



ERA

Energy Resources of Australia Ltd

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16 April 2012

Company Announcements Office
Australian Stock Exchange Limited
Level 4, Stock Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Attached is a handout provided to institutional investors and analysts in Sydney, Hong Kong and Singapore during meetings with Rob Atkinson, Chief Executive, and Steeve Thibeault, Chief Financial Officer, held in the week commencing 16 April 2012.

Yours faithfully

Robert O'Toole
Company Secretary

ERA Update

April 2012



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

Forward-looking statement

- This presentation has been prepared by Energy Resources of Australia Ltd (“ERA”) and consists of the slides for a presentation concerning ERA. By reviewing/attending this presentation you agree to be bound by the following conditions.

Forward-looking statements

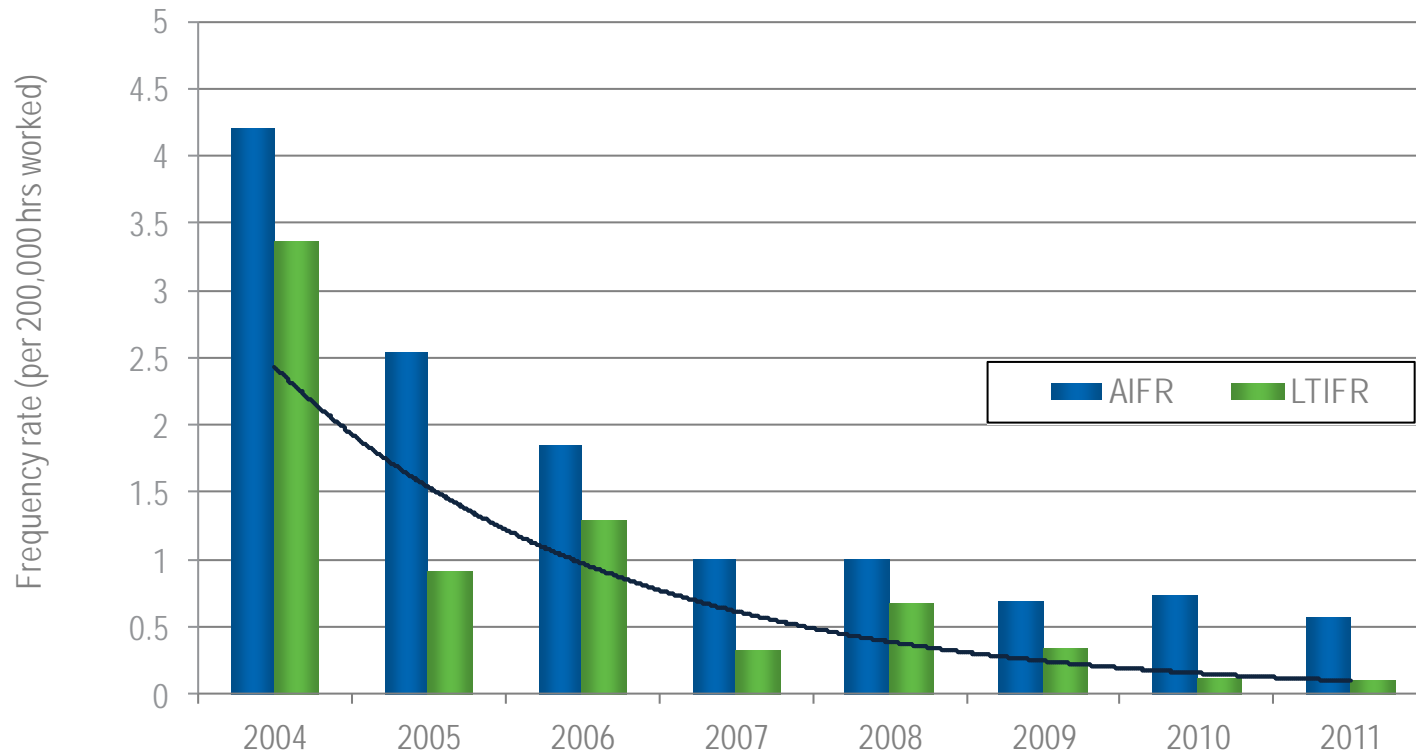
- This presentation includes forward-looking statements. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding ERA’s financial position, business strategy, plans and objectives of management for future operations (including development plans, rehabilitation estimates and subjectives relating to ERA’s products, production forecasts and reserve and resource positions), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of 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, adverse weather conditions, levels of actual production during any period, levels of demand and market prices, the ability to produce and transport products profitably, the impact of foreign currency exchange rates on sales revenues, market prices and operating costs, operational problems, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by governmental authorities such as changes in taxation or regulation and such other risk factors identified in ERA’s most recent Annual Report and other presentations released by ERA. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this presentation.
- Nothing in this presentation should be interpreted to mean that future earnings per share of ERA will necessarily match or exceed its historical published earnings per share.
- The information in this report that relates to Ranger Mineral Resources or Ore Reserves is based on information compiled by Geologists Greg Rogers (a full time employee of Energy Resources of Australia Ltd) and Arnold van der Heyden (a full time employee of Hellman & Schofield Pty Ltd and consultant to Energy Resources of Australia) and Mining Engineer Reid Miller (full time employee of Energy Resources of Australia Ltd) who are all members of the Australasian Institute of Mining & Metallurgy. Greg Rogers, Arnold van der Heyden and Reid Miller 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”.

