in this accelerated renounceable entitlement offer, which entitles all Eligible Retail Shareholders to subscribe for 12 New Shares for every 7 existing Shares held at the Record Date of Monday, 17 October 2011 at 7.00pm (AEDT) at an Offer Price of \$1.53 per New Share.

## Purpose of the Entitlement Offer

The proceeds of the Entitlement Offer will be used to fund:

- the construction of a Brine Concentrator and other water management initiatives;
- the construction of the Ranger 3 Deeps exploration decline and associated exploration drilling;
- the completion of evaluation studies into the development of the Ranger 3 Deeps mine; and
- an expanded exploration program targeting highly prospective areas on the Ranger Project Area during the period 2012 to 2014.

ERA conducted the Institutional Entitlement Offer from Wednesday, 12 October 2011 to Thursday, 13 October 2011 and raised approximately \$380 million (before expenses) to be settled on Monday, 24 October 2011. This Booklet relates to the Retail Entitlement Offer which is expected to raise approximately \$120 million (before expenses). The proceeds of the Entitlement Offer will be applied to the above projects and associated transaction costs. Entities affiliated with Rio Tinto, who are the major shareholders of ERA, have committed to subscribe for their full entitlements, and the remainder of the Entitlement Offer is fully underwritten. North, a subsidiary of Rio Tinto, along with certain other institutional investors, have also entered into sub-underwriting agreements to sub-underwrite the Retail Entitlement Offer.

## Your Entitlement

As an Eligible Retail Shareholder you are entitled to subscribe for 12 New Shares for every 7 Shares held at the Record Date of Monday, 17 October 2011 at 7.00pm (AEDT) at an Offer Price of \$1.53 per New Share. The Offer Price represents a 29.8% discount to the Theoretical Ex-Rights Price (**TERP**)<sup>1</sup>. New Shares issued pursuant to the Entitlement Offer will be fully paid and rank equally with existing Shares.

## Actions required to take up your Entitlement

If you are an Eligible Retail Shareholder and wish to take up your Entitlement, either in whole or in part, you will need to complete and return your personalised Entitlement and Acceptance Form which accompanies this Booklet with the Application Monies or make a payment by **BPAY**<sup>®</sup>. The closing date for the receipt of Entitlement and Acceptance Forms and Application Monies is 5.00pm (AEDT) on Wednesday, 9

November 2011. If you are paying by cheque, bank draft or money order, please ensure that you allow sufficient time for delivery of applications by mail which must be received by no later than 5.00pm (AEDT) on Wednesday, 9 November 2011. Please refer to the instructions in the "How to Apply" section in this booklet for further information.

If you take no action or your application is not supported by cleared funds, you will be deemed to have renounced your Entitlement. You should note that if you renounce all or part of your Entitlement, then your percentage shareholding in ERA will be diluted by your non-participation in the Retail Entitlement Offer.

The renounceable nature of the Entitlement Offer allows all Eligible Retail Shareholders who do not take up some or all of their Entitlement to have the New Shares in respect of their Entitlement sold through a bookbuild process to be undertaken by the Underwriter (**Retail Bookbuild**). Any proceeds in excess of the Offer Price per New Share that may be achieved under the Retail Bookbuild (**Retail Premium**) will be remitted to Renouncing Shareholders (net of expenses and any withholdings required by law) in proportion to the number of New Shares represented by their renounced Entitlement. Further information in respect of renounced Entitlements is set out in section 6 of 'How to Apply'. Entitlements will not be able to be traded on the ASX or any other exchange, or privately transferred.

Only ERA shareholders resident in Australia and New Zealand are eligible to participate in the Retail Entitlement Offer. To satisfy applicable Corporations Act conditions, ERA has appointed a nominee and will issue the nominee with entitlements to subscribe for the New Shares that would otherwise have been available for subscription by Ineligible Retail Shareholders. The nominee will arrange the sale of those entitlements to certain institutional investors to be conducted on or around Monday, 14 November 2011, and will work with ERA to distribute any Retail Premium (net of expenses and any withholdings required by law) proportionately to Ineligible Retail Shareholders.

## Further information

Details of the Retail Entitlement Offer, as well as the risks associated with investing in Shares, are contained in the ASX announcements included in this Booklet which you should read carefully and in their entirety.

If you have any doubt as to how you should respond to this Retail Entitlement Offer, you should seek professional financial advice before making any investment decision.

For further information regarding the Retail Entitlement Offer, please call the ERA Entitlement Offer Information Line on 1300 578 157 toll free (within Australia) or +61 3 9415 4355 (from outside Australia) at any time from 9.00am to 5.00pm (AEDT) Monday to Friday during the Retail Entitlement Offer period or visit our website at [www.eraentitlementoffer.com.au](http://www.eraentitlementoffer.com.au).

On behalf of the Board, I thank you for your continued support of ERA and recommend you consider this investment opportunity.

Yours sincerely,

Dr David Klingner  
Chairman

<sup>1</sup> TERP is the theoretical ex-rights price at which Shares should trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer. The theoretical ex-rights price is a theoretical calculation only and the actual price at which Shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the theoretical ex-rights price.

## Key Dates

Event	Date
Institutional Entitlement Offer	Wednesday, 12 October 2011 to Thursday, 13 October 2011
Institutional Bookbuild	Thursday, 13 October 2011 to Friday, 14 October 2011
Record Date for the Entitlement Offer	Monday, 17 October 2011 at 7.00pm (AEDT)
Retail Entitlement Offer opens	Wednesday, 19 October 2011
Mailing of personalised Entitlement and Acceptance Form and this Booklet to Eligible Retail Shareholders	Completed by Wednesday, 19 October 2011
Retail Entitlement Offer closes	Wednesday, 9 November 2011 at 5.00pm (AEDT)
Retail Bookbuild	Monday, 14 November 2011 to Tuesday, 15 November 2011
Settlement of the Retail Entitlement Offer	Friday, 18 November 2011
Issue of New Shares under the Retail Entitlement Offer	Monday, 21 November 2011
Despatch of holding statements	Monday, 21 November 2011
Normal trading of New Shares issued under the Retail Entitlement Offer expected to commence on ASX	Tuesday, 22 November 2011
Distribution of Retail Premium (if any)	Monday, 28 November 2011

Dates and times in this Booklet are indicative only and subject to change.

ERA, in conjunction with the Underwriter, reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws to withdraw or vary the dates of the Retail Entitlement Offer without notice. In particular, ERA reserves the right to extend the closing date of the Retail Entitlement Offer or accept late applications, either generally or in particular cases, without prior notice. Applicants are encouraged to submit their personalised Entitlement and Acceptance Forms as soon as possible after the Retail Entitlement Offer opens. No cooling-off rights apply to applications submitted under the Retail Entitlement Offer. The commencement of quotation of New Shares is subject to confirmation from ASX.

### Enquiries

If you:

- > have questions on how to complete the Entitlement and Acceptance Form or how to take up your Entitlement; or
- > have lost your Entitlement and Acceptance Form and would like a replacement form,

please call the ERA Entitlement Offer Information Line on 1300 578 157 toll free (within Australia) or +61 3 9415 4355 (from outside Australia) at any time from 9.00am to 5.00pm (AEDT) Monday to Friday during the Retail Entitlement Offer period. We recommend you consult your stockbroker, accountant or other independent professional adviser if you are in any doubt as to whether to participate in the Retail Entitlement Offer.

### Website

[www.eraentitlementoffer.com.au](http://www.eraentitlementoffer.com.au)



**ERA**

# How to Apply

## 1. The Retail Entitlement Offer

Eligible Retail Shareholders (as defined in the 'Additional Information' section starting on page 66) are being offered the opportunity to apply for 12 New Shares for every 7 existing Shares held at 7.00pm (AEDT) on Monday, 17 October 2011, at the offer price of \$1.53 per New Share (**Offer Price**).

You should note that not all ERA shareholders will be eligible to participate in the offer of New Shares. Please read the 'Additional Information' section starting on page 66 for further details.

As the Entitlement Offer is renounceable, New Shares in respect of Entitlements will be offered for subscription to certain institutional investors on behalf of Renouncing Shareholders and Ineligible Retail Shareholders through the Retail Bookbuild process to be undertaken by the Underwriter. Any Retail Premium will be remitted to Renouncing Shareholders and Ineligible Retail Shareholders (net of expenses and any withholdings required by law). Further information in respect of renounced Entitlements is set out in section 6 below.

New Shares issued pursuant to the Retail Entitlement Offer will be fully paid and rank equally with existing Shares on issue.

## 2. Please carefully read the information in this Booklet and the personalised Entitlement and Acceptance Form

The Retail Entitlement Offer is not being made under a prospectus or product disclosure statement. Rather, the Retail Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow rights issues and related issues to be made by providing certain confirmations to the market on the basis that all information that investors and their professional advisers would reasonably require to make an informed investment decision in relation to the Entitlement Offer, when read with this Booklet and the accompanying information, is publicly available.

This Booklet does not contain all of the information which may be required in a prospectus or product disclosure statement. As a result, it is important for Eligible Retail Shareholders to carefully read and understand the information on ERA and the Retail Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement. In particular, please read this Booklet in its entirety, ERA's interim and annual reports and other announcements made available at [www.asx.com.au](http://www.asx.com.au) or [www.eraentitlementoffer.com.au](http://www.eraentitlementoffer.com.au).

Note: the Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a person in the United States (see definition of Eligible Retail Shareholder in the 'Additional Information' section).

## 3. Please consider the Retail Entitlement Offer in light of your particular investment objectives and circumstances

Please consult with your stockbroker, accountant or other independent professional adviser if you have any queries or are uncertain about any aspects of the Retail Entitlement Offer. You should also refer to the 'Key risks' section in the Investor Presentation released to ASX on Wednesday, 12 October 2011 which is included in this Booklet on pages 13 to 63.

An investment in Shares is subject to investment and other known and unknown risks, some of which are beyond the control of ERA, including possible loss of income and principal invested. ERA does not guarantee any particular rate of return or the performance of ERA, nor does it guarantee the repayment of capital from ERA or any particular tax treatment. In considering an investment in Shares, investors should have regard to (amongst other things) the 'Key risks' section in the Investor Presentation and the disclaimers outlined in this Booklet.

## 4. Your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 12 New Shares for every 7 Shares you held as at the Record Date rounded up to the nearest whole New Share. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

New Shares issued pursuant to the Entitlement Offer will be fully paid and rank equally with existing Shares, including in respect of entitlement to dividends.

If you decide to take up all or part of your Entitlement, please refer to the personalised Entitlement and Acceptance Form and apply for New Shares pursuant to the instructions set out on the personalised Entitlement and Acceptance Form.

If you take no action or your application is not supported by cleared funds, you will be deemed to have renounced your Entitlement and you will not be issued New Shares. You should note that if you renounce all or part of your Entitlement, then your percentage shareholding in ERA will be diluted by your non-participation in the Retail Entitlement Offer.

The renounceable nature of the Entitlement Offer allows all Eligible Retail Shareholders who do not take up some or all of their Entitlement to have the New Shares in respect of their Entitlement sold through the Retail Bookbuild to be undertaken by the Underwriter. Any Retail Premium that may be achieved under the Retail Bookbuild will be remitted to Renouncing Shareholders (net of expenses and any withholdings required by law) in proportion to the number of New Shares represented by their renounced Entitlement.



## Nominees

The Retail Entitlement Offer is only being made to Eligible Retail Shareholders (see definition of Eligible Retail Shareholder in the 'Additional Information' section). ERA is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares (e.g. for the purposes of determining whether any such persons may participate in the Retail Entitlement Offer). Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. Any person that is in the United States or is a U.S Person, or is acting for the account or benefit of a U.S Person, with a holding through a nominee may not participate in the Retail Entitlement Offer and the nominee must not take up any Entitlement or send any materials into the United States or to any person it knows to be in the United States or a U.S Person. ERA assumes no obligation to advise you on any foreign laws.

## 5. Acceptance of the Retail Entitlement Offer

If you are an Eligible Retail Shareholder, you may do any one of the following:

- > take up all of your Entitlement;
- > take up part of your Entitlement and renounce the balance; or
- > do nothing, in which case you will be deemed to have renounced your Entitlement.

The Underwriter will undertake the Retail Bookbuild to offer New Shares not subscribed for under the Retail Entitlement Offer to certain institutional investors on behalf of Renouncing Shareholders. Any Retail Premium that may be achieved under the Retail Bookbuild will be remitted to Renouncing Shareholders (net of expenses and any withholdings required by law) in proportion to the number of New Shares represented by their renounced Entitlement.

If you do decide to take up all or part of your Entitlement, please:

- > pay your Application Monies via BPAY; or
- > complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies, by following the instructions set out on the personalised Entitlement and Acceptance Form.

ERA will treat you as applying for as many New Shares as your payment will pay for in full. If you take up and pay for all or part of your Entitlement before the close of the Retail Entitlement Offer, you will be issued your New Shares on Monday, 21 November 2011.

Any surplus Application Monies received for more than your Entitlement will be refunded after the close of the Retail Entitlement Offer on or around Monday, 28 November 2011 (except for where the amount is less than \$2.00, in which case it will be donated to a charity chosen by ERA). No interest will be paid to Eligible Retail Shareholders on any Application Monies received or returned (wholly or partially).

ERA also reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Retail Shareholders or persons claiming to be Eligible Retail Shareholders if their claims prove to be incorrect or overstated or if they fail to provide information to substantiate their claims.

Entitlements are renounceable but cannot be traded on ASX or any other exchange, nor can they be privately transferred.

**To participate in the Retail Entitlement Offer, your payment must be received no later than the close of the Retail Entitlement Offer, being 5.00pm (AEDT) on Wednesday, 9 November 2011.** Eligible Retail Shareholders who wish to pay via cheque, bank draft or money order will need to also ensure that their completed personalised Entitlement and Acceptance Form is also received by that time using the reply paid envelope provided with this Booklet or otherwise.

## 6. Value for Renounced Entitlements

If you choose not to take up all or part of your Entitlement, you still have the potential opportunity to receive payment for the Entitlement or part of Entitlement not taken up (i.e. renounced by you).

Those retail shareholders who do not satisfy the Eligible Retail Shareholder criteria may also have the opportunity to receive payment for the Entitlement they would otherwise have received had they been eligible to participate in the Retail Entitlement Offer.

ERA will arrange for the New Shares in respect of the renounced Entitlements of Renouncing Shareholders (or, in the case of Ineligible Retail Shareholders, the New Shares in respect of the Entitlements which would otherwise have been available to them) offered for subscription to certain institutional investors through the Retail Bookbuild and any Retail Premium will be remitted to Renouncing Shareholders in proportion to the number of New Shares represented by their renounced Entitlements (or, in the case of Ineligible Retail Shareholders, in proportion to the number of New Shares in respect of the Entitlement which would otherwise have been available to them) (net of expenses and any withholdings required by law).

No assurance or guarantee can be given as to the price that will be achieved under the Retail Bookbuild for the sale of New Shares. If the price achieved under the Retail Bookbuild does not exceed the Offer Price, no distribution will be made to Renouncing Shareholders or Ineligible Retail Shareholders. To avoid doubt, any excess between the price at which New Shares in respect of Entitlements are sold under the Institutional Bookbuild and the Offer Price is not an indication that the price achieved in the Retail Bookbuild will be greater than the Offer Price.

The ability to sell New Shares in respect of Entitlements under the Retail Bookbuild in excess of the Offer Price will be dependent on various factors, including market conditions. Similarly, the Retail Bookbuild price may not be the highest price offered but will be determined by the Underwriter in consultation with ERA (each acting reasonably having regard to the outcome of the Retail Bookbuild), provided that: (i) the Retail Bookbuild price will not be set higher than the Offer Price unless the Underwriter has received binding and bona fide offers from institutional investors that, in the reasonable opinion of the Underwriter, will (if accepted) result in allocations to dispose of all of the New Shares offered for sale through the Retail Bookbuild at a price higher than the Offer Price; and (ii) the Retail Bookbuild price may not be higher than the price per New Share offered for sale through the Retail Bookbuild that would "clear" the book.

To the maximum extent permitted by law, ERA, the Underwriter, and their respective related bodies corporate, agents or affiliates, or the directors, officers, employees or advisers of any of them, disclaim all liability, including for negligence, for any failure to procure applications for New Shares under the Retail Bookbuild at a price in excess of the Offer Price and for any difference between the price achieved through the Institutional Bookbuild and the Retail Bookbuild. The Retail Premium (if any) (net of expenses and any withholdings required by law) will be paid to Renouncing Shareholders and Ineligible Retail Shareholders in Australian dollars. You will be paid by cheque sent by ordinary post to your address as recorded on the ERA share register.

Any proceeds you may receive as a result of the Retail Bookbuild may have Australian and/or overseas tax consequences for you, depending on your individual circumstances. You should seek professional tax advice regarding the taxation of any proceeds received.

Eligible Retail Shareholders should note that if you choose to renounce all or part of your Entitlement, then your percentage shareholding in ERA will be diluted by your non-participation in the Retail Entitlement Offer.

## 7. Payment methods

### Payment by B<sub>PAY</sub>

For payment by B<sub>PAY</sub>, please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the biller code and your unique Customer Reference Number (CRN)). You can only make a payment via B<sub>PAY</sub> if you are the holder of an account with an Australian financial institution that supports B<sub>PAY</sub> transactions. Please note that should you choose to pay by B<sub>PAY</sub>:

- > you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that personalised Entitlement and Acceptance Form; and
- > if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares as is covered in full by your Application Monies.

When completing your B<sub>PAY</sub> payment, please make sure to use the specific biller code and unique CRN provided on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form (i.e. where you have multiple holdings), please only use the CRN specific to the Entitlement on that form. If you inadvertently use the same CRN for more than one of your Entitlements, you will be deemed to have applied only for New Shares on the Entitlement to which that CRN applies.

**Should you choose to pay by B<sub>PAY</sub> it is your responsibility to ensure that your B<sub>PAY</sub> payment is received by the Registry by no later than 5.00pm (AEDT) on Wednesday, 9 November 2011.** You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. ERA takes no responsibility for any failure to receive Application Monies or payment by B<sub>PAY</sub> before the Retail Entitlement Offer closes arising as a result of, among other things, delays in postage or processing of payments by financial institutions.

### Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to 'ERA Entitlement Offer' and crossed 'Not Negotiable'.

Your cheque, bank draft or money order must be:

- > for an amount equal to \$1.53 multiplied by the number of New Shares that you are applying for; and
- > in Australian currency drawn on an Australian branch of a financial institution.

The completed Entitlement and Acceptance Form, together with Application Monies, should be mailed using the reply paid envelope provided with this Booklet or otherwise to the following address:

ERA Entitlement Offer  
c/o Computershare Investor Services Pty Limited  
GPO Box 505  
Melbourne VIC 8060

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies on the day of receipt. If the amount of your cheque, bank draft or money order for Application Monies is insufficient to pay for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared Application Monies will pay for and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form.

**Should you choose to pay by cheque, bank draft or money order it is your responsibility to ensure that your payment is received by the Registry by no later than 5.00pm (AEDT) on Wednesday, 9 November 2011.** Cash payments will not be accepted. Receipts for payment will not be issued.

## 8. Warranties made on acceptance of the Retail Entitlement Offer

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by B<sub>PAY</sub> you will be deemed to have acknowledged, represented and warranted that you, and each person on whose account you are acting, are an Eligible Retail Shareholder (as defined in the 'Additional Information' section) or otherwise eligible to participate.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by B<sub>PAY</sub>, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

- > you and each person on whose account you are acting are not in the United States and are not a U.S. Person, and are not acting for the account or benefit of a U.S. Person, and are not otherwise a person to whom it would be illegal to make an offer of or issue of New Shares under the Retail Entitlement Offer and under any applicable laws and regulations;
- > the Entitlements and New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia or New Zealand and, accordingly, the Entitlements may not be taken up, and the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws; and
- > you and each person on whose account you are acting have not and will not send any materials relating to the Entitlement Offer to any person in the United States or that is a U.S. Person or that is acting for the account or benefit of a person in the United States.

## 9. No withdrawals

You cannot withdraw your application once it has been accepted. Cooling-off rights do not apply to an investment in New Shares.

ERA reserves the right to withdraw the Retail Entitlement Offer at any time before the issue of New Shares to Eligible Retail Shareholders, in which case ERA will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to applicants.

## 10. Confirmation of your application and managing your holding


You may access information on your holding, including your Record Date balance and the issue of New Shares from this Entitlement Offer, and manage the standing instructions the Registry records on your holding on the Investor Centre website [www.investorcentre.com](http://www.investorcentre.com). To access the Investor Centre you will need your Security Reference Number (SRN) or Holder Identification Number (HIN) as shown on your Issuer Sponsored/CHESS statements and you will need to pass the security challenge on the site.