Agenda

- Safety
- People
- Rainfall
- Pit 3 status
- Dewatering Pit 3
- Pit 3 mining sequence
- Stockpile mining
- Plant performance
- Production forecast
- Non-cash costs
- Cost saving initiatives
- Capital expenditure
- Rehabilitation provision
- What ERA must do
- Ranger 3 Deeps exploration decline
- Brine Concentrator
- Exploration programme
- Strategic milestones
- Relationship with Traditional Owners
- ERA economic impact
- Market summary
- Ranger mine overview

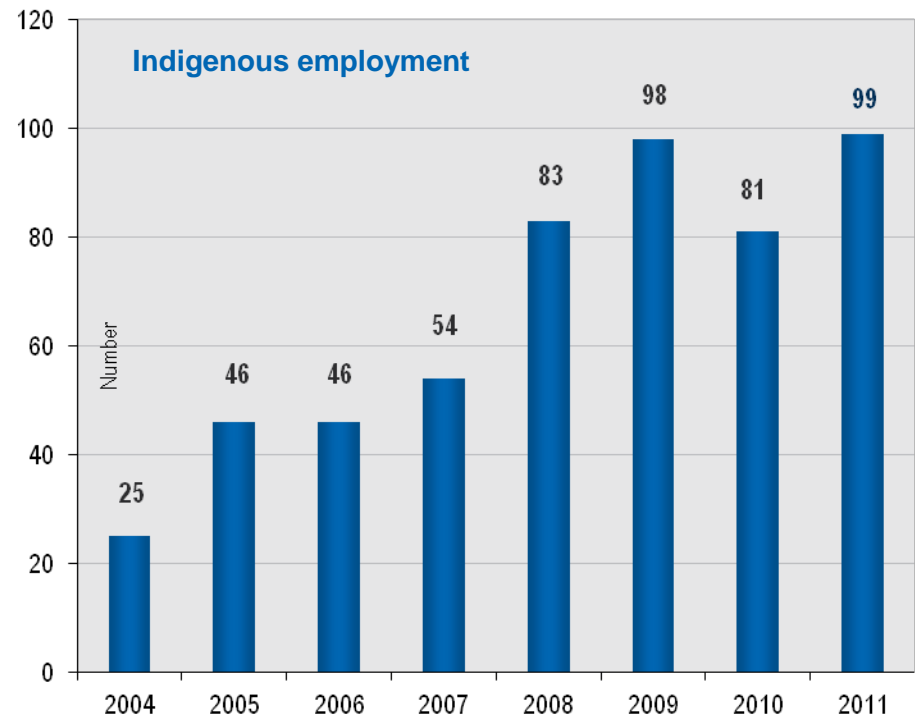
Strong safety performance

- Throughout challenging conditions in 2011, ERA maintained its strong focus on safety, achieving a world class two million hours without a Lost Time Injury (LTI) and an All Injury Frequency Rate (AIFR) of 0.57
- In 2011, ERA achieved 336 consecutive days without a LTI, a company record. There was one LTI and five medical treatment injuries. The LTI involved a finger laceration. The five medical treatment injuries involved an injured knuckle, a laceration to the knee, a crushed finger, a cut nose and a cut to a hand. All personnel have made a full recovery
- Positive start to 2012 with 103 days without a reportable injury (as at 13 April)



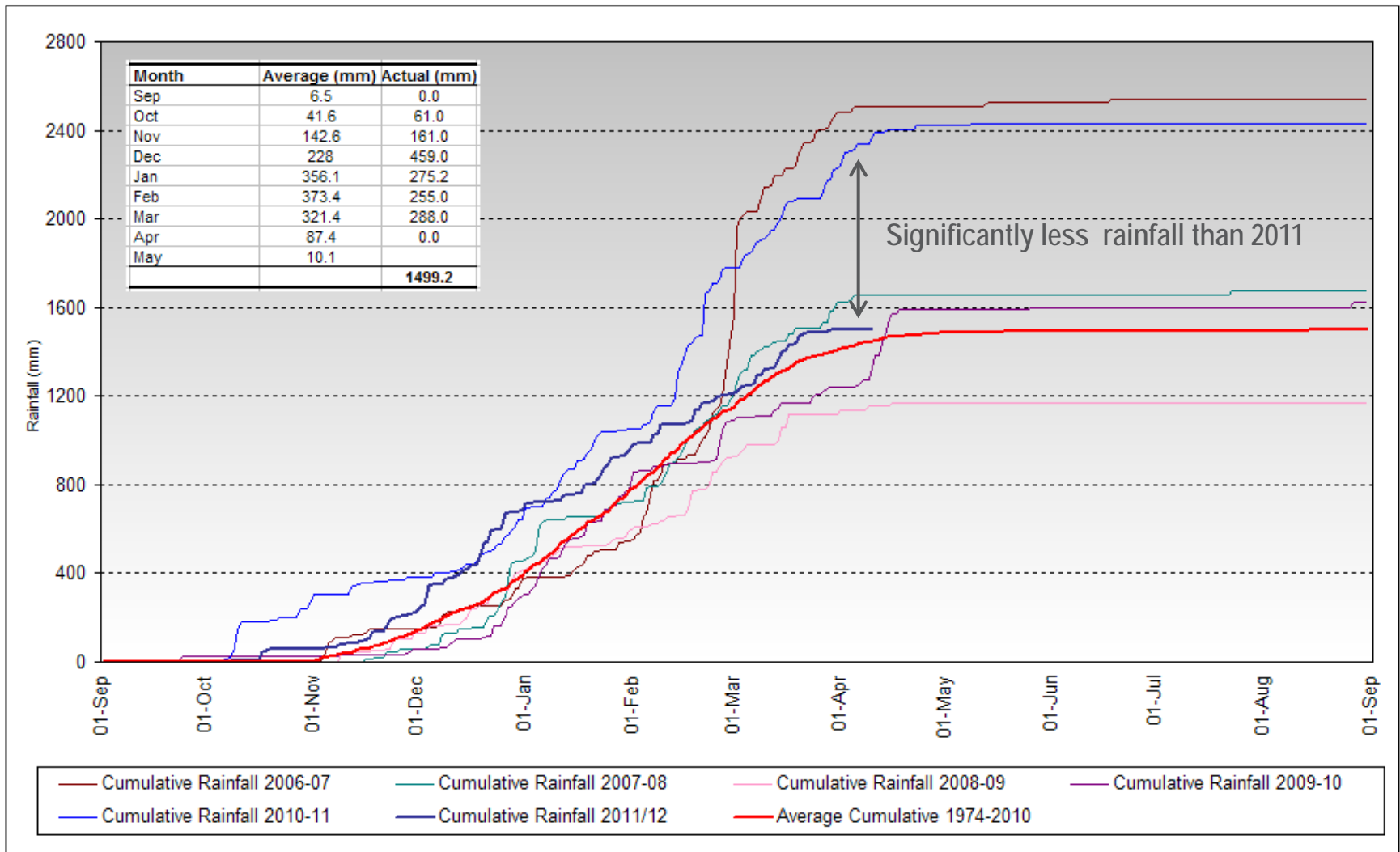
People

- ERA is a major employer in the West Arnhem region, and one of the leading employers of Indigenous people in the Northern Territory
- As at 13 April 2012, ERA had 109 Indigenous employees (total ERA staff 560)
- During 2011, ERA endorsed a new Indigenous Employment Strategy which builds on previous actions to develop a strong Indigenous workforce
 - Mentoring
 - Flexible work arrangements
 - NT Mine Training Programme
 - Improving literacy skills
 - Work experience and school based apprenticeships for students in Jabiru and Gunbalanya

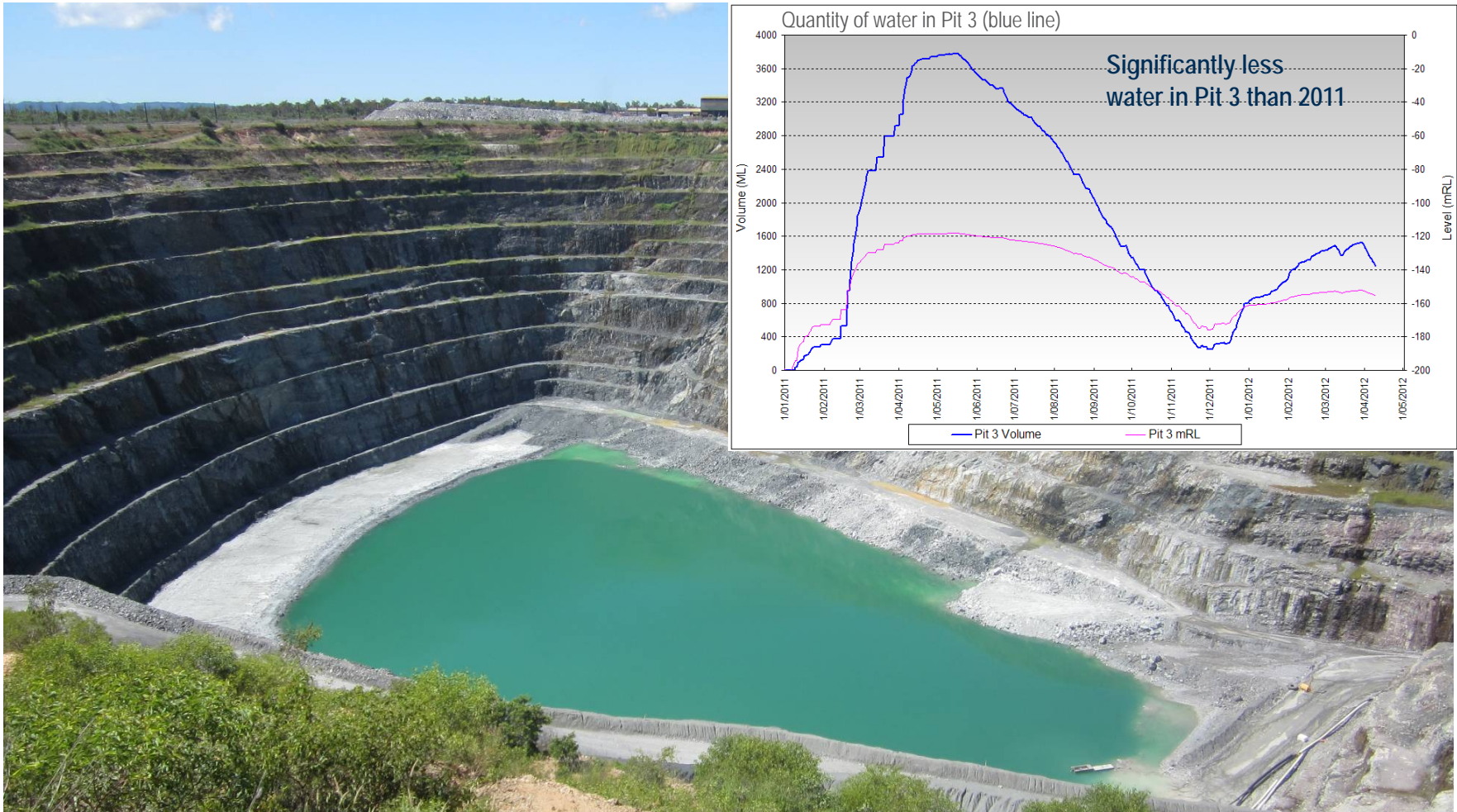


Gunbalanya students experiencing a tour of Ranger Mine providing exposure to future opportunities