# ASX Announcements

ERA

## 1. ASX Offer Announcement dated 12 October 2011

  
**ERA** Energy Resources of Australia Ltd

**Head office** Level 10, TIO Centre,  
24 Mitchell St, Darwin NT 0800  
GPO Box 2394, Darwin NT 0801, Australia  
T +61 8 8924 3500 F +61 8 8924 3555

**Ranger mine** Locked Bag 1,  
Jabiru NT 0886 Australia  
T +61 8 8938 1211 F +61 8 8938 1203

[www.energyres.com.au](http://www.energyres.com.au)

ABN 71 008 550 865  
A member of the Rio Tinto Group

ASX Announcement

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO U.S. PERSONS

Wednesday, 12 October 2011

ERA TO RAISE \$500 MILLION IN EQUITY VIA AN ACCELERATED RENOUNCEABLE ENTITLEMENT OFFER

- 12 for 7 underwritten accelerated renounceable entitlement offer to raise \$500 million
- Offer Price of \$1.53 per share, a 29.8% discount to the Theoretical Ex-Rights Price
- Proceeds to be used to fund construction of Ranger 3 Deeps exploration decline, further studies into development of Ranger 3 Deeps mine, expanded exploration of the Ranger Project Area and construction of the Brine Concentrator and other water management initiatives
- Major shareholder Rio Tinto is fully supportive of the capital raising

Following the announcement in August 2011 that Energy Resources of Australia Ltd ('ERA') was well advanced in developing a long term funding plan, ERA today announced a 12 for 7 accelerated renounceable entitlement offer of new ERA ordinary shares ('New Shares') to all eligible shareholders at an offer price of \$1.53 per New Share ('Offer Price') to raise approximately \$500 million ('Entitlement Offer'). The Entitlement Offer comprises an institutional component ('Institutional Entitlement Offer') and a retail component ('Retail Entitlement Offer').

Rio Tinto, ERA's largest shareholder, is fully supportive of the Entitlement Offer. It has committed to subscribe for its 68.4% entitlement in full, and the remainder of the Entitlement Offer is fully underwritten. In addition, Rio Tinto has indicated that it intends to participate in sub-underwriting of any shortfall in the Retail Entitlement Offer.

The proceeds of the Entitlement Offer will be used to fund:

- (a) the construction of a Brine Concentrator for an estimated cost of \$220 million and other water management initiatives for an estimated cost of \$52 million;
- (b) the construction of the Ranger 3 Deeps exploration decline and associated exploration drilling for an estimated cost of \$120 million;
- (c) the completion of evaluation studies into the development of the Ranger 3 Deeps mine for an estimated cost of \$55 million; and
- (d) an expanded exploration program targeting highly prospective areas on the Ranger Project Area during the period 2012 to 2014 for an estimated cost of \$40 million.

Details of the Entitlement Offer and other information described in this announcement are also set out in an investor presentation which ERA has provided to the ASX today ('Investor Presentation'). The Investor Presentation contains important information, including key risks and foreign selling restrictions with respect to the Entitlement Offer.



ERA

2

ERA's Chief Executive, Rob Atkinson said "This capital raising will provide funding for the three very important projects for ERA."

"ERA takes water management very seriously. This capital allows ERA to progress the implementation of our water management strategy, which includes the construction of a Brine Concentrator and other initiatives, in as timely a manner as possible."

"It is important that ERA understands the full extent of the resources on the Ranger Project Area and, as such, has planned to conduct an expanded exploration program to be conducted over the period from 2012 to 2014."

"Following the Northern Territory Government's recent approval, site preparation work for the Ranger 3 Deeps exploration decline will begin shortly, with construction of the box cut and decline scheduled to commence in May 2012. In parallel, ERA will undertake evaluation studies on the potential development of the Ranger 3 Deeps mine."

"ERA expects to make a decision on the Ranger 3 Deeps mine development in 2014. At the same time, ERA will reassess its future funding requirements having regard to the outcome of the Ranger 3 Deeps evaluation studies, the detailed rehabilitation studies presently being undertaken and the operating and market conditions experienced in the period to 2014."

#### **Overview of Entitlement Offer**

Eligible shareholders with a registered address in Australia and New Zealand will be invited to subscribe for 12 New Shares for every 7 existing ERA ordinary shares held at 7.00pm (AEDT<sup>1</sup>) on Monday, 17 October 2011 ('**Record Date**') at the Offer Price ('**Entitlement**').

The Offer Price of \$1.53 per New Share represents a 29.8% discount to the Theoretical Ex-Rights Price ('**TERP**').

New Shares issued under the Entitlement Offer will rank equally with existing shares. New Shares representing the renounced Entitlements and the Entitlements of ineligible shareholders will be offered to eligible institutional shareholders and other institutional investors, with any proceeds in excess of the Offer Price ('**Retail Premium**') returned pro-rata to such renouncing or ineligible shareholders.

---

<sup>1</sup> Australian Eastern Daylight Time (AEDT)



**ERA**

3

The key dates for the Entitlement Offer are:

<b>Key events</b>	<b>Date<sup>2</sup></b>
Announcement of Entitlement Offer and trading halt	12 October 2011
Institutional Entitlement Offer	12 October 2011 to 13 October 2011
Institutional shortfall bookbuild	13 October 2011 to 14 October 2011
Trading halt lifted	17 October 2011
Record date	7:00 pm (AEDT) 17 October 2011
Retail Entitlement Offer opens	19 October 2011
Settlement of Institutional Entitlement Offer	24 October 2011
Allotment and trading of new shares issued under the Institutional Entitlement Offer	25 October 2011
Retail Entitlement Offer closes	9 November 2011
Retail shortfall bookbuild	14 November 2011 to 15 November 2011
Settlement of Retail Entitlement Offer	18 November 2011
Allotment of Retail Entitlement Offer	21 November 2011
Trading of new shares issued under the Retail Entitlement Offer	22 November 2011
Distribution of Retail Premium proceeds (if any)	28 November 2011

Eligible retail shareholders will receive a retail entitlement offer booklet including a personalised entitlement and acceptance form which will provide further details of how to participate in the Retail Entitlement Offer.

**Contacts:**

Media enquiries: Janet Hamilton +61 (0) 8 8924 3550, 0437 326 696  
Jane Hart +61 (0) 8 8924 3589, 0419 972 784  
Investor enquiries: Dave Skinner +61 (0) 3 9283 3628

For further information on the company's activities please access ERA's website at [www.energyres.com.au](http://www.energyres.com.au)

<sup>2</sup> All dates are indicative only. ERA reserves the right to change these dates without prior notice.



**ERA**

4

### **Important information**

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the Securities Act of 1933, as amended (the "Securities Act")) ("U.S. Person"), or in any other jurisdiction in which such an offer would be illegal. The securities referred to herein have not been and will not be registered under the Securities Act, or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons, unless the securities have been registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

This document may not be distributed or released in the United States or to U.S. Persons.

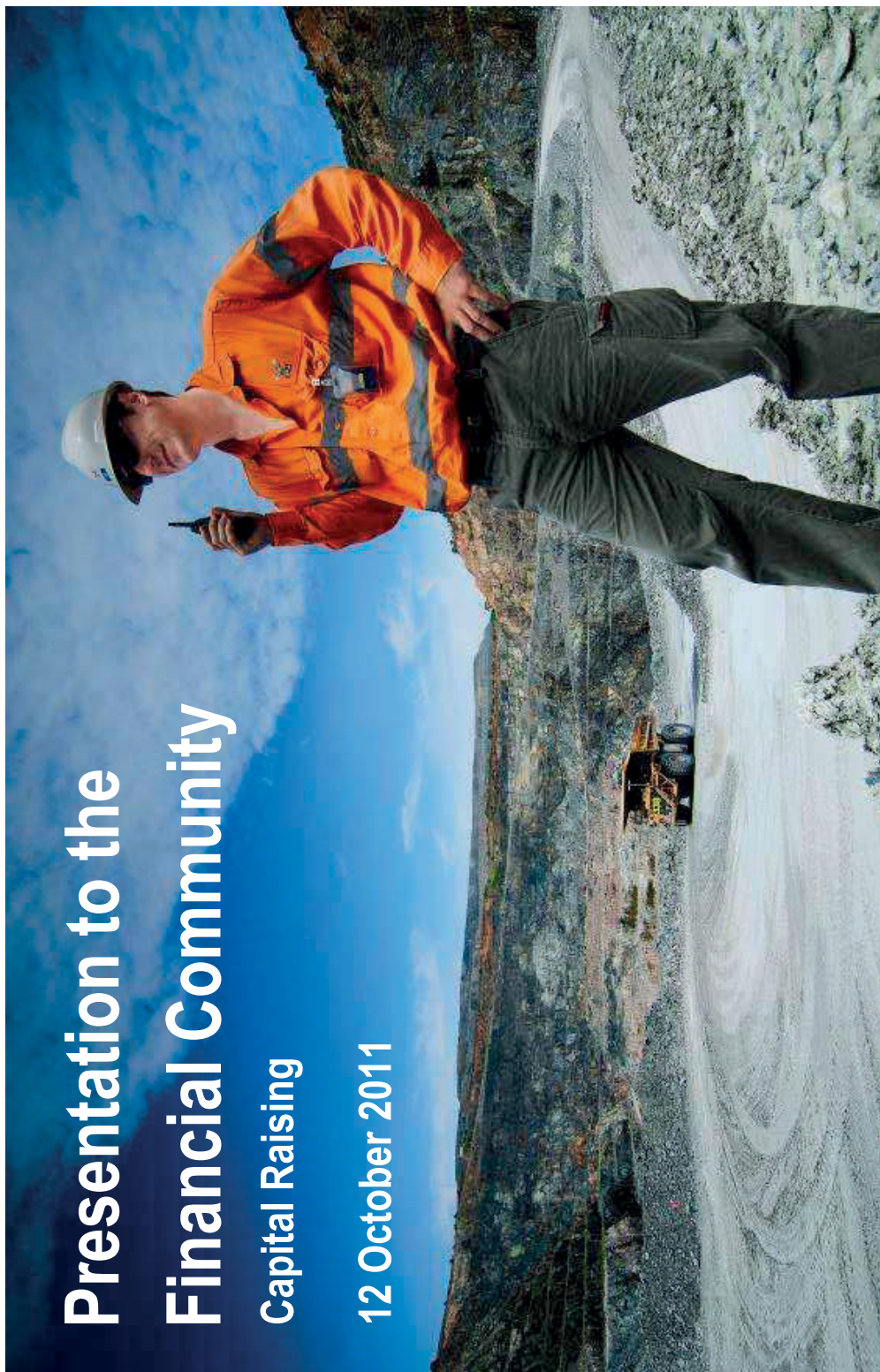
This announcement contains certain "forward-looking statements" within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may," "should," "expect," "anticipate," "estimate," "scheduled" or "continue" or the negative thereof or comparable terminology. Any forecasts or other forward looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. ERA does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.

## 2. Investor Presentation dated 12 October 2011

# Presentation to the Financial Community

Capital Raising

12 October 2011



Not for distribution in the United States or to US persons

**ERA**

Energy Resources of Australia Ltd



# Important notices

This presentation has been prepared by Energy Resources of Australia Ltd ABN 71 008 550 865 (ERA). It contains general information about ERA's activities as at the date of this presentation. It is information given in summary form and does not purport to be complete or contain all information that an investor should consider when making an investment decision. It should be read in conjunction with ERA's other periodic and continuous disclosure announcements to the ASX available at [www.asx.com.au](http://www.asx.com.au).

This presentation is not a prospectus, disclosure document or other offering document under Australian law or under any other law. It is for information purposes only and is not an invitation nor offer of shares for subscription, purchase or sale in any jurisdiction. Eligible Retail Shareholders will be entitled to participate in the Entitlement Offer referred to herein under the Retail Entitlement Offer Booklet expected to be lodged with ASX, and dispatched, on 19 October 2011. Eligible Retail Shareholders who wish to acquire the shares the subject of the Entitlement Offer should consider the Retail Entitlement Offer Booklet in deciding whether to apply under the Entitlement Offer and complete the Entitlement and Acceptance Form which will be in, or will accompany, the Retail Entitlement Offer Booklet.

This presentation, including the information contained in this disclaimer, does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any U.S. Person (as defined in Regulation S under the U.S. Securities Act of 1933 (the Securities Act)) (U.S. Person) or in any other jurisdiction in which such an offer would be illegal. The securities referred to in this presentation have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons absent registration or in a transaction exempt from or not subject to the registration requirements of the Securities Act.

The information in this presentation does not constitute financial product advice (nor investment, tax, accounting or legal advice) and does not take into account your individual investment objectives, including the merits and risks involved in an investment in shares in ERA, or your financial situation, taxation position or particular needs. This presentation is not a recommendation to acquire ERA shares. You must not act on the basis of any matter contained in this presentation, but must make your own independent assessment, investigations and analysis of ERA and the shares the subject of the Entitlement Offer referred to herein and obtain any professional advice you require before making any investment decision based on your investment objectives.

All dollar values are in Australian Dollars (A\$) unless stated otherwise. Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

## Financial data

Investors should also note that this presentation contains pro forma financial information. In preparing the pro forma financial information, certain adjustments were made to the historical financial information of ERA that it considered appropriate to reflect the capital raising. The pro forma financial information included in this presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission. You should also be aware that certain financial data included in this presentation are "non-GAAP financial measures" under Regulation G of the U.S. Securities Exchange Act of 1934, as amended, including underlying earnings. The disclosure of such non-GAAP financial measures in the manner included in this presentation would not be permissible in a registration statement under the Securities Act. ERA believes these non-GAAP financial measures provide useful information to users in measuring the financial performance and conditions of ERA. These non-GAAP financial measures do not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Readers are cautioned, therefore, not to place undue reliance on any non-GAAP financial measures and ratios included in this presentation.

## Ore Reserves and Mineral Resources Reporting Requirements

Investors should note that it is a requirement of the Australian Securities Exchange listing rules that the reporting of ore reserves and mineral resources in Australia comply with the Australasian Joint Ore Reserves Committee Code for Reporting of Mineral Resources and Ore Reserves (the "JORC Code"), whereas mining companies in other countries may be required to report their mineral reserves and/or resources in accordance with other guidelines (for example, SEC Industry Guide 7 in the United States). Investors should note that while ERA's mineral resource estimates comply with the JORC Code, they may not comply with the relevant guidelines in other countries, and do not comply with SEC Industry Guide 7. For example, the reporting regime in the United States under SEC Industry Guide 7 prohibits the reporting of estimates other than proven or probable reserves.

# Important notices

## Forward-looking statements

This presentation includes forward-looking statements. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding the conduct and outcome of the Entitlement Offer, the use of proceeds, ERA's financial position, business strategy, plans and objectives of management for future operations (including development plans and subjective relating to ERA's products, production forecasts and reserve and resource positions), are forward-looking statements. Such forward-looking statements are not guaranteed of future performance and involve known and unknown risks, uncertainties and other factors (many of which are outside ERA's control) which may cause the actual results, performance or achievements of ERA, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding ERA's present and future business strategies and the environment in which ERA will operate in the future. Among the important factors that could cause ERA's actual results, performance or achievements to differ materially from those in the forward looking statements include, among others, operational risks, production levels, demand and market prices, the ability to produce and transport products profitably, the impact of foreign currency exchange rates on sales revenues, operating costs, operational problems, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by governmental or regulatory authorities such as changes in taxation or regulation and such other risk factors identified in this presentation and ERA's most recent Annual Report. Forward-looking statements should, therefore, be construed in light of such factors except as required by law or regulation, ERA assumes no obligation to update these forward-looking statements. To the maximum extent permitted by law, ERA and its officers, employees, agents, associates and advisers do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of such information, or likelihood of fulfilment of any forward-looking statement, and disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).

## Investment risk

An investment in ERA is subject to investment risk and other known and unknown risks, some of which are beyond ERA's control. ERA does not guarantee any particular rate of return or the performance of ERA, nor does it guarantee the repayment of capital from ERA or any particular tax treatment. Please see slides 34 to 45 of this presentation – Key Risks – for further details.

## Competent Person

The information in this report that relates to Ranger and Jabiru Mineral Resources or Ore Reserves is based on information compiled by Geologists Greg Rogers (a full time employee of ERA) and Arnold van der Heyden (a full time employee of Hellman & Schofield Pty Ltd and consultant to ERA) and Mining Engineers Reid Miller and John Murphy (full time employees of ERA) 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.

## Disclaimer

No party other than ERA has authorised or caused the issue, lodgement, submission, dispatch or provision of this presentation, or takes any responsibility for, or makes or purports to make any statements, representations or undertakings in this presentation. To the maximum extent permitted by law, ERA, the underwriter and their respective affiliates, officers, employees, agents and advisers disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer or the information in this presentation being inaccurate or due to information being omitted from this presentation, whether by way of negligence or otherwise, and make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information in this presentation and, with regards to the underwriter, its affiliates, officers, employees, agents and advisers, take no responsibility for any part of this presentation. The underwriter makes no recommendation as to whether you or your related parties should participate in the Entitlement Offer nor does it make any representations or warranties to you concerning this Entitlement Offer or any such information, and you represent, warrant and agree that you have not relied on any statements made by the underwriter or any of its affiliates in relation to ERA shares or the Entitlement Offer generally.

## Acknowledge Traditional Owners

The mining operations of Energy Resources of Australia Ltd (ERA) are located on Aboriginal land and are surrounded by, but separate from, Kakadu National Park

ERA respectfully acknowledges the Mirarr, Traditional Owners of the land on which the Ranger mine is situated

# Outline

- Executive summary

- ERA position and uranium market outlook

- Overview of Ranger rehabilitation and water management

- Overview of ERA's growth initiatives

- Capital raising details

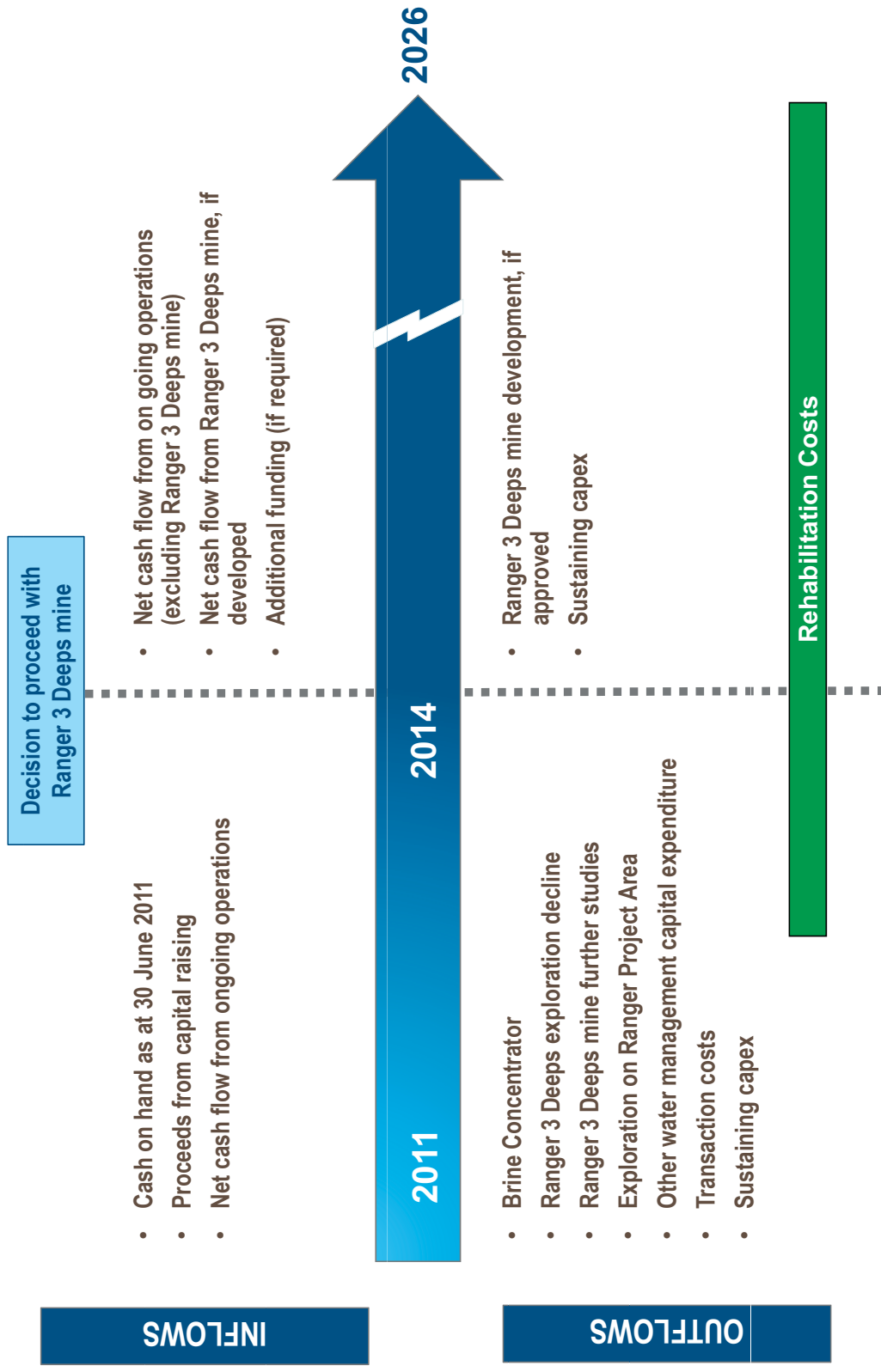
- Key risks

- Selling restrictions / jurisdictions

## Executive summary

- **ERA has today announced it will be undertaking a fully underwritten 12 for 7 renounceable entitlement offer of \$500 million, at an issue price of \$1.53 per share**
- **Proceeds raised will be used to fund:**
  - Construction of Brine Concentrator and other water management initiatives
  - Construction of Ranger 3 Deeps exploration decline
  - Further studies into development of Ranger 3 Deeps mine
  - Expanded exploration program targeting highly prospective areas on the Ranger Project Area
- **Rio Tinto has indicated its full support for the capital raising:**
  - Rio Tinto has committed to take-up its 68.4% entitlement
  - Rio Tinto has indicated its intention to participate in sub-underwriting the retail entitlement offer