Rainfall tracker - 13 April 2012



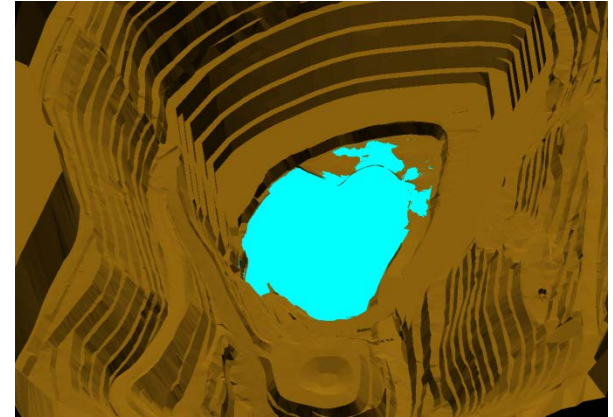
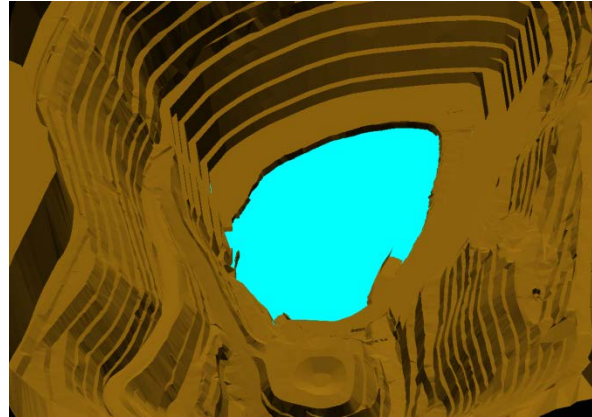
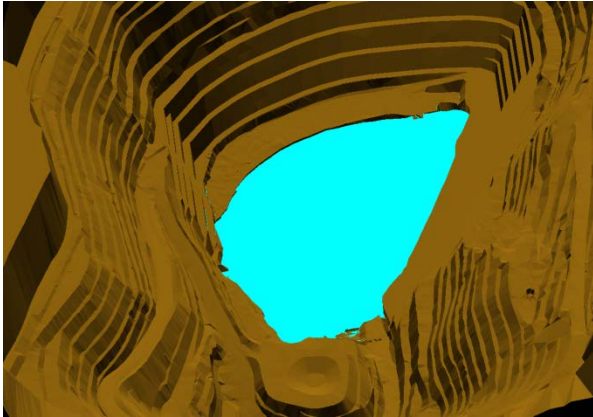
Pit 3 status - 13 April 2012



- Currently 1.2 GL of water in Pit 3 and expected to be pumped dry by July 2012

Expected stages of dewatering levels in Pit 3

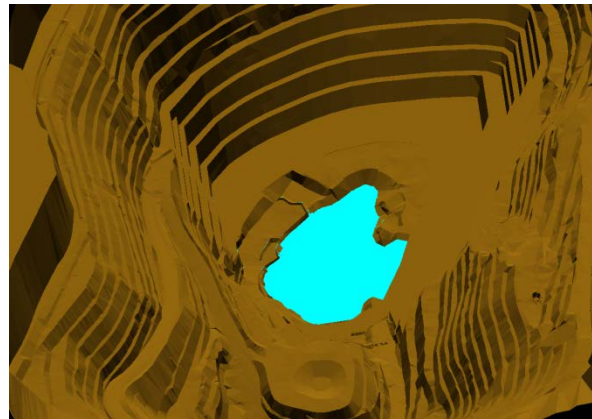
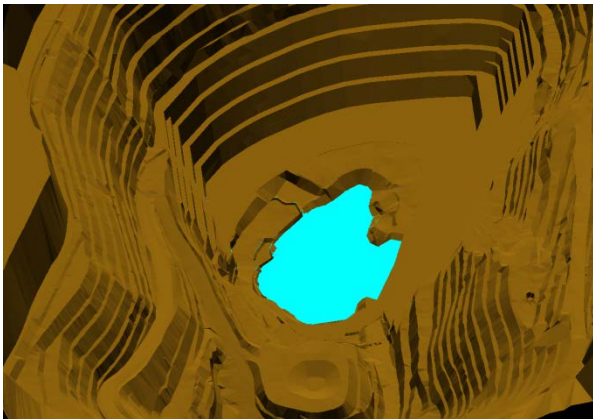
April 2012



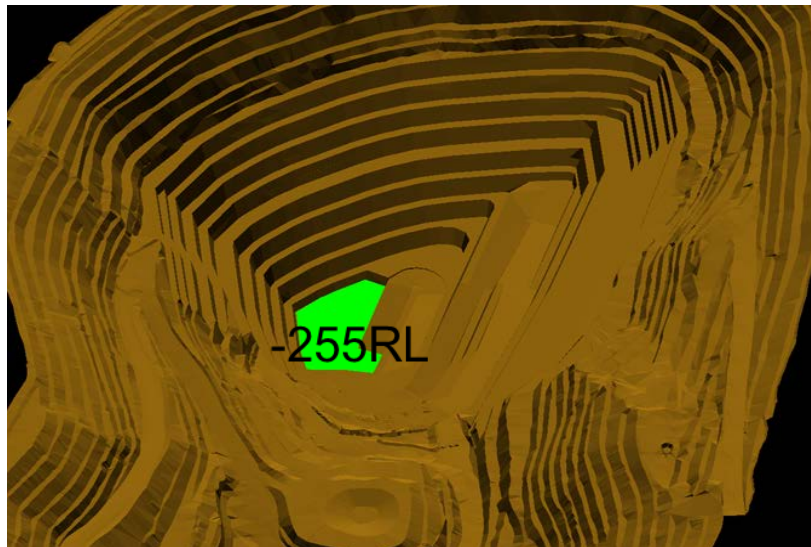
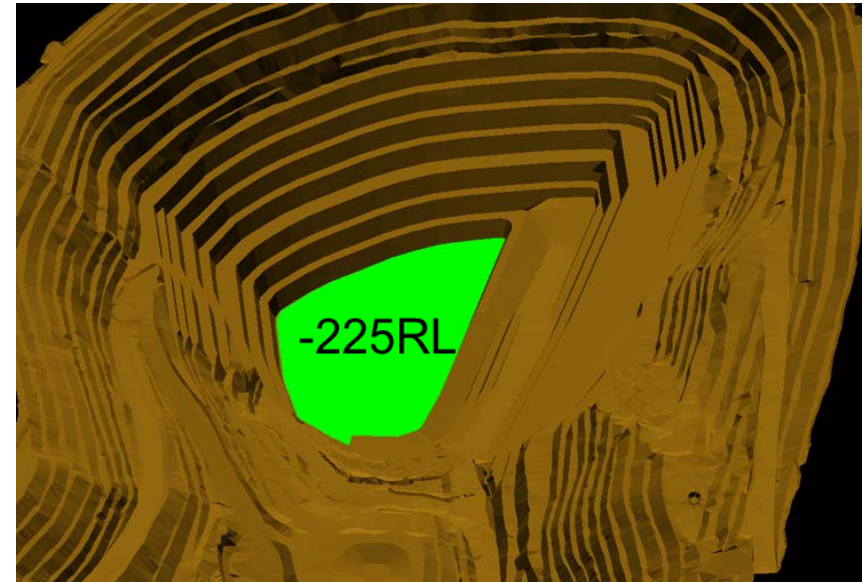
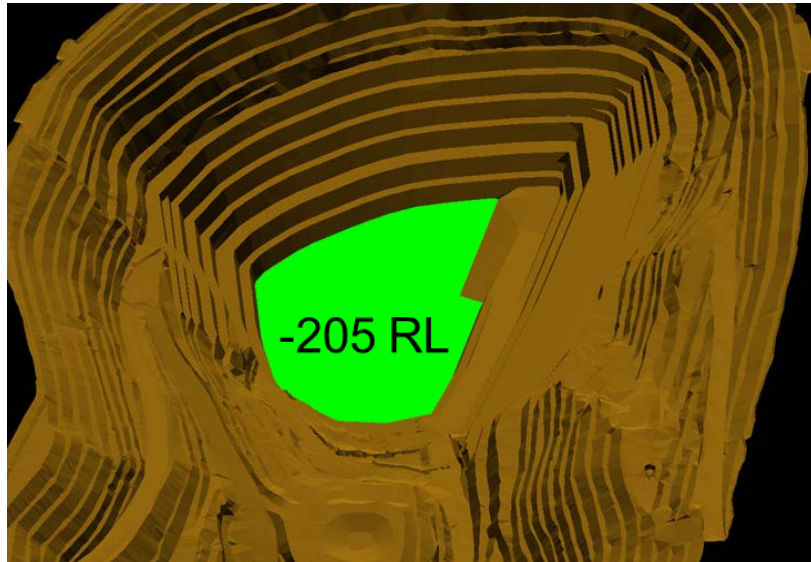
June 2012



July 2012



Projected Pit 3 mining sequence to completion



Final pit design highlighting haul road

Stockpile mining

- Q1 2012 production predominantly from stockpiles
- 612 tonnes of U_3O_8 produced in Q1 (average mill head grade of 0.11% U_3O_8)
- Average grade of all stockpiles is 0.12% U_3O_8
- Post completion of pit all U_3O_8 production will come from stockpiles



Continued strong plant performance in 2012

	H2 2011 ¹	Q1 2012 ¹
Mill rate (tph)	300	305
Plant utilisation (%)	93.0	89.5 ²
Uranium recovery (%)	89.0	89.0
Soluble loss (%)	2.8	2.9
Uranium recovery (%)	89.2	89.1
Grade (%)	0.171	0.11