# Executive summary



Not for distribution in the United States or to US persons

**ERA**

Energy Resources of Australia Ltd

# Outline

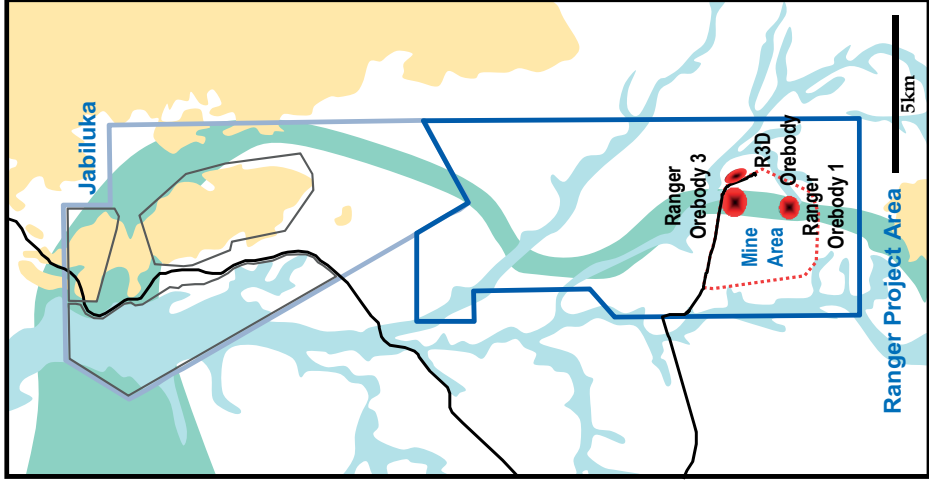
- Executive summary
- **ERA position and uranium market outlook**
- Overview of Ranger rehabilitation and water management
- Overview of ERA's growth initiatives
- Capital raising details
- Key risks
- Selling restrictions / jurisdictions

## Located in the Northern Territory, ERA is one of Australia's largest uranium producers

- **Experienced producer with strong exploration upside**
  - Experienced producer with over three decades of uranium mining experience
  - ERA's Ranger mine is one of only three mines in the world that has produced in excess of 100,000 tonnes of uranium oxide
  - Part of capital raising proceeds to fund expanded exploration program scheduled for period 2012 to 2014
  - ERA has identified highly prospective and under explored regions within the Ranger Project Area
- **ERA's deposits represent some of the largest and highest grade in Australia**
  - The Ranger Project Area lies within the highly prospective Alligator Rivers Region, where the current mining operations are located, as well as the Ranger 3 Deeps mineral resource
  - ERA also holds the Jabiluka mineral lease which, in accordance with the Long Term Care and Maintenance Agreement, will not be developed without the consent of the Traditional Owners
- **Positive uranium market outlook in the longer term**
  - Fukushima incident caused a slowdown in some regions, but ERA believes nuclear energy will still be an important part of the global energy mix for decades to come
  - Emerging economies expected to support uranium demand, with commitment to nuclear energy from China, India, Russia and the United Arab Emirates

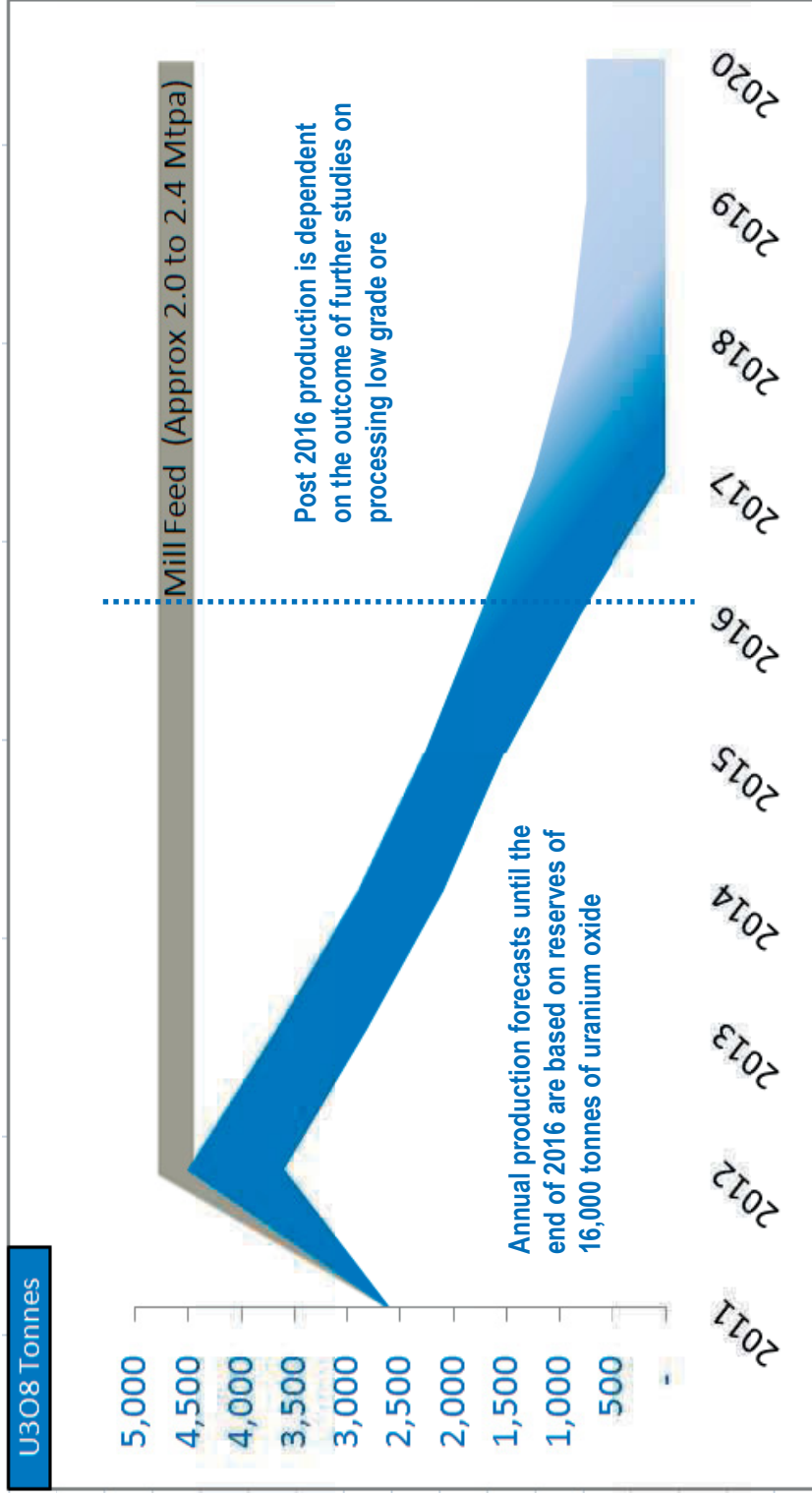


# Experienced producer with strong exploration upside



- Ranger Pit 3 operations expected to be completed by the end of 2012
- Stockpiles will allow continued production following cessation of mining in Ranger Pit 3
- Following the announcement that the Heap Leach project will not be progressed, ERA will continue to investigate methods for extracting the value from the existing low grade stockpiles
- The Ranger 3 Deeps exploration decline will allow for the further exploration of the current Ranger 3 Deeps mineral resource (10 million tonnes @ 0.34% uranium oxide with a cut-off grade of 0.15% uranium oxide)
- ERA will undertake further studies into the development of the Ranger 3 Deeps mine
- Ranger wide exploration program planned for 2012 to 2014. It is important that ERA understands the full extent of the resources on the Ranger Project Area

# Ranger production forecast (excluding potential Ranger 3 Deeps mine production)<sup>1</sup>

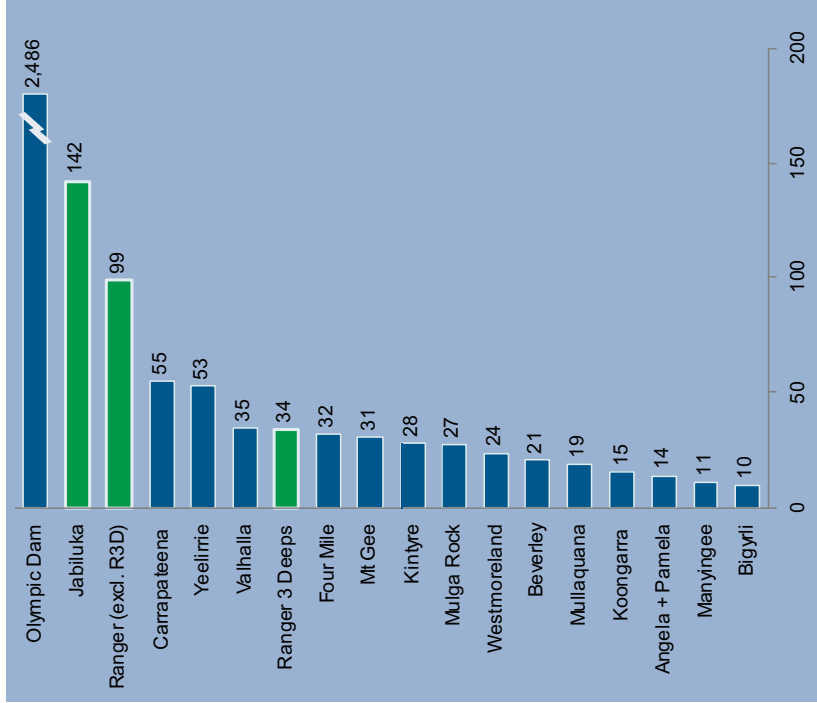


Note:

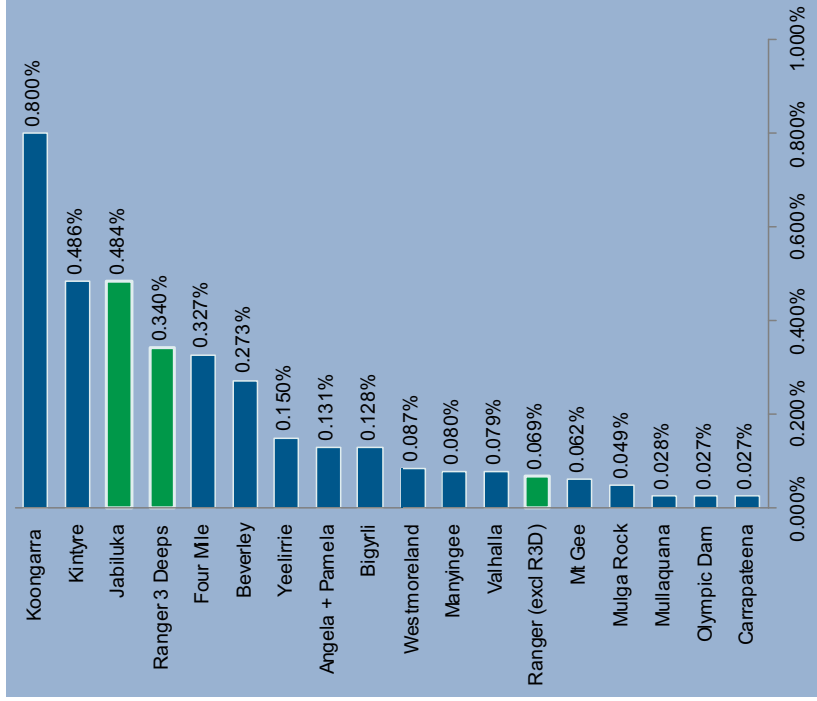
1. Risks associated with this production forecast are outlined in the Key Risks section and, in particular, slides 35 to 38

# ERA's deposits represent some of the largest and highest grade uranium inventories in Australia

Resource size in U3O8 tonnes ('000t)



U3O8 (%) average resource grade



Source: Company reports and announcements

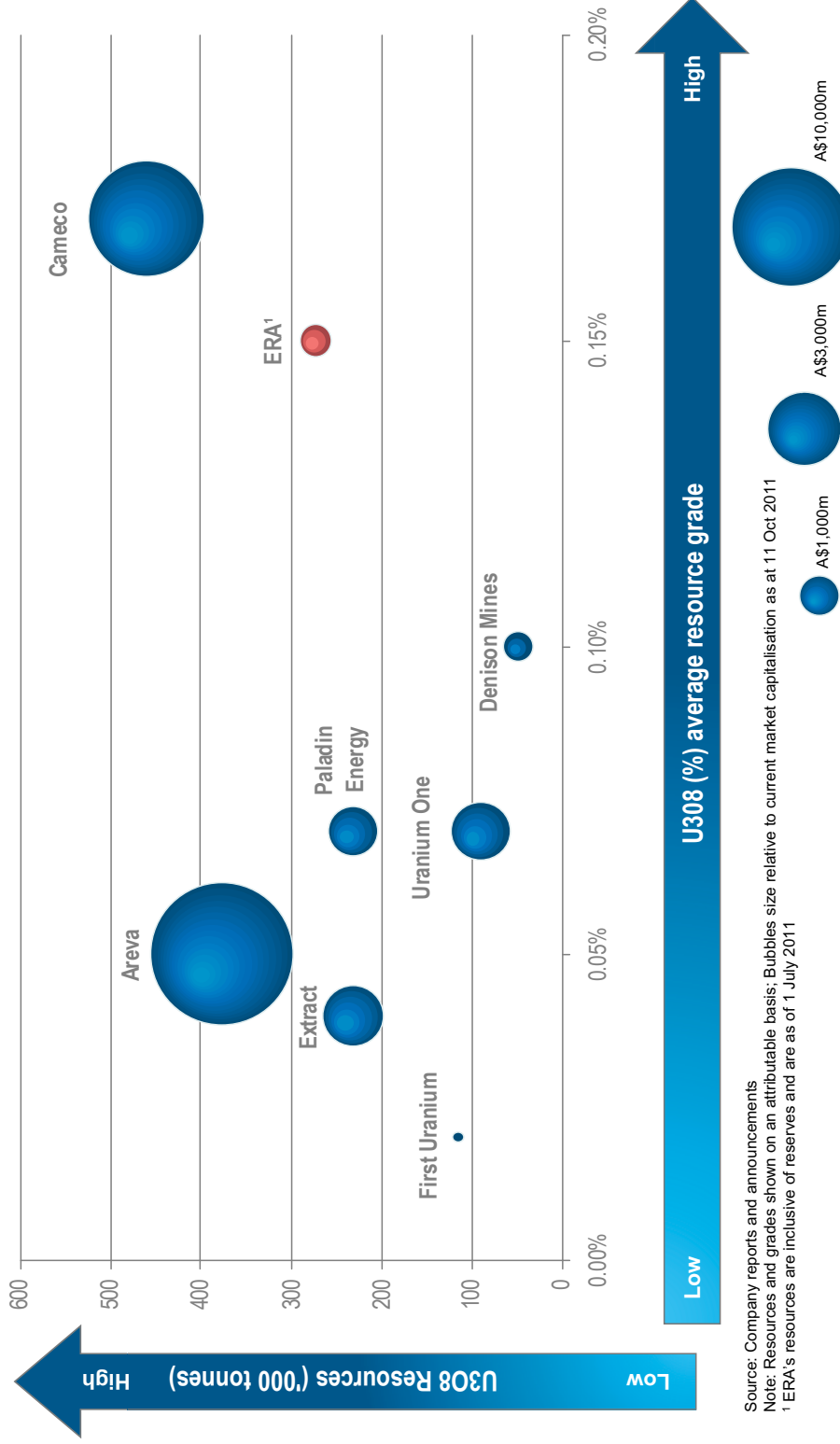
Note: Ranger deposit size and grade excludes Ranger 3 Deeps; ERA's resources are inclusive of reserves and are as of 1 July 2011

Not for distribution in the United States or to US persons

ERA

Energy Resources of Australia Ltd

# Comparison of ERA's current market capitalisation, uranium grades and resource base, versus selected global peers



Source: Company reports and announcements  
 Note: Resources and grades shown on an attributable basis; Bubble size relative to current market capitalisation as at 11 Oct 2011  
<sup>1</sup> ERA's resources are inclusive of reserves and are as of 1 July 2011

Not for distribution in the United States or to US persons

**ERA** Energy Resources of Australia Ltd

## Positive uranium market outlook in the longer term

- **Near term impact of Fukushima**
  - Immediate loss of demand in Japan
  - Germany moving from life extension to probable early shutdown
  - Some slowing of reactor builds in the short term, while countries assess safety learnings
  - Near term market and price volatility as demand and supply adjust
- **Long term uranium market outlook**
  - Slower demand growth outside of China, but China may exceed current estimates
  - New mine development will also be a challenge, so overall supply and demand expected to remain in balance
  - Long term demand impact should not change significantly as China represents most of the growth
  - Uranium demand further supported by emerging countries like India and new entrants such as United Arab Emirates
  - New nuclear build is still underway in South Korea, India, the US and parts of Europe
  - 440 reactors continue in operation worldwide and will need to be refuelled (source:WNA)
- **Nuclear power is a low carbon emitting generation technology that has the ability to deliver large volumes of base load power. ERA believes it will still be an important part of the global energy mix for decades to come**

# Outline

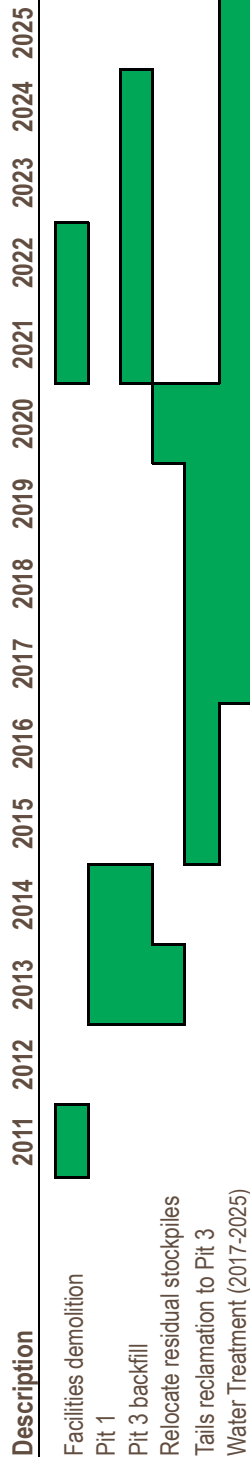
- Executive summary
- ERA position and uranium market outlook
- **Overview of Ranger rehabilitation and water management**
- Overview of ERA's growth initiatives
- Capital raising details
- Key risks
- Selling restrictions / jurisdictions

## Rehabilitation provision

- ERA is committed to ensuring the Ranger Project Area is rehabilitated to the required and agreed standard
- The Ranger s41 Authority requires ERA to cease all mining and processing operations at the Ranger Project Area by 2021, with rehabilitation to be complete by January 2026, so that the environment at the site is similar to adjacent areas of the Kakadu National Park
- Further information on ERA's environmental standards, including rehabilitation, is outlined in its annual Sustainable Development Report which can be found on ERA's website ([www.energyres.com.au](http://www.energyres.com.au))