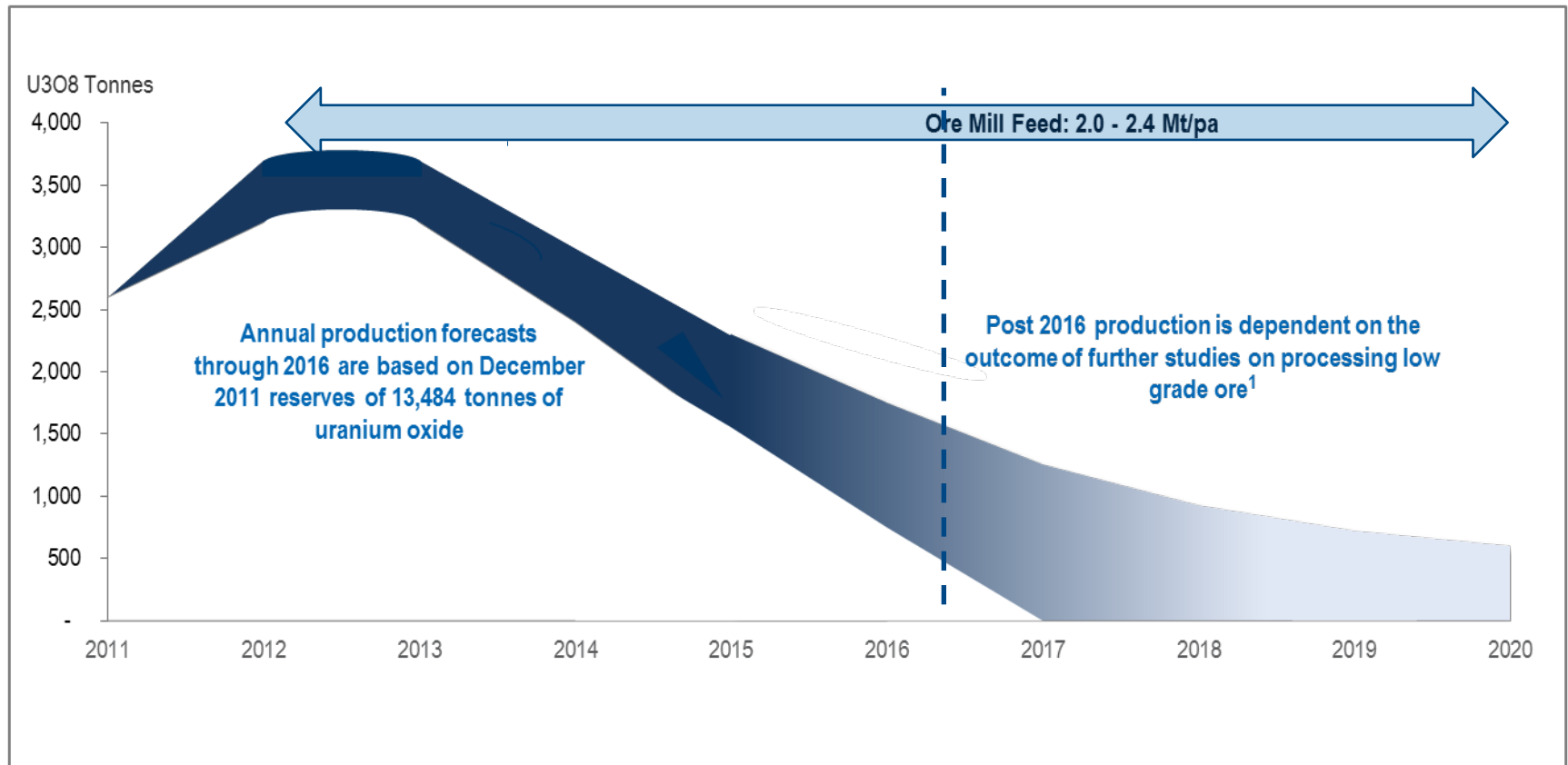
¹ Average over the relevant period

² Utilisation impacted by wet season ore handling issues

- **Previous annual plant record utilisation was 87.9% in 2010**

Ranger production forecast

Based on reserves of 13,484 tonnes of uranium oxide as of 31 December 2011 and current operations (excludes Ranger 3 Deeps production)



Note:

- 1 A decision to proceed with the development of the Ranger 3 Deeps mine is expected to have a favourable impact on the ability to economically process this low grade ore.

Non-cash costs

Over the next years, the non-cash cost will significantly increase

The increase is due to:

- Property, plant and equipment net value of \$741 million as of 31 December 2011 (including rehabilitation asset)
- Capital expenditure of approximately \$350 million from 2012 to 2014
- Allocation to Profit and Loss Statement based on reserves of 13,484 tonnes of uranium oxide as of 31 December 2011
- Increase in the Interest Expenses (discount unwind) related to the increase in the rehabilitation provision

\$150 million savings targeted by end of 2014

- Significant cost saving initiatives –
 - Vendor consolidation
 - 7:7 roster change
 - Contractor rationalisation
 - Leach Ph control
 - Lime usage
 - In-house maintenance
 - Merging of departments
- \$20 million cost savings realised in 2011
- 2012 budget includes \$40 million savings
- Further cost saving initiatives continue to be investigated and developed

Estimated capital expenditure

Capital (AUD \$m)	2012	2013	2014
Brine Concentrator	111	82	-
Tailings and pumping system	-	47	-
Pond water retention pond	40	-	-
TSF Lift (2 m)	8	-	-
Stores yard relocation	3	-	-
Pit 3 contingency pumping system	4	-	-
Other	13	-	-
Sustaining	11	15	15
Total	190	144	15

Expense projects (AUD \$m)			
Ranger 3 Deeps exploration decline	42	57	21
Ranger 3 Deeps mine evaluation studies	5	35	15
Total	47	92	36

Capital Raising initiatives

Initiative	\$ million	Commenced
Brine Concentrator	220	✓
Ranger 3 Deeps exploration decline	120	✓
Ranger 3 Deeps mine evaluation studies	55	Evaluation studies expect to start in May/June 2012
Expanded exploration on Ranger Project Area	40	✓
Other water management initiatives	52	✓

Activities included in the rehabilitation provision

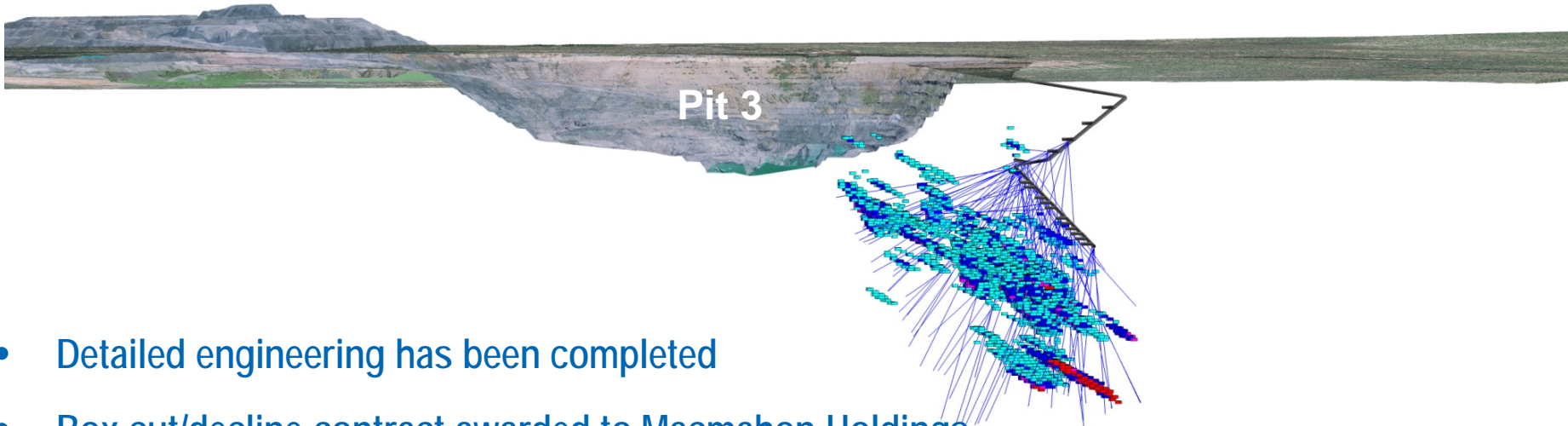


What ERA must do

- Continue to strengthen relationship with the GAC and Mirarr
- Complete Pit 3 in 2012
- Demonstrate successful treatment of water
- Commence progressive rehabilitation on key areas on Ranger Project Area
- Transition from open pit mining to a potential underground mine
- Reduce footprint of our operations
- Explore Ranger Project Area for further underground deposits
- Ensure our key stakeholders fully support and understand that ERA is the major social economic driver in the Alligator River Region