# Rehabilitation Costs

- **The current financial statement provision for rehabilitation is \$550 million on a net present cost basis (as announced in ERA's 2011 Half Year financial statements)**
  - Equivalent to an amount of \$680 million on a 2011 real Australian dollar undiscounted basis
  - Determined using a discount rate equivalent to the Australian Government ten year bond rate and an assumed inflation rate of 2.25%
  - The above estimate is at an order of magnitude (-15% to +30%) level of accuracy <sup>1</sup>
  - Major rehabilitation activities are scheduled to commence in 2013 following cessation of mining in Pit 3, with the costs of these activities expected to be approximately evenly distributed over each year in the period 2013 to 2025
- **Total estimated expenditure of \$750 million on a 2011 real Australian Dollar undiscounted basis inclusive of all disturbance from current mining operation (excludes any new projects) <sup>1</sup>**
- **Risks associated with the rehabilitation provision are outlined on slides 35 and 38 to 39 and include:**
  - The provision has been determined at an order of magnitude level and reflects an estimate of closure costs at this point in time
  - The provision includes an allowance for salt management, however, a final option will not be selected until completion of the detailed studies
  - The provision includes an allowance for the costs of the treatment post 2016 of 1.83 GL of process water per year
- **As previously communicated, work continues to further define the scope and cost of rehabilitation activities, with expected completion by the end of 2012. This may result in increased estimates for rehabilitation work and a corresponding increase in the provision for rehabilitation in our financial statements**
- **The significant activities in the current rehabilitation provision and indicative schedule of those rehabilitation activities is:**

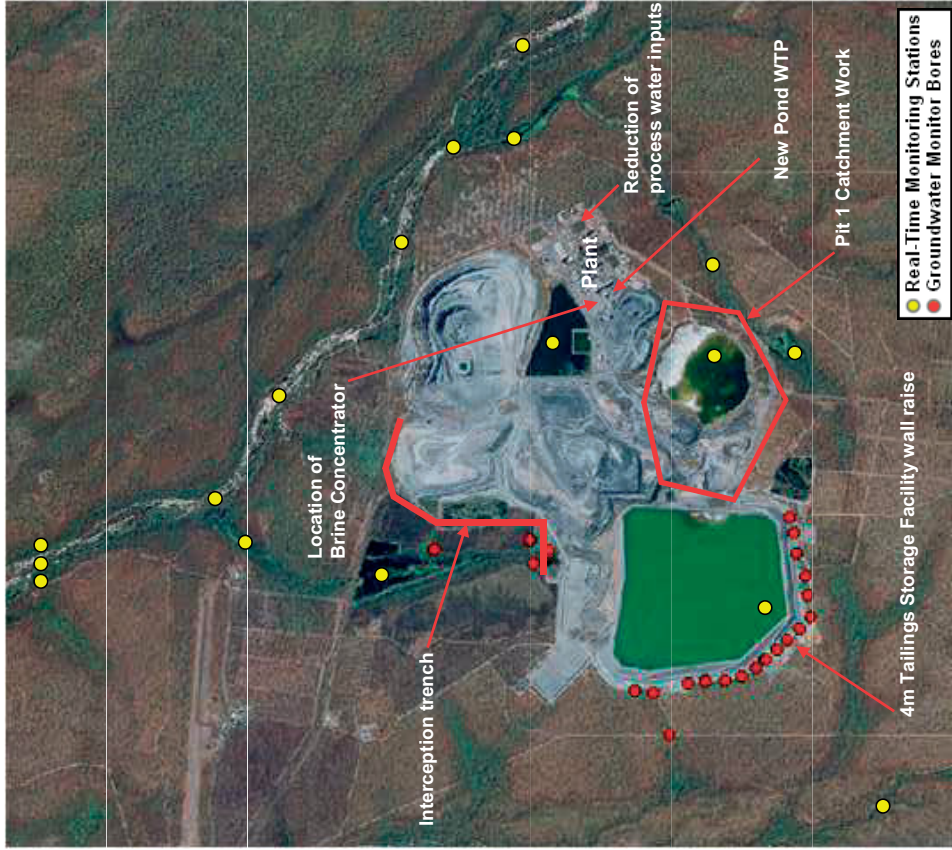


Note: 1 The "-15% to +30%" range is the internal level of accuracy adopted by ERA to complete an order of magnitude study. This does not represent a minimum and maximum range and actual costs may vary by more than the specified level of accuracy.



# Significant investment in water management

- Investment of \$80 million to conduct feasibility study on Brine Concentrator and procurement of long lead items as announced in April 2011 (total capital expenditure for project estimated to be \$220 million)
  - Targeted commissioning of Brine Concentrator in second half of 2013
  - Most effective long term method to treat and reduce process water inventory
  - Target capacity 1.83 gigalitres of water per year
  - Pilot facility testing complete with positive results
  - Risks associated with Brine Concentrator project are outlined on slide 35
- The operation of the Brine Concentrator is energy intensive and will result in a significant increase in water treatment operating costs. These impacts will be further assessed as part of the feasibility study
- Significant catchment reduction works completed to divert pond water from the process water catchment
- Plant modifications completed to reduce process water inputs
- \$52 million to raise the embankment of the Tailings Storage Facility by 4 metres to be completed by the end of 2011
- Additional bore holes being installed to monitor groundwater quality as well as further real time monitors, retention ponds and wet land filters
- The total water management capital expenditure of \$367 million outlined below is not included in the rehabilitation provision of \$550 million



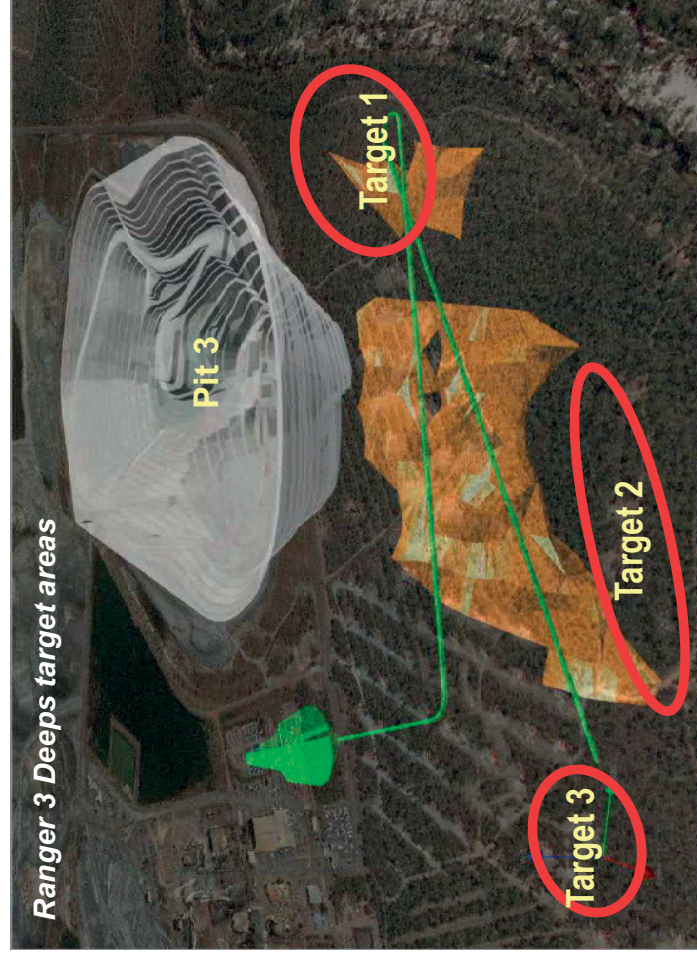
Water management capital expenditure 2011 to 2013	\$ million
Brine Concentrator (2011 to 2013)	\$220
Raise Tailings Storage Facility (2011)	\$52
Other water management initiatives (2012 to 2013)	\$95
<b>Total</b>	<b>\$367</b>

# Outline

- Executive summary
- ERA position and uranium market outlook
- Overview of Ranger rehabilitation and water management
- Overview of ERA's growth initiatives
- Capital raising details
- Key risks
- Selling restrictions / jurisdictions

## ERA to explore for significant resource upside at Ranger 3 Deeps

- Current Ranger 3 Deeps mineral resource has 34,000 tonnes of contained uranium oxide (at cut-off grade of 0.15% uranium oxide), which is one of the most significant uranium deposits recently discovered
- Whilst ERA will seek to optimise recovery, it does not anticipate to fully exploit the current known Ranger 3 Deeps mineral resource within the term of the current s41 Authority
- Future exploration target zones provide further upside potential
  - Northern extension under Magela Creek (Target 1)
  - Deeper resource along interpreted structure (Target 2)
  - South east extension (Target 3)
  - Other adjacent prospective areas
- ERA recently announced a substantial investment for the construction of the exploration decline and associated drilling which is expected to cost \$120 million with an additional \$55 million allocated to further studies
- The estimated development cost of the Ranger 3 Deeps mine will be determined as part of these further studies. However, it is expected that it will require an additional substantial investment of at least as much as is intended to be spent on the current exploration decline and further mine evaluation studies combined and potentially more
- Risks associated with the Ranger 3 Deeps project are outlined in the Key Risks section and, in particular, slides 36 to 37 and 41



## Ranger 3 Deeps – indicative milestones

Milestones	Target Date
Exploration decline approved (by ERA Board and NT Government)	Completed
Award site preparation work	October 2011
Targeted commencement of draft Environmental Impact Statement and associated studies	2012
Box cut excavation and completion	October 2012
Commencement of decline construction	October 2012
Commencement of drilling	June 2013
Targeted commencement of feasibility study	2014
Review of economic viability and decision whether to proceed	2014
Targeted commencement of production*	Late 2015


\* Assuming operational mine is feasible

# Pathway to potential production at Ranger 3 Deeps

Approval to proceed with Ranger 3 Deeps exploration decline

Prove up business case for mine development

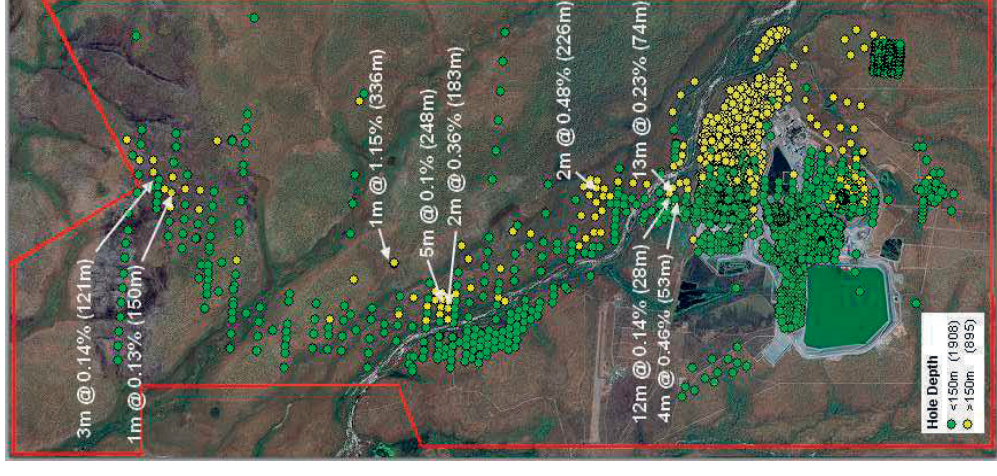
Stakeholder consultation

- 
- Construct exploration decline (which will act as the production decline if the Ranger 3 Deeps mine is developed)
  - Identify additional resources
  - Resource delineation to convert resources into reserves
  - Provide business case for mine development
  - Continue to fulfill commitments to environment and surrounding region
  - Discuss future options for ERA with key stakeholders

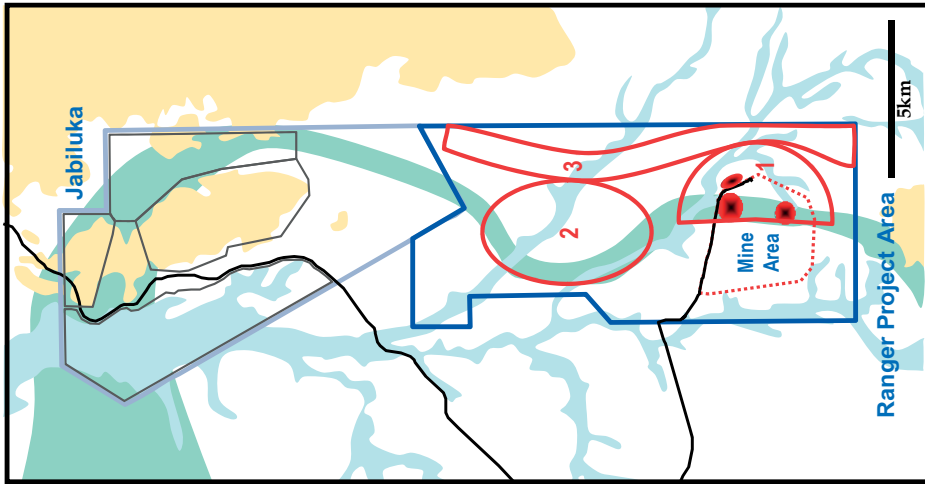
Undertake close communication and consultation with regulators, Traditional Owners and other key stakeholders at every stage

## ERA to optimise expanded exploration program

- **Past drilling has identified targets of interest across the Ranger Project Area**
  - There remains highly prospective underground exploration targets
  - Future exploration will focus on deeper drilling to target similar deposits to Ranger 3 Deeps
- **There have been significant advancements in exploration techniques since the early exploration drilling of the Ranger Project Area**
  - Geochemical – using low level detection techniques on a wide range of path finder elements (vectoring) into uranium mineralisation
  - Mineralogical - using mineral chemistry
  - Geophysical - high resolution magnetics, seismic, gravity
  - Structural - recognition of significant fault structures that strongly influence the location of the Ranger 3 Deeps mineralisation and identification of other similar structural targets
- **These techniques, along with ERA's geological knowledge, will be utilised to define the expanded exploration program for the Ranger Project Area during 2012 to 2014**



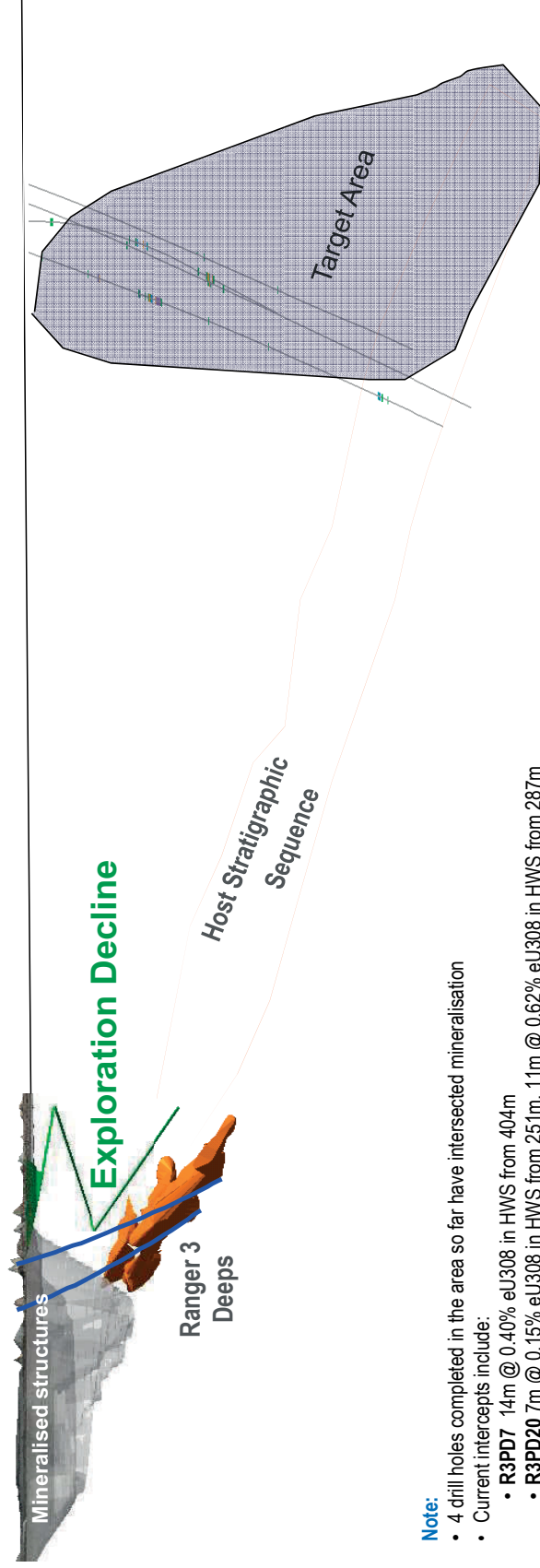
# Expanded exploration program on Ranger Project Area



- 2011 Ranger exploration program well progressed and further significant exploration activity planned for 2012 to 2014
- Estimated expenditure of \$40 million for 2012 to 2014
- Three prospective areas being targeted:
  - 1. Ranger Mine Orbit**
    - Focus on prospects adjacent to Ranger 3 Deeps and other near mine anomalies
    - Significant zones of mineralisation have been intersected under the Georgetown structure, based on drilling to date
    - Prospective depth to 800m
  - 2. North Ranger Project Area**
    - Focus: standalone mineable resource
    - Prospective depth to 800m
  - 3. East Ranger Project Area**
    - Prospective depth to 800m

# Georgetown deep structural target

- Potential repeat of a mineralised structure has been intersected to the east of the Ranger 3 Deeps resource
- Three significant zones of mineralisation have been intersected to date



**Note:**

- 4 drill holes completed in the area so far have intersected mineralisation
- Current intercepts include:
  - R3PD7 14m @ 0.40% eU308 in HWS from 404m
  - R3PD20 7m @ 0.15% eU308 in HWS from 251m, 11m @ 0.62% eU308 in HWS from 287m
  - R3PD19 1m @ 0.22% eU308 in HWS from 370m
  - R3PD20 7m @ 0.17% eU308 in UWS from 770m
  - R3PD25 4m @ 0.45% eU308 in HWS from 409m
- Mineralised intersections are based on a 0.08% uranium oxide cut off
- This diagram represents a schematic hypothesis to illustrate future targets
- UWS means upper mine sequence (UMS), the strata that hosts the ore
- HWS means hanging wall sequence, strata above UMS



# Outline

- Executive summary
- ERA position and uranium market outlook
- Overview of Ranger rehabilitation and water management
- Overview of ERA's growth initiatives
- **Capital raising details**
- Key risks
- Selling restrictions / jurisdictions

# Capital raising overview

Entitlement Offer size	<ul style="list-style-type: none"> <li>Fully underwritten accelerated renounceable entitlement offer to raise \$500 million               <ul style="list-style-type: none"> <li>327.0 million shares to be issued</li> <li>Approximately 171% of issued share capital</li> </ul> </li> </ul>
Entitlement Offer price	<ul style="list-style-type: none"> <li>Entitlement Offer price of \$1.53 per share               <ul style="list-style-type: none"> <li>29.8% discount to theoretical ex-rights price (TERP)<sup>1</sup> of \$2.18 per share</li> </ul> </li> </ul>
Institutional Entitlement Offer	<ul style="list-style-type: none"> <li>Institutional Entitlement Offer open from 12 October 2011 to 13 October 2011</li> <li>Entitlements not taken up by eligible institutional shareholders will be placed into a shortfall bookbuild to be conducted from 13 October 2011 to 14 October 2011<sup>2</sup></li> </ul>
Retail Entitlement Offer	<ul style="list-style-type: none"> <li>Retail Entitlement Offer open from 19 October 2011 to 9 November 2011</li> <li>Entitlements not taken up will be placed into the retail shortfall bookbuild to commence on or around 14 November 2011<sup>2</sup></li> </ul>
Nominee Sale Process	<ul style="list-style-type: none"> <li>ERA has appointed a nominee to sell the New Shares which would otherwise have been available to be issued to ineligible shareholders if they were eligible to participate in the Entitlement Offer</li> <li>These entitlements will be sold by the nominee to certain eligible wholesale investors on or around 15 November 2011. The nominee will work with ERA to distribute to Ineligible Shareholders their proportion of any proceeds of sale net of expenses and any withholdings required by law</li> </ul>
Ranking	<ul style="list-style-type: none"> <li>Shares to be issued under the Entitlement Offer will rank equally with existing shares</li> </ul>
Rio Tinto participation	<ul style="list-style-type: none"> <li>Major shareholder Rio Tinto supports the offer and has committed to take up its full entitlement</li> <li>Rio Tinto has indicated its intention to participate in sub-underwriting the retail entitlement offer</li> </ul>

<sup>1</sup>The theoretical ex-rights price is the theoretical price at which ERA shares should trade immediately following the ex-date for the entitlement offer assuming 100% take up of the offer. The theoretical ex-rights price is a theoretical calculation only and the actual price at which ERA shares trade immediately following the ex-date for the entitlement offer will depend on many factors and may not be equal to the theoretical ex-rights price

<sup>2</sup>Proceeds in excess of the entitlement offer price for the respective bookbuilds will be paid to relevant renouncing shareholders pro rata net of expenses or withholding taxes  
 Note: all dates are indicative only and are subject to change

**Not for distribution in the United States or to US persons**

**ERA**

**Energy Resources of Australia Ltd**

## Use of proceeds

Proceeds of capital raising will be used as follows:

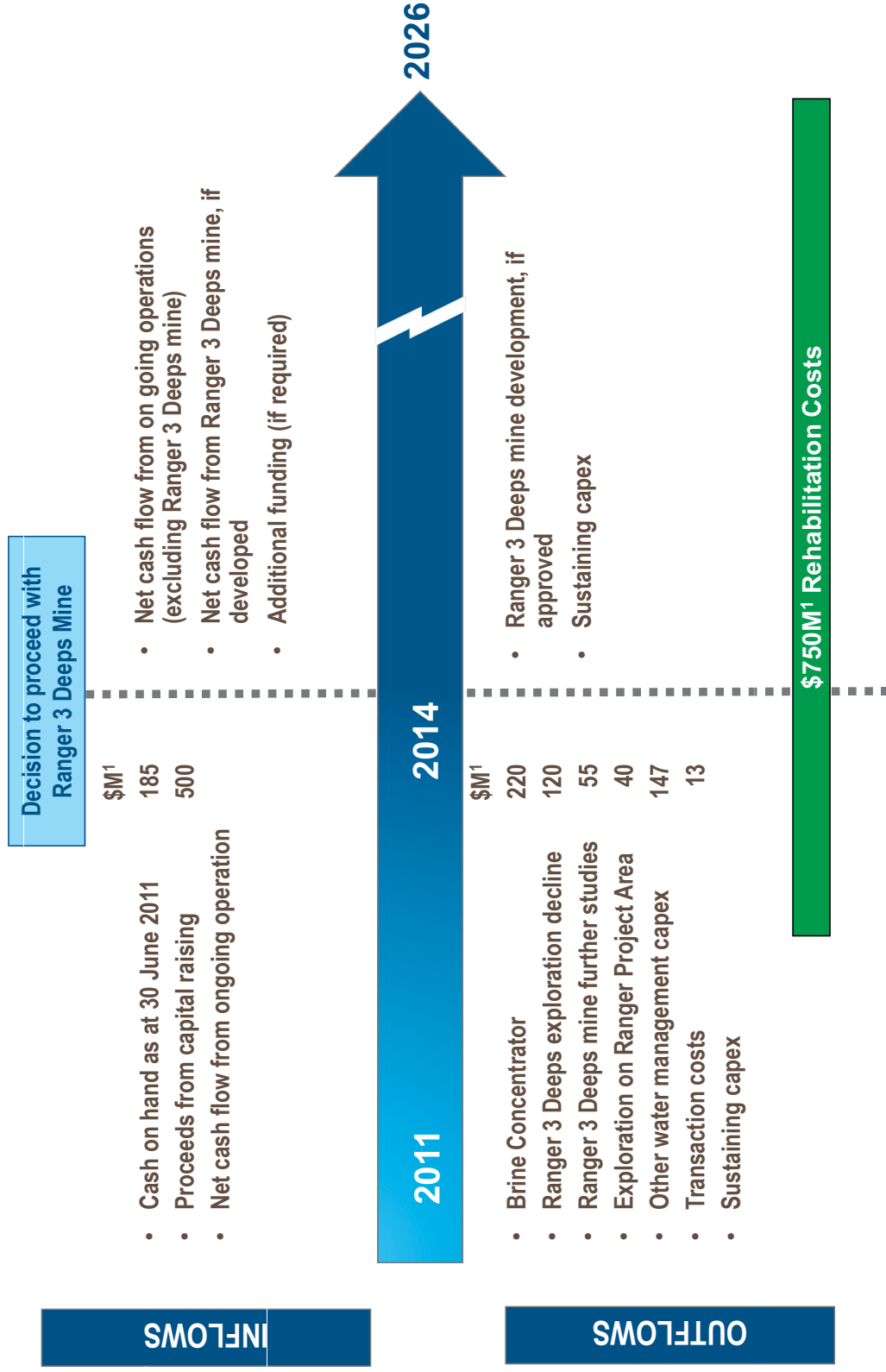
	\$ million
Brine Concentrator	220
Ranger 3 Deeps exploration decline	120
Ranger 3 Deeps mine evaluation studies	55
Expanded exploration on Ranger Project Area	40
Other water management initiatives	52
Transaction costs	13
<b>Total use of proceeds from capital raising</b>	<b>\$500</b>

- In determining the size of the capital raising, ERA has included an allowance for contingencies against unfavourable market and operating conditions<sup>1</sup>
- ERA's other significant expenditure in the period up to a decision on the Ranger 3 Deeps mine, including rehabilitation expenditure, is expected to be funded from cash on hand (\$185 million as at 30 June 2011) and cash flow from on-going operations
- On the basis of the assumptions outlined on slides 40 and 41 ERA expects to still have a significant cash balance at the time it is scheduled to make a decision on the Ranger 3 Deeps mine<sup>2</sup> but should actual market or operating circumstances be different, ERA's cash position will vary accordingly. It is too early to say whether additional funding will be required to construct the Ranger 3 Deeps mine as this will depend on achievement of these assumptions, the outcome of the Ranger 3 Deeps mine feasibility study and the mine design

Note:

1. The market and operating assumptions used by ERA to evaluate its funding requirements to 2015 are outlined on slide 41.
2. If the actual production levels, foreign exchange rates, commodity prices and cost savings achieved over the period to end of 2014 adversely differ from those assumptions outlined in slides 40 and 41, ERA's cash position will also be adversely affected. Projected expenditure figures and capital requirements are estimates only and are subject to the risks and assumptions outlined in the Key Risks section and, in particular on slide 41.

# Indicative Cash flow



Note:

1. A\$ real 2011 undiscounted

Not for distribution in the United States or to US persons

ERA

Energy Resources of Australia Ltd

## Offer timetable

Key events	Date
Announcement of trading halt	12 October 2011
Institutional Entitlement Offer	12 October 2011 to 13 October 2011
Institutional shortfall bookbuild	13 October 2011 to 14 October 2011
Trading halt lifted	17 October 2011
Record date	7:00 pm (AEDT) 17 October 2011
Retail Entitlement Offer opens	19 October 2011
Settlement of Institutional Entitlement Offer	24 October 2011
Allotment and trading of new shares issued under the Institutional Entitlement Offer	25 October 2011
Retail Entitlement Offer closes	9 November 2011
Retail shortfall bookbuild and nominee sale process	14 November 2011 to 15 November 2011
Settlement of Retail Entitlement Offer	18 November 2011
Allotment of Retail Entitlement Offer	21 November 2011
Trading of new shares issued under the Retail Entitlement Offer	22 November 2011

Note: all dates are indicative only and are subject to change

Not for distribution in the United States or to US persons

ERA

Energy Resources of Australia Ltd

## Pro-forma balance sheet

(A\$ million)	30 June 2011	Equity raise	Pro-forma
Cash	185	487 <sup>1</sup>	672
Inventories	177		177
Property, plant and equipment	778		778
Investment in trust fund	58		58
Other assets	266		266
<b>Total assets</b>	<b>1,464</b>		<b>1,951</b>
Debt	0		0
Rehabilitation provision	550		550
Other provisions	13		13
Other liabilities	72		72
<b>Total liabilities</b>	<b>635</b>		<b>635</b>
<b>Net assets</b>	<b>829</b>		<b>1,316</b>
Contributed Equity	215	487 <sup>1</sup>	702
Reserves	391		391
Retained profits	223		223
<b>Total equity</b>	<b>829</b>		<b>1,316</b>

<sup>1</sup> Cash raised adjusted for transaction costs

Not for distribution in the United States or to US persons

**ERA**

**Energy Resources of Australia Ltd**

## Investment highlights

- **Experienced producer with strong exploration upside**
  - Experienced producer with over three decades of uranium mining experience
  - ERA has identified highly prospective and under explored regions within the Ranger Project Area
  - Expanded exploration program for 2012 to 2014 for an expected total cost of \$40 million will target these areas
- **High quality deposit with ability to leverage existing processing facility**
  - Ranger 3 Deeps mineral resource of an estimated 34,000 tonnes of uranium oxide is one of the most significant undeveloped uranium deposits recently discovered
  - Existing infrastructure at Ranger mine could be leveraged for processing Ranger 3 Deeps ore, providing continuity of production post processing of the stockpiles
- **Investment in water management will support ERA's production optimisation and ensure water inventory is reduced**
  - Implementation of water management strategy is well advanced
  - Water management initiatives expected to support future development projects and rehabilitation
- **Positive uranium market outlook in the longer term**
  - Emerging economies expected to support uranium demand, with commitment to nuclear energy from China, India, Russia and the United Arab Emirates
- **Proceeds of capital raising to fund capital expenditure for**
  - Ranger 3 Deeps exploration decline and mine feasibility study
  - Expanded exploration program scheduled for 2012 to 2014
  - Investment in water management
- **Capital raising support led by 68.4% major shareholder, Rio Tinto**
  - Rio Tinto has committed to take up its 68.4% entitlement and indicated its intention to participate in sub-underwriting the retail entitlement offer
  - Continued financial and operational support

*Note: These investment highlights should be considered in light of the risk factors set out on slides 34 to 45*

## Key risks

There are various risks associated with investing in ERA, and many of these risks are outside the control of ERA. There can be no guarantee that ERA will achieve its stated objectives or intentions, that forecasts will be met or that forward-looking statements will be realised. Set out below is a summary of some, but not all, of the risks facing ERA. Please refer to slides 34 to 45 for more detail on these key operational and investment risks.

- **Operational risks**
  - Brine Concentrator construction risks
  - Tailings Storage Facility and water treatment
  - Wet season and weather
  - Exploration and project development risks
  - Nature of uranium production
  - Production from Pit 3
  - Resource estimates
- **Rehabilitation**
- **Ore reserves**
- **Personnel**
- **Accounting standards**
- **Insurance**
- **Cost saving program**
- **Uranium market demand and price risks**
- **Credit and market risks**
  - Currency risk
  - Access to capital risk
- **Regulatory risk and stakeholder matters**
  - General regulatory risks
  - Regulators and stakeholders
- **Ranger Rehabilitation Trust Fund**
- **Security of Tenure and the Atomic Energy Act**
- **Tax risks**
- **Support of Rio Tinto**
- **Dividend policy**
- **Risks relating to equity investment and markets**
- **Underwriting risks**



# Q & A

# Outline

- Executive summary
- ERA position and uranium market outlook
- Overview of Ranger rehabilitation and water management
- Overview of ERA's growth initiatives
- Capital raising details
- **Key risks**
- Selling restrictions / jurisdictions

# Key risks

## Introduction

A number of risks and uncertainties, which are both specific to ERA and of a more general nature, may affect the future operating and financial performance of ERA and the value of ERA shares. You should carefully consider the following risk factors, as well as the other information provided to you by ERA in connection with the Entitlement Offer, and consult your financial and legal advisers before deciding whether to invest in the New Shares. The risks and uncertainties described below are not the only ones facing ERA. Additional risks and uncertainties that ERA is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect ERA's operating and financial performance.

## Operational risks

ERA intends to use the proceeds of the Entitlement Offer on the installation of a Brine Concentrator and completion of other water management initiatives, construction of an exploration decline for the Ranger 3 Deeps resource, completion of further studies on the Ranger 3 Deeps resource and to conduct further exploration of the Ranger Project Area.

ERA's operations may be delayed or be unsuccessful for many reasons, including unanticipated financial, operational or political events, cost overruns, decline in uranium prices and demand, foreign exchange fluctuations, equipment and labour shortages, technical concerns including possible reserves and deliverability difficulties, environmental impacts including climatic conditions, increases in operating cost structures, community or industrial actions and any other circumstance which results in the delay, suspension or termination of ERA's capital or exploration projects and/or the total or partial loss of ERA's capital. Certain of these risks are set out in greater detail below.

## Brine Concentrator risks

Construction and commissioning of the Brine Concentrator is considered by ERA to be the most effective long term method to treat and reduce the process water inventory at Ranger mine. Commissioning of the Brine Concentrator is expected in the second half of 2013.

Feasibility and pilot plant studies are currently underway in relation to the design of the Brine Concentrator (which includes the estimated operating costs of the Brine Concentrator) and the long term management and storage of salts generated by the Brine Concentrator treatment process. Whilst not yet determined, it is likely that the operating costs of the Brine Concentrator will be significant. There is no guarantee as to the ability to construct the Brine Concentrator on the Ranger Project Area as timetable, nor the ultimate capital or operating cost. If the rainfall in the next two wet seasons exceeds the long term rainfall average or additional water treatment capacity is otherwise required in the future, the capacity of the Brine Concentrator may need to be expanded. An increase in operating or capital costs for the Brine Concentrator (or expansion of the Brine Concentrator) or delays in construction of the Brine Concentrator will adversely impact ERA's operational performance and financial position.

# Key risks

## Tailings Storage Facility and water treatment

ERA will seek regulatory approval to increase the maximum operating level for the Tailings Storage Facility at the Ranger mine, following the completion of the construction of the Tailings Storage Facility wall lift which is scheduled for the December quarter of 2011. An increase in the maximum operating level will increase the amount of process water ERA can store in the Tailings Storage Facility. If the Tailings Storage Facility wall lift is not completed on schedule, or regulatory approval is not obtained to increase the maximum operating level by 1 December 2011, on-going operations will be negatively impacted, which will adversely impact ERA's financial position.

Management of water on the Ranger Project Area is key to the ongoing operation of the Ranger mine and processing operations. ERA has a number of procedures and initiatives underway in respect to water management. To the extent that these initiatives cost more than expected or ERA is required to implement further initiatives, ERA's financial and operational performance and position may be adversely impacted.

## Wet season and weather

The Ranger Project Area is subject to the extreme contrast of weather conditions that exist in the Northern Territory. The extent of each wet season can have a significant impact on ERA's mine operations, including access to the bottom of Ranger Pit 3 where the high grade ore is located, and ore processing. A series of large wet seasons have been experienced at the Ranger Project Area in recent years resulting in suspension of processing operations during the current year. Wet seasons that significantly exceed long term averages, especially in the next two wet seasons when ERA expects to undertake significant work in respect of the Brine Concentrator construction and other water management initiatives, will have a material adverse effect on ERA's ability to implement these initiatives and on ERA's operating performance and financial position.

## Exploration and project development risks

ERA's primary business is the mining, processing and sale of uranium. ERA is also focused on exploration for, and commercial development of, mineral deposits in the Ranger Project Area.

Mining, exploration and the development of mineral interests are high risk activities that require significant expenditure over extended periods of time. There is no guarantee that the Ranger 3 Deeps exploration decline or other exploration activities that ERA intends to undertake will be successful in delineating economically mineable reserves and resources. There is also no guarantee that the development of the Ranger 3 Deeps resource will be economically viable, as for example, the size of the resource or its grade maybe be less than expected or the ore may contain more carbonate than expected (impacting processing and recovery).

## Key risks (cont'd)

Nor is there any guarantee that ERA will be able to secure and/or maintain title to ERA's exploration and mining tenements. In particular, ERA's right to occupy the Ranger Project Area expires on 8 January 2021 and its ability to renew this right is limited by legislation. The current s41 Authority requires ERA to cease mining and processing operations on the Ranger Project Area by 8 January 2021 and complete rehabilitation by 8 January 2026 (see "Security of Tenure and Atomic Energy Act" below).

Project developments in which ERA is, or may become, involved are subject to risks, including technical risk, obtaining necessary stakeholder approvals, changes in reserves, commodity prices, exchange rates, construction costs, design requirements and delays in construction. Each may adversely affect the commerciality and economics of a project development. While production is targeted for late 2015 (assuming the Ranger 3 Deeps mine is operationally and economically feasible), there is a risk that production from the Ranger 3 Deeps mine could be delayed. A delay in production is likely to have an adverse impact on ERA's operational and financial performance. A delay in production from Ranger 3 Deeps mine of two years or more compared to the current schedule outlined in this presentation will result in the development of the Ranger 3 Deeps mine not being economically viable within the remaining term of the current s41 Authority.

Further, any future project developments will require consultation with, and in some cases approval of, various stakeholders, including the Traditional Owners and regulatory bodies, prior to any project development proceeding (see "Regulatory Risks and Stakeholder matters" below).

Project developments, such as any decision to develop the Ranger 3 Deeps mine, may require additional fundings. If ERA elects to proceed with the development of the Ranger 3 Deeps mine, it may need to seek additional capital at that time. Accordingly, any future development of the Ranger 3 Deeps mine may depend upon obtaining capital at a cost that is economic for the project.

### Nature of uranium production

Uranium production involves risks which, even with a combination of experience, knowledge and careful evaluation, may not be able to be adequately mitigated. Mining operations are subject to hazards normally encountered in exploration and production. These include unexpected geological formations, rock falls, flooding, and other incidents or conditions which could result in damage to plant or equipment. Any such issues may result in a material adverse impact on ERA's operations and its financial results.

Continuation of production at the Ranger mine, and any future commissioning of production from the Ranger 3 Deeps mine (if developed) and other identified deposits, may not proceed to plan (if at all) due to factors beyond ERA's control, including regulatory issues, capital costs and adverse weather events, amongst other things.

### Production from Ranger Pit 3

Ranger Pit 3 is nearing the end of its life with the remaining high grade ore located at the bottom of the pit. Mining at the bottom of the pit involves operational complexities such as space restrictions and long haul distances. These present a risk to operating results for the 2011 and 2012 financial years and, to the extent ERA is unable to access the remaining high grade ore in Ranger Pit 3, ERA's operations and its financial performance may be adversely impacted

# Key risks (cont'd)

## Resource estimates

Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely, to some extent, on interpretations made which may prove to be inaccurate. Although qualified professionals have been employed to prepare resource estimates for ERA, such estimates may nevertheless prove to be inaccurate.

Furthermore, resource estimates are likely to change over time as new information becomes available. Should ERA encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be adjusted in a way that could adversely affect ERA's operations and may have an impact on development and mining plans.

## Rehabilitation

ERA is currently required to rehabilitate the Ranger Project Area by January 2026 so that the environment at the site is similar to the adjacent areas of the Kakadu National Park. ERA is presently undertaking detailed studies on the rehabilitation and closure of the Ranger Project Area. These studies will define the rehabilitation cost estimate with further certainty and are expected to be completed by the end of 2012. The current rehabilitation provision is outlined on slide 16.

Without the benefit of these further studies, the current cost estimate for the rehabilitation of the Ranger Project Area has been developed by ERA based on a number of assumptions. This estimate is based at an order of magnitude level, meaning the estimate is preliminary and could vary significantly. The estimate is subject to a number of uncertainties, which could adversely impact the actual costs for rehabilitation. For example, the current cost estimate:

- includes an allowance for estimated operating costs and capital expenditure for the duration of the rehabilitation period. Actual costs may be materially different;
- reflects preferred rehabilitation options which could change once further work is completed. For example, a \$50 million allowance has been made in the estimate in relation to long term salt management and storage at the site. Studies are underway on this matter and a decision on a final option (which may include greater costs) will not be known until those studies are completed. Similarly, assumptions have been made about treatment of the seepage plume located under the Tailings Storage Facility. Until further detailed studies are completed, the preferred treatment and rehabilitation method (and its costs) for the seepage plume will not be known;
- does not include an allowance for the potential expansion of the capacity of the Brine Concentrator. The selected capacity of 1.83GL/year assumes the rainfall over the next two wet seasons will be at or below the long term average. Expansion of capacity may be required if the level of rainfall encountered over the next two wet seasons exceeds the long term average rainfall. If the Brine Concentrator requires expansion, additional rehabilitation costs will be required.

## Key risks (cont'd)

The current rehabilitation cost estimate has been prepared based on the schedule of activities outlined on slide 16. Any significant change in this schedule may adversely impact the actual rehabilitation costs.

Once the pre-feasibility study has been completed, ERA expects to be able to further refine its estimates for rehabilitation costs. If future estimates of the rehabilitation costs are materially higher than those currently estimated, ERA will be required to increase the rehabilitation provision. A significant increase in rehabilitation costs is likely to have a material adverse effect on the financial position of ERA.