ERA's strategy is to develop a successful and safe underground operation, to find further underground uranium deposits and to earn the right to continue operating on the Ranger Project Area

Ranger 3 Deeps exploration decline on target



- Detailed engineering has been completed
- Box cut/decline contract awarded to Macmahon Holdings
- Commencement of construction scheduled for 1 May 2012
- The first stage of construction is excavation of the box cut and installation of a portal access tunnel is scheduled for completion in October 2012
- Development of the decline will start in November 2012
- Exploration drilling is targeted for commencement in April 2013
- Expect the first 100 metre of decline will be completed by end of 2012
- Total length of decline will be 2.2 kilometres to a depth of 350 metres

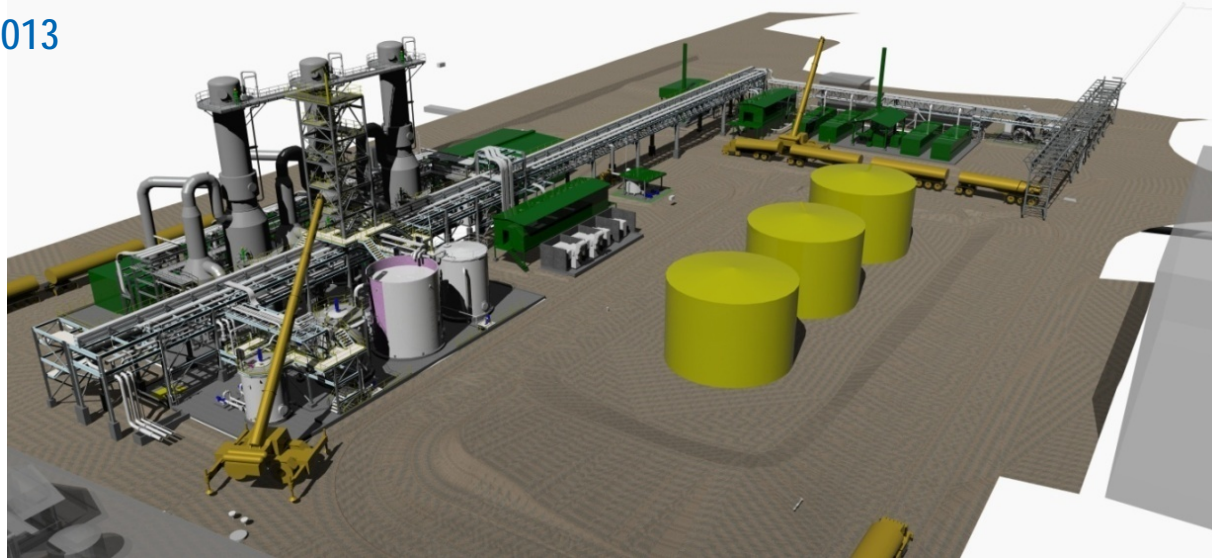
Ranger 3 Deeps – indicative milestones to production

Milestone	Date
Regulatory approval for exploration decline granted	September 2011
Commencement of box cut excavation	1 May 2012 ¹
Exploration and resource drilling completed	Mid 2014 ¹
Feasibility study complete	Late 2014 ¹
Regulatory and ministerial approval	2015 ¹
Underground mine production	Late 2015 ¹