### Ore reserves

No assurance can be given that the anticipated tonnages and grades of ore will be achieved during production or that the indicated level of recovery will be realised. Material price fluctuations, as well as increased production costs, reduced recovery rates or fluctuations in foreign exchange, may render ore reserves containing relatively lower grades uneconomic and may ultimately result in a restatement of such ore reserves. Moreover, short-term operating factors relating to ore reserves, such as the need for sequential development of ore bodies and the processing of new or different ore types or grades, may cause ERA's mining operation to be unprofitable.

### Personnel

Recruiting and retaining qualified personnel is important to the success of ERA. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons is strong. Difficulties in recruiting and retaining appropriately skilled staff may adversely impact ERA's ability to undertake the capital projects outlined in this presentation, including the Ranger 3 Deeps exploration decline and the construction and commissioning of the Brine Concentrator, within ERA's current budgets for these projects.

### Accounting standards

Australian accounting standards are set by the Australian Accounting Standards Board ("AASB") and are outside the control of ERA. Changes to accounting standards issued by the AASB have the potential to adversely affect the financial performance and position reported in ERA's financial statements.

### Insurance

ERA will endeavour to maintain insurance within ranges of coverage in accordance with industry practice. There is a risk that ERA's insurance may not be of a nature or level to provide adequate cover. The occurrence of an event that is not covered or fully covered could have an adverse effect on ERA and its financial performance.

Not for distribution in the United States or to US persons

ERA Energy Resources of Australia Ltd

## Key risks (cont'd)

### Cost saving program

ERA is seeking to achieve targeted cumulative cost savings of \$150 million over the next three and half years, of which \$60 million is targeted by the end of 2012. ERA has undertaken a business review to identify and quantify the anticipated cost savings. Implementation of these costs savings will require management's focus and must be done in a way that is consistent with ERA's obligations for the Ranger Project Area. However, there is no guarantee that the cost saving initiatives will result in improvements in operational or financial performance of the level expected (if at all) or that such improvements will arise within the near to medium term.

### Uranium market demand and price risks

As ERA's business relates primarily to the production and sale of uranium oxide to a variety of buyers, fluctuations in the global uranium market may materially affect ERA's financial performance.

Demand for, and pricing of, uranium oxide remains sensitive to external economic and political factors, many of which are beyond ERA's control, including: worldwide uranium supply and demand, regional political developments in uranium producing and nuclear power generating countries and regions, and the price and availability of competing power generating technologies. Accordingly, it is impossible to predict future uranium price movements with certainty.

ERA does not hedge the price for which it sells uranium oxide. Any sustained reduction in uranium prices from historical averages will adversely affect ERA's business.

Where its production schedule does not match the sales profile required to fulfil long term contractual commitments with its customers, ERA purchases uranium oxide on the spot market. An increase in the amount of uranium oxide that ERA is required to purchase on the spot market would increase ERA's exposure to uranium oxide price risks. An increase in the price at which uranium oxide was purchased, or an inability to purchase uranium oxide where required to satisfy a contractual commitment, could have a material adverse affect on ERA's financial position.

### Credit and market risks

#### Currency risk

International prices of uranium oxides are denominated in United States Dollars, while ERA's expenses are principally denominated in Australian Dollars. Accordingly, ERA is exposed to the fluctuations and volatility of the rate of exchange between the United States Dollar and the Australian Dollar (as determined in international markets). Each unfavourable change of one cent in the Australian Dollar against the United States Dollar will adversely impact ERA's cash flow by an amount of approximately \$5 million per year. ERA does not currently conduct hedging activities to mitigate the impact of currency risk.



## Key risks (cont'd)

### Access to capital risk

The future capital requirements of ERA will depend on many factors, including its business development activities. In particular, if the Ranger 3 Deeps exploration decline is successful and ERA wishes to proceed to develop the Ranger 3 Deeps mine, ERA may require additional capital at that time.

If the Ranger 3 Deeps mine is not developed to generate returns for ERA (see 'Exploration and project development risks' and 'Security of Tenure and Atomic Energy Act' sections, among others), in the absence of any other successful development, ERA may require additional funding in order to fund the rehabilitation of the Ranger Project Area. Options ERA could consider at that time include a capital raising or monetising assets.

In evaluating its current funding requirements to end of 2014, ERA has used the forecast annual production range to 2014 as outlined on slide 10 and the following real foreign exchange and long term uranium price indicator assumptions (market consensus):

	2011	2012	2013	2014
Exchange rate US\$/A\$	1.04	1.03	0.95	0.91
LT Price indicator US\$ Real / U3O8lb	61	63	66	66

ERA's funding requirements are also subject to the remaining risks outlined in this 'Key Risks' section.

On the basis of the assumptions outlined on slides 40 and 41 ERA expects to still have a significant cash balance at the time it is scheduled to make a decision on the Ranger 3 Deeps mine, however if an adverse movement in foreign exchange (increase) and in uranium prices (decrease) greater than 10%, or an adverse movement of 20% in either foreign exchange or uranium price, occurred over the 2011 to 2014 period, the expected cash on hand would reduce to a modest amount.

Should ERA require additional funding for the development of the Ranger 3 Deeps mine, the rehabilitation of the Ranger Project Area or otherwise, there can be no assurance that additional funding will be available on acceptable terms, or at all. Any inability to obtain additional capital or to monetise assets, would have a material adverse effect on ERA's business and its financial condition and performance. If ERA does not have sufficient working capital to support its continued operations, ERA may become an externally-administered body if it is unable to meet its liabilities as and when they fall due. In such circumstances, among others, shareholders in ERA would be at risk of the loss of some or all of the value of their investment in ERA.

# Key risks (cont'd)

## Regulatory risks and stakeholder matters

### General regulatory risks

Uranium mining in Australia is extensively regulated by Commonwealth and State and Territory Governments. The areas of uranium mining that are regulated include exploration, development, production, transport, export, taxes and royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances and native title. In particular, the approval processes for uranium mining are more onerous, and therefore more costly, than for the mining of other minerals.

The mining and export of uranium is currently permitted under strict international agreements designed to prevent nuclear proliferation. The export of uranium is tightly controlled by the Commonwealth Government through its licensing process and Australian uranium can only be exported to countries that have signed the nuclear non-proliferation treaty.

ERA's operations could be affected by government actions in Australia and other countries or jurisdictions in which it has interests including new or amended legislation, guidelines and regulations in relation to the environment, uranium or nuclear power sectors, competition policy, native title and cultural heritage. This could impact, among other things, ERA's land access rights, the granting of licences and other tenements, the extension of mine life, the approval of developments and ERA's freedom to conduct operations.

Future legislation and changes in the regulatory framework could cause additional expense, capital expenditures, restrictions and delays in the development of ERA's assets, the extent of which cannot be predicted. Any such government action may require increased capital or operating expenditures and could prevent or delay certain operations by ERA, which could have a material adverse effect on ERA's business and financial condition.

### Regulators and stakeholders

Uranium mining in the Northern Territory is regulated through a suite of Commonwealth and Northern Territory legislation. The Traditional Owners of the land on which the Ranger Project Area and Jabiluka is situated are the Mirarr people.

ERA's operations are closely supervised and monitored by key statutory bodies including:

- the Northern Territory Department of Resources, the Commonwealth Supervising Scientist Division (SSD) and the Northern Land Council (representing the Mirarr), all of which are represented, together with ERA, on the Ranger and Jabiluka Minesite Technical Committees;
- the Commonwealth Department of Resources, Energy and Tourism;
- the Alligator Rivers Region Advisory Committee (including non-government organisation representatives); and
- the Alligator Rivers Region Technical Committee (including non-government organisation representatives).

## Key risks (cont'd)

The Ranger and Jabiluka Minesite Technical Committees (MTCs) – made up of the organisations noted above - are the key forums for approvals on environmental matters relating to Ranger and Jabiluka.

Regulatory approvals will be required to commence any production at Ranger 3 Deeps mine or at other parts of the Ranger Project Area. If regulatory approvals are not obtained, or are obtained on unfavourable conditions, ERA will not be able to proceed with those developments.

In relation to Jabiluka, ERA has entered into a Long Term Care and Maintenance Agreement with the Traditional Owners of Jabiluka area, the Mirarr people. ERA has agreed that the future mining developments at Jabiluka will not occur without the consent of the Mirarr people. There is no guarantee that this consent will be forthcoming and, by extension, that the Jabiluka deposit will be developed.

### Ranger Rehabilitation Trust Fund

ERA is required to maintain a Ranger Rehabilitation Trust Fund ("Ranger Trust Fund") with the Commonwealth Government. The Ranger Trust Fund is intended to provide security against the estimated costs of closing and rehabilitating the Ranger Project Area immediately (rather than upon the planned cessation of mining operations in 2021).

Each year, ERA prepares and submits to the Commonwealth Government an annual plan of rehabilitation calculated on the basis of an immediate closure. Once accepted by the responsible Commonwealth Minister, the annual plan is then independently assessed and costed and the amount to be provided by ERA, in the Ranger Trust Fund, is determined. The Ranger Trust Fund includes both cash and bank guarantees procured by ERA.

To the extent that the independent assessor determines an amount for the rehabilitation costs that is greater than ERA's calculations or ERA is required to provide more cash than currently held on deposit by the Commonwealth Government (eg if it becomes unable to renew bank guarantees currently held by the Commonwealth Government), there is a risk that greater funding of the trust fund will be required from ERA than currently anticipated by ERA.

### Security of Tenure and the Atomic Energy Act

The grant or maintenance of tenements or obtaining renewals depends on ERA being successful in obtaining required statutory approvals for proposed activities.

ERA conducts operations on the Ranger Project Area pursuant to an authority issued under section 41 of the Atomic Energy Act 1953 (Cth) ("AEA") ('s41 Authority'). The AEA is administered by the Commonwealth Department of Resources, Energy and Tourism.

Under the s41 Authority, ERA currently has authority to produce uranium oxide at the Ranger Project Area until January 2021 and must fully rehabilitate the site by January 2026.

## Key risks (cont'd)

Any application for a renewal of the right to explore, mine and process uranium oxide at the Ranger Project Area beyond January 2021 will require an amendment to the AEA to be passed by the Commonwealth Parliament. The conduct of mining and processing operations beyond January 2021 would also require ERA to obtain other related Commonwealth and Northern Territory mining and environmental approvals. If sought by ERA, there is no guarantee that the legislative amendments would be passed, or passed in the manner sought by ERA.

ERA's current operational, exploration and development strategy has regard to the limits of the current s41 Authority (ie, the cessation of mining and processing activities at the Ranger Project Area by January 2021). Although ERA will seek to optimise recovery, ERA does not anticipate that it will be able to fully develop all of the existing Ranger 3 Deeps resource, or any additional resources or reserves which are identified on the Ranger Project Area, within the existing time frame provided by the current s41 Authority.

### Tax risks

ERA is subject to taxation and other imposts in Australia. Future changes in taxation laws, including changes in interpretation or application of existing laws by the courts or taxation authorities in those jurisdictions, may affect taxation treatment of ERA securities or the holding or disposal of those securities.

In addition to the normal level of income tax imposed on all industries in Australia, as ERA operates in the resources sector it is required to pay specific government royalties, direct and indirect taxes and other imposts. Consequently, ERA may be affected by changes in government taxation and royalty policies, or in the interpretation or application of such policies.

The Commonwealth Government has recently announced an intention to introduce legislation to impose a carbon tax to take effect in Australia from 1 July 2012, with an emissions trading scheme to commence in July 2015. The carbon tax is expected to increase operating costs for ERA, primarily associated with increased diesel costs of approximately \$2.5 million per annum. In addition, to the extent that the carbon tax is increased or ERA exposure to the carbon tax is increased, ERA's financial performance will be adversely impacted.

### Support of Rio Tinto

ERA has arrangements with Rio Tinto to provide operational and marketing support, under which ERA obtains certain services, including corporate services, procurement, technical mining support and uranium marketing services from Rio Tinto on an arms length basis. To the extent that these arrangements come to an end, ERA would need to procure replacement services. A loss of access to Rio Tinto's resources and support may have a material adverse effect on ERA's financial position and performance.

## Key risks (cont'd)

### Dividend policy

ERA has paid no dividends on Shares since its interim dividend of \$0.08 per share in August 2010. ERA expects to retain all earnings and other cash resources in the short term for the future operation and development of its business. Payment of any future dividends will be at the discretion of ERA's Board of Directors after taking into account many factors, including ERA's operating results, financial condition and current and anticipated cash needs. The payment of dividends in the future is not guaranteed.

### Risks relating to equity investments and markets

Investors should be aware that there are risks associated with any investment in a company listed on ASX. The value of ERA shares may rise above or fall below the Offer Price, depending on the financial condition and operating performance of ERA. Further, the price at which ERA shares trade on ASX may be affected by a number of factors unrelated to the financial and operating performance of ERA and over which ERA and its directors have no control. These external factors include (but are not limited to):

- economic conditions in Australia and overseas;
- investor sentiment in the local and international stock markets;
- operational or environmental issues at any nuclear power stations globally;
- commodity prices and foreign exchange movements;
- changes in fiscal, monetary, regulatory and other government policies both in Australia and customer countries; and
- geo-political conditions such as acts or threats of terrorism or military conflicts.

Investors should note that the historic share price performance of ERA shares provides no guidance as to its future share price performance.

### Underwriting risks

ERA has entered into an underwriting agreement which contains customary termination events for arrangements of this type. If the underwriting agreement is terminated the Entitlement Offer will not proceed.

# Outline

- Executive summary
- ERA position and uranium market outlook
- Overview of Ranger rehabilitation and water management
- Overview of ERA's growth initiatives
- Capital raising details
- Key risks
- Selling restrictions / jurisdictions

# Selling restrictions / jurisdictions

## International Offer Restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

## European Economic Area - Belgium, Germany, Luxembourg and Netherlands

The information in this document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to produce a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- to legal entities that are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity that has two or more of (i) an average of at least 250 employees during its last fiscal year; (ii) a total balance sheet of more than €43,000,000 (as shown on its last annual unconsolidated or consolidated financial statements) and (iii) an annual net turnover of more than €50,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to fewer than 100 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive) subject to obtaining the prior consent of the Company or any underwriter for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of New Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

## France

This document is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers ("AMF"). The New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the New Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed or caused to be distributed, directly or indirectly, to the public in France.

Such offers, sales and distributions have been and shall only be made in France to (i) qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2° and D.411-1 to D.411-3, D. 744-1, D. 754-1 and D. 764-1 of the French Monetary and Financial Code and any implementing regulation and/or (ii) a restricted number of non-qualified investors (cercle restreint d'investisseurs) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2° and D.411-4, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the New Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

# Selling restrictions / jurisdictions

## Hong Kong

**WARNING:** This document has not been, and will not be, registered as a prospectus under the Companies Ordinance (Cap. 32) of Hong Kong (the "Companies Ordinance"), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong by means of any document, other than (i) to "professional investors" (as defined in the SFO) or (ii) in other circumstances that do not result in this document being a "prospectus" (as defined in the Companies Ordinance) or that do not constitute an offer to the public within the meaning of that ordinance.

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such shares in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such shares.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## Ireland

The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 (the "Prospectus Regulations"). The New Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to (i) qualified investors as defined in Regulation 2(l) of the Prospectus Regulations and (ii) fewer than 100 natural or legal persons who are not qualified investors.

## New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand).

The New Shares in the entitlement offer are not being offered or sold to the public in New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

Other than in the entitlement offer, New Shares may be offered and sold in New Zealand only to:

- persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; or
- persons who are each required to (i) pay a minimum subscription price of at least NZ\$500,000 for the securities before allotment or (ii) have previously paid a minimum subscription price of at least NZ\$500,000 for securities of the Company ("initial securities") in a single transaction before the allotment of such initial securities and such allotment was not more than 18 months prior to the date of this document.



# Selling restrictions / jurisdictions

## Norway

This document has not been approved by, or registered with, any Norwegian securities regulator pursuant to the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except:

- to "professional investors" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876);
- any natural person who is registered as a professional investor with the Norwegian Financial Supervisory Authority (No. Finanstilsynet) and who fulfils two or more of the following: (i) any natural person with an average execution of at least ten transactions in securities of significant volume per quarter for the last four quarters; (ii) any natural person with a portfolio of securities with a market value of at least €500,000; and (iii) any natural person who works, or has worked for at least one year, within the financial markets in a position which presuppose knowledge of investing in securities;
- to fewer than 100 natural or legal persons (other than "professional investors", as defined in clauses (a) and (b) above); or
- in any other circumstances provided that no such offer of New Shares shall result in a requirement for the registration, or the publication by the Company or an underwriter, of a prospectus pursuant to the Norwegian Securities Trading Act of 29 June 2007.

## Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined under section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.

# Selling restrictions / jurisdictions

## United Arab Emirates

Neither this document nor the New Shares have been approved, disapproved or passed on in any way by the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates, nor has the Company received authorization or licensing from the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates to market or sell the New Shares within the United Arab Emirates. No marketing of any financial products or services may be made from within the United Arab Emirates and no subscription to any financial products or services may be consummated within the United Arab Emirates. This document does not constitute and may not be used for the purpose of an offer or invitation. No services relating to the New Shares, including the receipt of applications and/or the allotment or redemption of such securities, may be rendered within the United Arab Emirates by the Company.

No offer or invitation to subscribe for New Shares is valid or permitted in the Dubai International Financial Centre.

## United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

## United States

This presentation, including the information contained in this disclaimer, is not a prospectus and does not form part of any offer, invitation or recommendation in respect of shares, or an offer, invitation or recommendation to sell, or a solicitation of an offer to buy, shares in the United States to any person that is, or is acting for the account or benefit of, a "U.S. person" (as defined in Regulation S under the United States Securities Act of 1933, as amended (the Securities Act)) (U.S. Person), or in any other jurisdiction in which such an offer would be illegal.

The securities referred to herein may not be offered or sold in the United States, or to or for the account or benefit of, any U.S. Person, unless the securities have been registered under the Securities Act or an exemption from the registration requirements under the Securities Act is available. The offer and sale of the securities referred to herein have not been and will not be registered under the Securities Act.

The presentation may not be sent to any investors in the United States or to a U.S. Person (or to any person acting for the account or benefit of a U.S. Person).

By accepting this presentation, you agree to be bound by the foregoing limitations.

## 3. ASX Institutional Offer Completion Announcement dated 17 October 2011



**ERA** Energy Resources of Australia Ltd

ABN 71 008 550 865  
A member of the Rio Tinto Group

**Head office** Level 10, TIO Centre,  
24 Mitchell St, Darwin NT 0800  
GPO Box 2394, Darwin NT 0801, Australia  
T +61 8 8924 3500 F +61 8 8924 3555

**Ranger mine** Locked Bag 1,  
Jabiru NT 0886 Australia  
T +61 8 8938 1211 F +61 8 8938 1203

[www.energyres.com.au](http://www.energyres.com.au)

ASX Announcement

### NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO U.S. PERSONS

Monday 17 October 2011

#### SUCCESSFUL COMPLETION OF INSTITUTIONAL COMPONENT OF ENTITLEMENT OFFER

##### Completion of Institutional Entitlement Offer

Energy Resources of Australia Ltd (**ERA**) today announced the successful completion of the institutional component (**Institutional Entitlement Offer**) of its 12 for 7 accelerated renounceable entitlement offer (**Entitlement Offer**) of new ERA ordinary shares (**New Shares**) at an offer price of \$1.53 per New Share (**Offer Price**).

Under the Institutional Entitlement Offer, ERA raised approximately \$380 million through the issue of approximately 249 million shares.

The Institutional Entitlement Offer attracted strong demand from ERA's institutional shareholders (including Rio Tinto's participation for its full 68.4% entitlement), with eligible institutional shareholders electing to take up approximately 99% of the New Shares available to them as part of the Institutional Entitlement Offer.

As announced on Wednesday 12 October 2011, the net proceeds of the Entitlement Offer will be used by ERA to fund construction of a Brine Concentrator and other water management initiatives, construction of the Ranger 3 Deeps exploration decline and associated drilling, completion of evaluation studies into the development of the Ranger 3 Deeps mine and an expanded exploration program during the period 2012 to 2014 targeting highly prospective areas on the Ranger Project Area.

Approximately 1.9 million New Shares were available for the institutional shortfall bookbuild, which was conducted from Thursday, 13 October 2011 to Friday, 14 October 2011. The bookbuild was well supported with a clearing price of \$2.00 per New Share, a premium of \$0.47 to the Offer Price. Eligible institutional shareholders who elected not to take up their entitlements in the Institutional Entitlement Offer will receive \$0.47 for each New Share not taken up (net of expenses and any withholdings required by law).

ERA's Chief Executive Officer, Rob Atkinson, said: "ERA is pleased with the strong support for the capital raising demonstrated by existing shareholders as well as from new investors. The capital allows ERA to progress the very important implementation of our water management strategy and progress exploration and development activities in the Ranger Project Area."

New Shares taken up under the Institutional Entitlement Offer are expected to be issued on Tuesday 25 October 2011 and commence trading on ASX on the same day.

##### Commencement of Retail Entitlement Offer

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) will open on Wednesday 19 October 2011 and close at 5.00pm (AEDT<sup>1</sup>) on Wednesday 9 November 2011. The Retail Entitlement Offer has been fully underwritten, and is expected to raise approximately \$120 million.

<sup>1</sup> Australian Eastern Daylight Time (AEDT)



Retail shareholders who are eligible to participate under the terms of the Retail Entitlement Offer (**Eligible Retail Shareholders**) will be able to subscribe for 12 New Shares for every 7 ERA ordinary shares held at 7.00pm (AEDT) on Monday, 17 October 2011 (**Record Date**), at the same \$1.53 Offer price as the Institutional Entitlement Offer.

Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer should carefully read the retail offer booklet, which will be sent on Wednesday, 19 October 2011 and will also be made available on ERA's website ([www.eraentitlementoffer.com.au](http://www.eraentitlementoffer.com.au)). Eligible Retail Shareholders wishing to acquire New Shares under the Retail Entitlement Offer will need to apply for New Shares pursuant to the instructions set out on the personalised Entitlement and Acceptance Form that will accompany the retail offer booklet.

Retail shareholders who do not take up their entitlements or who are ineligible to participate in the Retail Entitlement Offer will receive any premium between the clearing price under the retail bookbuild and the Offer Price for New Shares of \$1.53 (net of expenses and any withholdings required by law). No amount will be paid if the clearing price is equal to the Offer Price. There can be no assurance or guarantee that the clearing price will be higher than the Offer Price or that the clearing price achieved in the institutional bookbuild will be matched in the retail bookbuild.

Certain institutions, including Rio Tinto, have entered into arrangements on market based terms with the underwriter to sub-underwrite any shortfall in the Retail Entitlement Offer.

Retail shareholders who have further questions regarding the Offer should call the ERA Entitlement Offer Information Line on 1300 578 157 (within Australia) or +61 3 9415 4355 (from outside Australia) at any time from 9.00am to 5.00pm (AEDT) Monday to Friday during the Retail Entitlement Offer period.

ERA expects its trading halt to be lifted and shares to recommence trading today on an ex-entitlement basis.

**Contacts:**

Media enquiries:	Janet Hamilton	+61 (0) 8 8924 3550, 0437 326 696
	Jane Hart	+61 (0) 8 8924 3589, 0419 972 784
Investor enquiries:	Dave Skinner	+61 (0) 3 9283 3628

For further information on the company's activities please access ERA's website at [www.energyres.com.au](http://www.energyres.com.au)

**Important information**

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the Securities Act of 1933, as amended (the "Securities Act")) ("U.S. Person"), or in any other jurisdiction in which such an offer would be illegal. The securities referred to herein have not been and will not be registered under the Securities Act, or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons, unless the securities have been registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

This document may not be distributed or released in the United States or to U.S. Persons.



ERA

# Additional Information

This Booklet (including the ASX announcements and the Investor Presentation in relation to the Entitlement Offer reproduced in it) and accompanying personalised Entitlement and Acceptance Form have been prepared by ERA. The information in this Booklet is dated Wednesday, 19 October 2011 (other than the Investor Presentation and Offer Announcement published on the ASX website on Wednesday, 12 October 2011 and the Institutional Offer Completion Announcement published on the ASX website on Monday, 17 October 2011).

No party other than ERA has authorised or caused the issue of the information in this Booklet, or takes any responsibility for, or makes any statements, representations or undertakings in this Booklet.

## **This information is important and requires your immediate attention.**

You should read the information in this Booklet carefully and in its entirety before deciding whether to invest in New Shares. In particular, you should consider the risk factors outlined in the 'Key risks' section of the Investor Presentation, which is included in this Booklet, any of which could affect the operating and financial performance of ERA or the value of an investment in ERA.

You should consult your stockbroker, accountant or other independent professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer. ERA has applied to ASX for the grant of official quotation of the New Shares. It is expected that normal trading on ASX will commence in relation to New Shares issued under the Retail Entitlement Offer on Tuesday, 22 November 2011. ERA will have no responsibility and disclaims all liability (to the maximum extent permitted by law, including for negligence) to persons who trade New Shares before the New Shares are listed on the official list of ASX or before they receive their confirmation of issue, whether on the basis of confirmation of the allocation provided by ERA, the Registry or the Underwriter. ASX accepts no responsibility for any statement in this Booklet.

## **1. Eligible Retail Shareholders**

The information in this Booklet contains an offer of New Shares to Eligible Retail Shareholders in Australia and New Zealand and has been prepared in accordance with section 708AA of the Corporations Act as modified by ASIC Class Order 08/35.

Eligible Retail Shareholders are those holders of Shares who:

- > are registered as a holder of Shares as at the Record Date<sup>2</sup>;
- > have a registered address on the share register in Australia or New Zealand;

<sup>2</sup> Pursuant to a waiver from ASX and for the purposes of determining Entitlements, ERA may ignore changes in security holdings which occur after the imposition of the trading halt in Shares on 12 October 2011 (other than registrations of transactions which were effected through Integrated Trading System (ITS) before the trading halt).

- > are not in the United States and are not a U.S. Person or acting for the account or benefit of a U.S. Person;
- > did not receive an offer (other than as nominee) under the Institutional Entitlement Offer and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer; and
- > are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

Retail Shareholders who do not satisfy each of these criteria are 'Ineligible Retail Shareholders'.

The Retail Entitlement Offer is not being extended to any shareholders outside Australia or New Zealand. By returning a completed Entitlement and Acceptance Form or making a payment by BPAY, you will be taken to have represented and warranted that you satisfy each of the criteria listed above. Eligible Retail Shareholders who are nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

*Persons acting as nominees for other persons must not take up any Entitlements on behalf of, or send any documents related to the Retail Entitlement Offer to, any person in the United States or any person that is a U.S. Person, or is acting for the account or benefit of, a U.S. Person.*

ERA may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional shareholder that was eligible to participate in the Institutional Entitlement Offer but was not invited to participate in the Institutional Entitlement Offer (subject to compliance with relevant laws).

## **2. Ineligible Retail Shareholders**

ERA has decided that it is unreasonable to make offers under the Retail Entitlement Offer to holders of Shares who have registered addresses outside Australia and New Zealand, having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places.

Certain ERA shareholders resident outside Australia and New Zealand are not eligible to participate in the Entitlement Offer. To satisfy applicable Corporations Act conditions, ERA has appointed a nominee and will issue the nominee with entitlements to subscribe for the New Shares that would otherwise have been available for subscription by Ineligible Retail Shareholders. The nominee will arrange for the sale of those entitlements to certain institutional investors to be conducted on or around Monday, 14 November 2011, and will work with ERA to distribute any Retail Premium (net of expenses and any withholdings required by law) proportionately to Ineligible Retail Shareholders.

### 3. Receipt of excess proceeds

If any shareholder receives proceeds from the Retail Bookbuild in excess of the proceeds to which it was actually entitled based on its shareholding as at the Record Date, then, in the absolute discretion of ERA and the Underwriter, the shareholder may be required to repay to the Underwriter the excess proceeds.

By accepting their Entitlement, or accepting proceeds from the Retail Bookbuild, shareholders irrevocably acknowledge and agree to repay any excess proceeds as set out above as required by ERA and the Underwriter in their absolute discretion. Shareholders also acknowledge that there is no time limit on the ability of ERA and the Underwriter to require repayment as set out above.

### 4. No cooling-off rights

Cooling-off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

### 5. Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded up to the next whole number of New Shares.

### 6. No Entitlements trading

Entitlements are renounceable but cannot be traded on ASX or any other exchange, nor can they be privately transferred.

### 7. Not investment advice or financial product advice

The Entitlement Offer to which the information in this Booklet relates is being made in reliance on section 708AA of the Corporations Act as modified by ASIC Class Order 08/35. The information in this Booklet is not a prospectus, product disclosure statement, disclosure document or other offering document under the Corporations Act (or any other law) and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. ERA is not licensed to provide financial product advice in respect of the New Shares.

The information in this Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares, nor does it contain all the information which would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with ERA's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at [www.asx.com.au](http://www.asx.com.au).

The information in this Booklet does not take into account the investment objectives, financial situation or needs of you or any particular investor. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. You should conduct your own independent review, investigation and analysis of Shares the subject of the Retail Entitlement Offer. If, after reading this Booklet, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant or other independent professional adviser.

### 8. Foreign jurisdictions

The information in this Booklet has been prepared to comply with the requirements of the securities laws of Australia and New Zealand.

The information in this Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares or otherwise permit a public offering of the New Shares, in any jurisdiction outside of Australia and New Zealand. Return of the personalised Entitlement and Acceptance Form or your BPAY payment will be taken by ERA to constitute a representation by you that there has been no breach of any such laws.

The distribution of this Booklet (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of this Booklet, you should observe such restrictions and should seek your own advice on such restrictions.

Any non-compliance with these restrictions may contravene applicable securities laws.

Refer to the 'Selling restrictions/jurisdictions' section of the Investor Presentation, which is included in this Booklet on pages 59 to 63 for more information.

#### New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of ERA with registered addresses in New Zealand to whom the offer is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

This Booklet or material accompanying it has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This Booklet or material accompanying it is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

#### United States

This Booklet and any material accompanying it may not be released or distributed in the United States or to U.S. Persons. This Booklet and any material accompanying it does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Entitlements and New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons who are U.S. Persons, or are acting for the account or benefit of, U.S. Persons, and the New Shares may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons, except in transactions exempt from, or not subject to the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction of the United States. The New Shares to be offered and sold to Eligible Retail Shareholders will only be sold in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S thereunder.

### 9. Governing law

The information in this Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Retail Entitlement Offer pursuant to the personalised Entitlement and Acceptance Forms are governed by

the law applicable in New South Wales, Australia. Each shareholder who applies for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

## 10. Taxation

Set out below is a general summary of the potential Australian tax implications of the Retail Entitlement Offer for Eligible Retail Shareholders who are residents of Australia for tax purposes and who hold their Shares on capital account.

The summary below does not deal with the tax implications for Eligible Retail Shareholders who are not residents of Australia for tax purposes. It also does not deal with the tax implications for Eligible Retail Shareholders:

- > who hold their Shares (or will hold their Entitlements) as revenue assets or trading stock such as banks, insurance companies and taxpayers carrying on a business of share trading;
- > have acquired their Shares for the purposes of resale at a profit;
- > who acquired their Shares (or will hold their Entitlements) under an arrangement that constitutes an 'employee share scheme' for Australian tax purposes.

It is intended as a general guide only and is not an authoritative or complete statement of all potential tax implications for each Eligible Retail Shareholder.

The summary below is not advice and should not be relied on as such. It also does not take account of any individual circumstances of any particular Eligible Retail Shareholder. Taxation is a complex area of law and the taxation consequences for each Eligible Retail Shareholder may differ depending on their own particular circumstances. Accordingly, Eligible Retail Shareholders should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers.

The summary below is based on the law in effect as at the date of this Booklet. Future changes in Australian taxation law, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect taxation treatment of an investment in Shares or the holding and disposal of Shares.

Shareholders may receive a Retail Premium on renouncing their Entitlements. The taxation treatment of an amount received in these circumstances is unclear. As such, any Eligible Retail Shareholder who does not take up their Entitlement in full and who receives a Retail Premium as a result of the Retail Bookbuild, is strongly advised to obtain professional advice as to the taxation treatment of the Retail Premium received.

The Commissioner of Taxation has expressed the view in Draft Taxation Ruling TR 2010/D8 that the Retail Premium received by Eligible Retail Shareholders in these circumstances is to be treated as an unfranked dividend or, to the extent that the Retail Premium is not a dividend, as ordinary income. If the position adopted by the Commissioner of Taxation is correct, Eligible Retail Shareholders will be required to include the Retail Premium in their assessable income. Eligible Retail Shareholders will not have the benefit of any tax offsets for franking credits. The Commissioner of Taxation has also stated that the receipt of the Premium should not be treated as a capital gain and hence will not be eligible for the CGT discount.

The position adopted by the Commissioner of Taxation is set out in a draft ruling that is yet to be finalised. The position has not been tested in the courts and it is unclear whether it is a correct interpretation of the law. Nevertheless, the description above is a summary of the

manner in which the Commissioner is likely to apply the law.

The law requires that tax be withheld by Australian resident companies from dividends paid to certain shareholders (for example, subject to certain exceptions, Australian tax resident shareholders who have not provided their Tax File Number (TFN) or Australian Business Number (ABN) or shareholders who are not Australian residents for tax purposes).

Given the Commissioner's position, ERA considers that it may be obliged to withhold tax in relation to any proceeds on sale of their Entitlement under the Retail Bookbuild. Therefore, an amount may be withheld from any proceeds paid to certain Eligible Retail Shareholders such that the ultimate receipt may be net of any withholdings.

If you are an Australian tax resident shareholder, and you have not previously provided your TFN or ABN to ERA, you may wish to do so prior to the close of the Retail Entitlement Offer to ensure that withholding tax is not deducted from any proceeds payable to you. If you do not provide your TFN or ABN, withholding tax may be deducted from such payment at the top marginal tax rate (currently 45%) plus any applicable levies.

### Issue of Entitlements

The issue of the Entitlements should not itself result in any amount being included in the assessable income of an Eligible Retail Shareholder.

### Exercise of Entitlements

For Eligible Retail Shareholders who exercise their Entitlements and are allocated New Shares:

- > the Entitlements will cease to exist and a CGT event will occur, but any capital gain or loss made on the exercise of the Entitlement should be disregarded for tax purposes;
- > the New Shares acquired as a result of exercising the Entitlements will be treated for CGT purposes as having been acquired on the day on which the Entitlements are exercised; and
- > the New Shares should have a cost base for CGT purposes equal to:
  - > where the Eligible Retail Shareholder's existing Shares were acquired (or are taken to be acquired) on or after 20 September 1985, the Offer Price payable by them for those New Shares plus certain non-deductible incidental costs they incur in acquiring them; or
  - > where the Eligible Retail Shareholder's existing Shares were acquired (or are taken to be acquired) before 20 September 1985, the sum of the market value of the Entitlements when they were exercised and the Offer Price payable by them for those New Shares plus certain non-deductible incidental costs they incur in acquiring them.

### New Shares

Eligible Retail Shareholders who exercise their Entitlements will acquire New Shares. Any future dividends or other distributions made in respect of those New Shares will be subject to the same taxation treatment as dividends or other distributions made on Shares held in the same circumstances.

On any future disposal of New Shares, Eligible Retail Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of those shares. The cost base of those shares is described above.

Any capital gain arising to Eligible Retail Shareholders who are individuals and trusts (other than trusts that are complying superannuation funds) can generally be reduced by 50% (after first offsetting current year or prior year capital losses from other asset disposals) if the New Shares are held for at

least 12 months between the date the New Shares are acquired and the date of disposal. For Eligible Retail Shareholders which are complying superannuation funds, any capital gain can generally be reduced by one-third (after first offsetting current year or prior year capital losses from other asset disposals) if the New Shares are held for at least 12 months between the date the New Shares are acquired and the date of disposal. The CGT discount is **not** available to Eligible Retail Shareholders that are companies.

New Shares will be treated for the purposes of the CGT discount as having been acquired when the Eligible Retail Shareholder exercised the Entitlement to subscribe for them.

### Taxation of Financial Arrangements (TOFA)

Australian income tax law includes specific TOFA rules. In summary, the TOFA rules can operate to make assessable or deductible, gains or losses arising from certain 'financial arrangements'.

As the application of the TOFA rules is dependent on the particular facts and circumstances of the taxpayer, Eligible Retail Shareholders should obtain their own advice in relation to the potential applicability of the TOFA rules, in light of their own individual facts and circumstances.

### Other Australian taxes

No GST or stamp duty is payable in respect of the grant or exercise of the Entitlements or the acquisition of New Shares.

## 11. Underwriting

On Wednesday, 12 October 2011, ERA entered into the Underwriting Agreement under which the Underwriter has agreed to manage the Entitlement Offer and fully underwrite the Entitlement Offer, other than the entitlements of entities affiliated with Rio Tinto.

In accordance with the Underwriting Agreement and as is customary with these types of arrangements:

- > ERA has (subject to certain limitations) agreed to indemnify the Underwriter, its affiliates, successors and related bodies corporate, and their directors, officers, agents, employees, representatives and advisers against losses suffered or incurred in connection with the Entitlement Offer;
- > ERA and the Underwriter have given representations, warranties and undertakings in connection with (among other things) the conduct of the Entitlement Offer;
- > the Underwriter may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events, including (but not limited to) where:
  - > a statement contained in the offer materials is or becomes false, misleading or deceptive (including by omission) or likely to mislead or deceive or the offer materials omit any information they are required to contain (having regard to the relevant Corporations Act requirements);
  - > ASX announces that ERA will be removed from the official list or that any Shares offered under the Entitlement Offer will be delisted or suspended from quotation by ASX for any reason;
  - > ERA withdraws the Entitlement Offer;
  - > there is a delay in the timetable for the Entitlement Offer, without the prior consent of the Underwriter;

- > there is a change in the board of directors of ERA;
- > there are adverse changes or disruptions to the financial markets of key countries or hostilities commence or escalate in key countries;
- > the S&P/ASX 200 Index is:
  - > at the close of trading on ASX on any trading day from Wednesday, 12 October 2011 until and including the retail settlement date, lower than 90% of the level of that index as at close of normal trading on ASX on the trading day immediately preceding Wednesday, 12 October 2011 and remains at or below that level for at least two consecutive trading days; or
  - > at the close of normal trading on ASX on either the trading day before the institutional settlement date or the retail settlement date, lower than 90% of the level of that index as at close of normal trading on ASX on the trading day immediately preceding Wednesday 12 October 2011; or
- > there is an adverse change, or an event occurs which is likely to give rise to an adverse change, in the financial position or performance, shareholder's equity, profits, losses, results, condition, operations or prospects of ERA and its subsidiaries.

The Underwriter will be remunerated by ERA for providing these services at market rates and may be reimbursed for certain expenses.

The Underwriter has not authorised or caused the issue of this Booklet and takes no responsibility for any information in this Booklet or any action taken by you on the basis of such information. To the maximum extent permitted by law, the Underwriter excludes and disclaims all liability, for any expenses, losses, damages or costs incurred by you as a result of your participation in the Retail Entitlement Offer and the information in this Booklet being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

ERA will arrange for Entitlements to be sold on behalf of Renouncing Shareholders. It has engaged the Underwriter to assist in that sale process through the Retail Bookbuild. However, it is important to note that the Underwriter will be acting for and providing services to ERA in this process and will not be acting for or providing services to ERA shareholders. The engagement of the Underwriter by ERA is not intended to create an agency or other relationship between the Underwriter and the ERA shareholders.

### Sub-underwriting arrangements

North, a subsidiary of Rio Tinto, along with certain other institutional investors, have entered into sub-underwriting agreements with the Underwriter to sub-underwrite the Retail Entitlement Offer. The sub-underwriters will be remunerated by the Underwriter for providing these services at market rates.

## 12. Financial data

All dollar values in this Booklet are in Australian dollars (\$) or A\$) unless otherwise stated.



## 13. Information availability

Eligible Retail Shareholders in Australia and New Zealand can obtain a copy of this Booklet during the Retail Entitlement Offer period by calling the ERA Entitlement Offer Information Line on 1300 578 157 toll free (within Australia) or +61 3 9415 4355 (from outside Australia) between 9.00am to 5.00pm (AEDT) Monday to Friday during the Retail Entitlement Offer period. Persons who access the electronic version of this Booklet should ensure that they download and read the information in this Booklet in its entirety. The electronic version of this Booklet on the ERA website will not include a personalised Entitlement and Acceptance Form.

A replacement Entitlement and Acceptance Form can be requested by calling the ERA Entitlement Offer Information Line or obtained online by visiting the website at [www.eraentitlementoffer.com.au](http://www.eraentitlementoffer.com.au) during the Retail Entitlement Offer period.

Neither this Booklet nor the accompanying Entitlement and Acceptance Form may be distributed to or relied upon by, persons that are in the United States, or are U.S Persons, or are acting for the account or benefit of, U.S Persons, or otherwise distributed in the United States.

## 14. Forward looking statements and future performance

Neither ERA, its officers, employees, agents, associates and advisers, nor any other person warrants or guarantees the future performance of the New Shares or any return on any investment made pursuant to the information in this Booklet. Forward looking statements, opinions and estimates provided in the information in this Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Any forward looking statements including projections, guidance on sales, earnings, dividends, and other estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of ERA and the Board of ERA, including the risks described in the accompanying Investor Presentation, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in this Booklet.

## 15. Past performance

Past performance and pro-forma historical financial information given in this Booklet is provided for illustrative purposes only and is not, and should not be relied upon as, an indication of future performance. The historical information in this Booklet is, or is based upon, information that has been released to the market. For further information, please see past announcements released to ASX.

## 16. Notice to nominees and custodians

Nominees and custodians who hold Shares as nominees or custodians will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to eligible institutional shareholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their entitlement or not), institutional shareholders who were treated as ineligible institutional investors under the Institutional Entitlement Offer and Ineligible Retail Shareholders.

## 17. Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Booklet. Any information or representation that is not in this Booklet may not be relied on as having been authorised by ERA, or its related bodies corporate, in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of ERA, or any other person, warrants or guarantees the future performance of ERA or any return on any investment made pursuant to this Booklet.



**ERA**

# Glossary

Term	Definition
AEDT	Australian Eastern Daylight Time
Application Monies	a payment or payments made to subscribe for New Shares
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited or a financial market operated by it
Booklet	this document, including the Entitlement and Acceptance Form
CGT	capital gains tax
Closing Date	Wednesday, 9 November 2011 at 5.00pm (AEDT), unless extended
Corporations Act	<i>Corporations Act 2001</i> (Cth)
CRN	has the meaning given in section 7 of 'How to Apply'
Eligible Retail Shareholders	has the meaning given in section 1 of 'Additional Information'
Entitlement	the number of New Shares which an Eligible Retail Shareholder is entitled to subscribe for under the Entitlement Offer
Entitlement and Acceptance Form	the personalised entitlement and acceptance form accompanying this Booklet which Eligible Retail Shareholders may use to apply for New Shares
Entitlement Offer	the 12 for 7 accelerated renounceable entitlement offer to subscribe for New Shares at the Offer Price set out in this Booklet and announced to ASX by ERA on Wednesday, 12 October 2011
ERA	Energy Resources of Australia Ltd (ABN 71 008 550 865)
GST	Australian Goods and Services Tax
Ineligible Retail Shareholders	Retail Shareholders who do not satisfy the criteria of Eligible Retail Shareholders set out in section 1 of 'Additional Information'
Investor Presentation	the investor presentation relating to the Entitlement Offer, which was released to ASX by ERA on Wednesday, 12 October 2011
Institutional Bookbuild	the Bookbuild consisting of New Shares not taken up by eligible institutional shareholders in the Entitlement Offer

Term	Definition
Institutional Entitlement Offer	the institutional component of the Entitlement Offer, details of which were announced to ASX by ERA on Wednesday, 12 October 2011
New Share	a Share issued under the Entitlement Offer
North	North Limited (ACN 005 233 689)
Offer Price	has the meaning given in section 1 of 'How to Apply'
Opening Date	Wednesday, 19 October 2011
Record Date	Monday, 17 October 2011 at 7.00pm (AEDT)
Registry	Computershare Investor Services Pty Limited (ABN 48 078 279 277)
Renouncing Shareholders	Eligible Retail Shareholders who do not take up some or all of their Entitlement
Retail Entitlement Offer	the retail component of the Entitlement Offer, details of which are set out in this Booklet
Retail Entitlement Offer period	the period from and including the Opening Date until and including the Closing Date
Retail Bookbuild	the Bookbuild consisting of New Shares not taken up by Eligible Retail Shareholders in the Entitlement Offer
Retail Premium	the proceeds (if any) in excess of the Offer Price per New Share that may be achieved under the Retail Bookbuild
Retail Shareholder	a holder of Shares who is not an institutional shareholder
Rio Tinto	Rio Tinto Limited (ABN 96 004 458 404)
Share	a fully paid ordinary share in the capital of ERA
Underwriter	J.P. Morgan Australia Limited (ABN 52 002 888 011)
Underwriting Agreement	the underwriting agreement between ERA and the Underwriter dated 12 October 2011
U.S Person	has the meaning given in 'Important Information'
U.S. Securities Act	has the meaning given in 'Important Information'

# Corporate Directory

## Registered Office

Energy Resources of Australia Ltd  
C/- Mallesons Stephen Jacques  
Level 5, NICTA Building B  
7 London Circuit  
Canberra City ACT 2601

## Registry

Computershare Investor Services Pty Limited  
117 Victoria Street  
West End QLD 4101  
Tel: +61 7 3237 2100

## Website

[www.eraentitlementoffer.com.au](http://www.eraentitlementoffer.com.au)

## ERA Entitlement Offer Information Line

Australia: 1300 578 157 toll free  
International: +61 3 9415 4355  
Open 9.00am to 5.00pm (AEDT) Monday to Friday during the  
Retail Entitlement Offer period

## Securities Exchange Listing

ERA's ordinary shares are listed on ASX (code 'ERA')



**ERA**

Energy Resources of Australia Ltd



**ERA**

**Energy Resources of Australia Ltd**  
ABN 71008550865

**Entitlement and Acceptance Form for New Shares**

**Computershare**

**Please return completed form to:**  
Computershare Investor Services Pty Limited  
GPO Box 505  
Melbourne Victoria 8060 Australia  
Enquiries (within Australia) 1300 578 157  
(outside Australia) 61 3 9415 4355

000001  
000  
SAM



MR JOHN SMITH 1  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



I 1234567890 I N D

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO U.S. PERSONS

Use a **black** pen.  
Print in **CAPITAL** letters  
inside the grey areas.

A B C 1 2 3

For your security keep your SRN/HIN confidential.

**New Energy Resources of Australia Ltd ("ERA") Shares at A\$1.53 per New Share**

**RETAIL ENTITLEMENT OFFER CLOSES ON 9 NOVEMBER 2011 AT 5.00PM (AEDT)**

**IMPORTANT:**

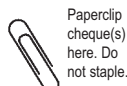
- This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this Entitlement and Acceptance Form ("Form"), please consult your stockbroker, accountant or other independent professional adviser.
- Terms used in this Form have the meanings given in this Form and the Retail Entitlement Offer Booklet ("Booklet") (collectively, the "Offer Documents") dated 19 October 2011 (unless otherwise stated). You should read the Offer Documents carefully before completing this Form.
- This Form relates to the renounceable Retail Entitlement Offer of 12 New Shares for every 7 existing ERA ordinary shares held by Eligible Retail Shareholders on the Record Date at the Offer Price of A\$1.53 per New Share.
- You can pay by BPAY®. If you choose to pay by BPAY, you do not need to return this Form. Please refer overleaf for details.
- Receipt of your payment by 5.00pm (AEDT) on 9 November 2011 (together with this Form if you are paying by cheque(s), bank draft(s) or money order(s)) will constitute acceptance of the terms of the Offer Documents.
- If the amount you pay is insufficient to pay for the number of New Shares you apply for, you will be taken to have applied for such lower number of whole New Shares as that amount will pay for.
- If the amount you pay is more than the amount payable for your full Entitlement, you will be taken to have applied for your full Entitlement and the remainder will be refunded to you (without interest).

I/We enclose my/our payment for the amount shown below being payment of A\$1.53 per New Share.

Shareholder Entitlement details	
Subregister	Issuer
Entitlement number	123456789012
Existing ERA shares entitled to participate at Record Date, being 7.00pm (AEDT) on 17 October 2011	XXX,XXX,XXX
Entitlement to New Shares on a 12 for 7 basis	X,XXX,XXX.XX
Amount payable on full acceptance of Entitlement at A\$1.53 per New Share	123456789012

Applications can only be made in the name(s) printed on this Form. See back of Form for completion guidelines.

**PLEASE DETACH HERE**



**Energy Resources of Australia Ltd**  
ABN 71008550865

Please see overleaf for Payment Options

Ent: X,XXX Pay: X,XXX



Billers Code: 123456

Ref No: 1234 5678 9012 3456 78

**B** Number of New Shares applied for (being not more than your Entitlement shown in box A)

Input field for number of new shares applied for.

**C** Amount enclosed at A\$1.53 per New Share

A\$ Input field for amount enclosed.

**D** Payment details – Please note that funds are unable to be directly debited from your bank account

Drawer	Cheque number	BSB number	Account number	Cheque amount
Input field	Input field	Input field	Input field	\$ Input field

Make your cheque(s), bank draft(s) or money order(s) payable to "ERA Entitlement Offer"

**E** Contact details

Please provide your contact details in case we need to speak to you about this slip

Name of contact person

Input field for name of contact person.

Contact person's daytime telephone number

Input field for contact person's daytime telephone number.

1234567890123456+1234567890-1234+12

The Retail Entitlement Offer to which this Form relates is not being made and does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer and no action has been taken to register shares in ERA or otherwise permit a public offering of the shares in any jurisdiction. In particular, this Form does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States, or to any person that is, or is acting for the account or benefit of, any "U.S. person" (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act")) ("U.S. Person"), or in any other jurisdiction in which such offer would be illegal. The New Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and accordingly, the New Shares may not be offered, sold or otherwise transferred in the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws. Return of this Form shall be taken by ERA to constitute a representation by you that there has been no breach of any such laws. Eligible Retail Shareholders who are nominees, trustees or custodians are therefore advised to seek independent advice as to how to proceed.

#### How to complete the Entitlement and Acceptance Form

Please complete all relevant sections of this Form using BLOCK LETTERS in black ink. Note that photocopies will not be accepted. These instructions are cross-referenced to each section of this Form. This Form should only be used by/for the Eligible Retail Shareholder(s) whose details appear on the front of this Form.

**A Shareholder Entitlement Details**  
Details of your total Entitlement based on your ERA shares at 7.00pm (AEDT) on 17 October 2011 are shown in box A on the front of this Form.

**B New Shares Applied For**  
You can apply to accept either all or part of your Entitlement. Enter in box B the number of New Shares you wish to accept from your Entitlement.

- To apply for your Entitlement in full, write in box B the number of New Shares shown in box A as your Entitlement.
- To apply for part of your Entitlement only, write in box B the number of New Shares for which you wish to apply.

**C Acceptance Monies**  
Enter the amount of Acceptance Monies. To calculate the amount payable, multiply the number of New Shares applied for (box B) by A\$1.53.

**Please ensure you complete box C on the bottom of the Form.**

**D Payment Details**  
You can apply for New Shares utilising the payment options detailed below. For all payment options, payment must be received by no later than 5.00pm (AEDT) on 9 November 2011.

#### (1) Payment by BPAY

You can pay by BPAY using the details set out at the bottom left of this page (under "Payment Options"). If your payment is being made by BPAY you are not required to return this Form, and you will be deemed to have applied for such whole number of New Shares as is covered by the amount which you have paid. If the amount you pay is more than the amount payable for your full Entitlement, you will be taken to have applied your full Entitlement and the remainder will be refunded to you (without interest).

#### (2) Payment by cheque(s), bank draft(s) or money order(s)

If you choose this payment method, your cheque(s), bank draft(s) or money order(s) must be made in Australian currency and drawn on an Australian branch of a financial institution. Such payment must be made payable to "ERA Entitlement Offer" and crossed "Not Negotiable". Payments that are not properly drawn may be rejected.

Complete the details in the boxes provided in box D. To calculate the amount payable, multiply the total number of New Shares applied for in box B by the Offer Price of A\$1.53. Your payment amount should equal the amount in box C.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Form being rejected. Paperclip (do not staple) your cheque(s), bank draft(s) or money order(s) to this Form where indicated. Cash will not be accepted. Receipt of payment will not be forwarded.

#### E Contact Details

Enter the name of a contact person and telephone number. These details will only be used in the event that Computershare Investor Services Pty Limited ("Registry") has a query regarding this Form.

If you have any enquiries concerning this Form or your Entitlement, please contact the ERA Entitlement Offer Information Line on 1300 578 157 (within Australia) or +61 3 9415 4355 (outside Australia) between 9.00am and 5.00pm (AEDT) Monday to Friday during the Retail Entitlement Offer period.

#### Declaration

By submitting this Form along with your application monies or making a payment by BPAY, you:

- agree to be bound by the terms of the Offer Documents including the representations and warranties set forth in the Booklet and the provisions of the constitution of Energy Resources of Australia Ltd;
- agree to be bound by the terms and conditions of issue of the New Shares in accordance with the Offer Documents;
- authorise us to register you as the holder(s) of the New Shares allotted to you;
- declare that all details and statements in this Form are complete and accurate;
- declare that if you are a natural person, you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under this Form;
- acknowledge that once ERA receives your Form or payment by BPAY, you may not withdraw it;
- agree to apply for, and be issued with, the number of New Shares that you apply for at the Offer Price of A\$1.53 per New Share;
- authorise ERA and its officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Registry upon using the contact details set out in this Form;
- declare that, as at the Record Date, you are the current registered holder(s) of the ordinary shares in your name and are an Australian or New Zealand resident;

#### Lodgement of Acceptance

For all payment options, payment must be received by no later than 5.00pm (AEDT) on 9 November 2011.

It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time. If you are paying by cheque(s), bank draft(s) or money order(s) a reply paid envelope is enclosed for Eligible Retail Shareholders in Australia. Eligible Retail Shareholders in New Zealand will need to affix the appropriate postage. Return the bottom section of this Form with the cheque(s), bank draft(s) or money order(s) attached.

- acknowledge that the information contained in the Offer Documents is not investment or financial product advice or a recommendation that New Shares are suitable for you, given your investment objectives, financial situation or particular needs;
- acknowledge that a cooling-off regime does not apply;
- represent and warrant that the law of any other place does not prohibit you from being given the Offer Documents or making an application on this Form or by payment by BPAY;
- you represent and warrant (for the benefit of ERA, the Underwriter and their respective affiliates) that you are not in the United States and that you are not, and are not acting for the account or benefit of, a U.S. Person;
- acknowledge that the New Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia or New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws;
- have not purchased the New Shares as a result of any "directed selling efforts" (within the meaning of Rule 902(c) under the Securities Act); and
- agree not to send this Form or any other material relating to the Retail Entitlement Offer to any person in the United States or that is, or is acting for the account or benefit of, a U.S. Person.

Neither the Registry nor ERA accepts any responsibility if you lodge this Form at any other address or by any other means. This Form will not be processed if received via facsimile to the Registry. Only hardcopy Forms will be accepted and processed.

**CHESS holders must contact their Controlling Participant to notify a change of address.**

© Registered to BPAY Pty Ltd ABN 69 079 137 518

134060\_B - V9

#### Payment Options:



Billers Code: 123456  
Ref No: 1234 5678 9012 3456 78

Telephone & Internet Banking – BPAY

Call your bank, credit union or building society to make this payment from your cheque or savings account. For more information please refer to [www.bpay.com.au](http://www.bpay.com.au). You must check the processing cut off time for BPAY transactions with your bank, credit union or building society as it may be earlier than the close of the Retail Entitlement Offer. It is the responsibility of the applicant to ensure funds submitted through BPAY are received by the Closing Date being 5.00pm (AEDT) on 9 November 2011.



**ERA Entitlement Offer**  
c/o Computershare Investor Services  
Pty Limited  
GPO Box 505  
Melbourne VIC 8060



Entitlement Number: <xxxxxxxxxx>

SAMPLE CUSTOMER  
SAMPLE STREET  
SAMPLE STREET  
SAMPLE STREET  
SAMPLE STREET  
SAMPLETOWN TAS 7000



19 October 2011

Dear Shareholder,

**ENERGY RESOURCES OF AUSTRALIA LTD ENTITLEMENT OFFER — NOTIFICATION TO INELIGIBLE RETAIL SHAREHOLDERS**

This letter is to inform you that, unfortunately, you are not eligible to participate in the Retail Entitlement Offer (defined below). **You are not required to do anything in response to this letter.**

On 12 October 2011, Energy Resources of Australia Ltd ABN 71 008 550 865 (“**ERA**”) announced that it was conducting an equity raising of approximately A\$500 million in new ERA ordinary shares (“**New Shares**”), through an accelerated renounceable entitlement offer (“**Entitlement Offer**”) at the offer price of A\$1.53 per New Share (“**Offer Price**”). The Entitlement Offer is being made by ERA in accordance with section 708AA of the Corporations Act 2001 (Cth) (“**the Act**”) as modified by ASIC Class Order [CO 08/35].

Proceeds from the Entitlement Offer will be used to fund: (i) the construction of a Brine Concentrator and other water management initiatives; (ii) the construction of the Ranger 3 Deeps exploration decline and associated exploration drilling; (iii) the completion of evaluation studies into development of the Ranger 3 Deeps mine; and (iv) an expanded exploration program targeting highly prospective areas on the Ranger Project Area.

The Entitlement Offer allows eligible shareholders to subscribe for 12 New Shares for every 7 existing ERA ordinary shares (“**Shares**”) held as at 7.00pm (AEDT) on Monday, 17 October 2011 (“**Record Date**”). The Entitlement Offer comprises an institutional component (“**Institutional Entitlement Offer**”) and a retail component (“**Retail Entitlement Offer**”). The Institutional Entitlement Offer raised approximately A\$380 million, and the Retail Entitlement Offer is expected to raise approximately A\$120 million. Entities affiliated with Rio Tinto Limited, who are the major shareholders of ERA, have committed to subscribe for their full entitlements, and the remainder of the Entitlement Offer is fully underwritten by J.P. Morgan Australia Limited.

Documents relating to the Retail Entitlement Offer were lodged with ASX on Wednesday, 19 October 2011 and are being mailed to Eligible Retail Shareholders, as defined below.

This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares.

**Why am I not eligible to participate in the Retail Entitlement Offer?**

Shareholders who are eligible to participate in the Retail Entitlement Offer (“**Eligible Retail Shareholders**”) are those holders of Shares who:

- a) are registered as a holder of Shares as at the Record Date;
- b) have a registered address on the ERA register of members in Australia or New Zealand;





- c) are not in the United States and are neither a “U.S. person” (as defined in Regulation S under the U.S. Securities Act of 1933 (the “**Securities Act**”)) (“**U.S. Person**”) nor acting for the account or benefit of a U.S. Person;
- d) did not receive an offer (other than as nominee in respect of other underlying holdings) under the Institutional Entitlement Offer and were not treated as ineligible institutional shareholders under the Institutional Entitlement Offer; and
- e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

ERA has determined, pursuant to section 9A(3)(a) of the Act and Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make offers under the Retail Entitlement Offer to shareholders in countries outside Australia and New Zealand. The securities laws of many countries require the use of offer documents specific to that country or compliance with local laws for the Retail Entitlement Offer to be made in those countries. Having regard to the number of retail shareholders in particular countries, the number and value of New Shares to which those shareholders would otherwise be entitled and the potential cost of compliance with local laws to make the Retail Entitlement Offer in those countries, ERA has limited the countries in which the Retail Entitlement Offer will be made to Australia and New Zealand.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Retail Shareholder stated above. Accordingly, in compliance with section 9A(3)(b) of the Act and ASX Listing Rule 7.7.1(b), ERA wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer. You will not be sent the documents relating to the Retail Entitlement Offer.

ERA has appointed a nominee for all ineligible ERA shareholders (including you) and will issue the nominee with the entitlements to subscribe for New Shares which would otherwise have been offered to ineligible ERA shareholders (including you) had they been eligible to participate in the Retail Entitlement Offer. Those entitlements will be offered (off-market) for sale by the nominee to wholesale investors on or around 14 November 2011, and your proportion of any proceeds of sale in excess of the Offer Price (net of expenses and any withholdings required by law) will be distributed to you. There is, however, no assurance or guarantee that you will receive any value as a result of this sale process.

If you have any questions in relation to any of the above matters, please contact the ERA Entitlement Offer Information Line on 1300 578 157 toll free (within Australia) or +61 3 9415 4355 (from outside Australia) at any time from 9.00am to 5.00pm (AEDT) Monday to Friday during the Retail Entitlement Offer period or visit [www.eraentitlementoffer.com.au](http://www.eraentitlementoffer.com.au).

For other questions, you should consult your stockbroker, accountant or other independent professional adviser.

As an ineligible retail shareholder you are not required to do anything in response to this letter.



On behalf of the Board and Management of ERA, we regret that you are not eligible to participate in the Retail Entitlement Offer and thank you for your continued support.

Yours sincerely,

**David Klingner**  
**Chairman**

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of any U.S. Person. No action has been taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia or New Zealand. In particular, the entitlements and the New Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up by, and the New Shares may not be offered or sold to, persons in the United States or persons who are U.S. Persons, or are acting for the account or benefit of U.S. Persons, except in transactions exempt from, or not subject to the registration requirements of the Securities Act and the applicable securities laws of any state or other jurisdiction of the United States.

The provision of this notice is not, and should not be considered as, financial product advice. The information in this notice is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your stockbroker, accountant, solicitor or other independent professional advisor.