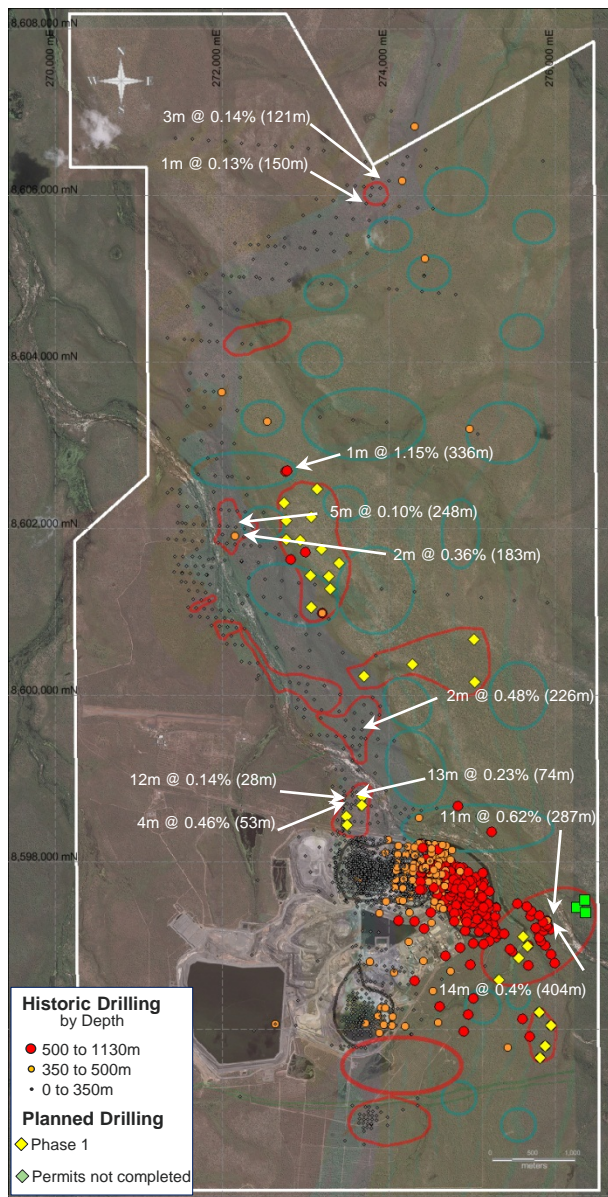
¹ Forecast dates

Brine Concentrator on target

- ERA Board approved project on 1 February 2012 with estimated expenditure of \$220 million
- The Brine Concentrator is being provided by HPD LLC, a subsidiary of Veolia Water Solutions and Technologies
- Construction occurring in the USA, Germany, China and Thailand
- Site preparations are going well with successful completion of acid plant demolition
- All components will arrive in the Northern Territory in Q4 2012
- Nominal capacity to treat 1.83 billion litres of water per year
- The Brine Concentrator facility is planned to be commissioned and fully operational in the second half of 2013



The Ranger Project Area has significant potential



- Exploration phase 1 – 2012 (marked in yellow)
 - 15 new drill holes south of Magela Creek
 - 17 drill holes diamond tails north of Magela
 - Average depth +500m
- Exploration phase 2 – 2012 will focus on northern and eastern areas of the RPA
- 2012 target - 35,000 meters of drilling
- All contracts for exploration now awarded
- 3 drilling rigs deployed with a staged approach
- First two rigs arrived early April, third expected early June. Access to target areas will be determined by post wet season land and river crossing conditions
- Rigs are capable of both RC and diamond drilling

Strategic project milestones

Project	2012									2013									2014															
	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	
Pit 3 mining completion	◆	◆	◆	◆	◆	◆	◆	◆	◆																									
Ranger Project Area Exploration	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆														
Ranger 3 Deeps exploration decline Box cut		◆	◆	◆	◆	◆																												
Ranger 3 Deeps exploration decline construction							◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆												
Ranger 3 Deeps exploration decline drilling												◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆		
Ranger 3 Deeps mine prefeasibility study				◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆		
Ranger 3 Deeps mine feasibility study																													◆	◆	◆	◆	◆	⇒ 2015
Ranger 3 Deeps mine EIS preparation and approval process								◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	⇒ 2015
Brine Concentrator manufacturing	◆	◆	◆	◆	◆	◆																												
Brine Concentrator delivery to site and PowerStation							◆	◆	◆																									
Brine Concentrator construction	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆																			
Brine Concentrator commission															◆	◆	◆	◆	◆	◆	◆													
Mining Agreement negotiations	◆																																	
Progressive rehabilitation	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	⇒ 2026

Improving relationship with Traditional Owners

- **Expect to conclude a new mining agreement in Q2 2012**
 - An Agreement respecting Mirarr traditional ownership and entitling them to greater participation in the benefits from mining on their land
 - Reflects Traditional Owners having an open mind to consider future development on the Ranger Project Area
 - Creates synergies through enhanced financial benefits and business opportunities
 - Establishes a Relationship Committee to promote information sharing and collaboration
- **Broad based collaboration**
 - Participation in Minesite Technical Committee
 - Application of “Traditional Ecological Knowledge” to rehabilitation and closure planning
 - Business development, housing and infrastructure
- **1 March 2012 ERA and GAC released a joint press release announcing -**
 - New independent surface water study for Ranger uranium mine
 - Decommissioning of Jabiluka interim water management pond
 - Strengthening relationship between Mirarr Traditional Owners and ERA

ERA is the economic driver in the local region

- Territory workforce with focus on Indigenous employment and training
- Economic contribution due to –
 - Employment of 600 employees direct employees and a substantial number of contractors
 - Royalty payments of 5.5% all of which is returned to the Northern Territory
 - Local procurement and services, including shops, clubs, restaurants and accommodation
 - Provides infrastructure – airport, power, housing
 - Since 1981, ERA has paid \$1 billion in income tax and \$400 million in royalties
 - Contributed to community partnerships – education, health, rock art and sport
 - ERA employees underpins the Jabiru economy and social services such as medical facilities and schools

Market summary - near term outlook (1-2 years)

- **Effects of Fukushima still being felt by the market**
 - Deferred Japanese demand supplementing normal supply
 - Prices to remain suppressed until surplus material clears the market
- **Near term demand weak**
 - Utilities appear to be well covered for material
 - China well covered for its next stage of expansion, but expected to remain active in market
 - No confirmed timetable for Japanese reactor restarts following stress tests
- **Weaker demand outlook and resultant softer market prices is likely to cause delays to new production and reduced investment in exploration**

Market summary – mid to long term outlook

- Longer term outlook is considerably more positive driven primarily by China and then wider Asia
- Demand is expected to grow over the long term as concerns about climate change and energy security encourage further development of nuclear power
- Electricity supply is a key to growing economic activity and improving living standards
- The World Nuclear Association reported that over 80 new reactors are expected to be commissioned by 2017

Summary

- Continued strong safety performance
- Water continues to be managed well
- Significantly less rainfall in 2011/12 than the 2010/11 wet season
- Pit 3 expected to be fully dewatered in July 2012 and mining completed by the end of 2012
- Continued strong plant performance in 2012
- Forecast 2012 production of uranium oxide to be between 3,200 and 3,700 tonnes
- Good progress on major projects
 - Brine Concentrator
 - Ranger 3 Deeps exploration decline
- High intensity exploration programme will start in May 2012
- Strengthening of relationship with the GAC and Mirarr Traditional Owners

Business will undergo a significant transition from 2012-2015 as ERA changes from an open cut mining operation, to milling stockpiles and then to a potential underground mine. This will present both exciting opportunities and significant challenges

Ranger mine overview 2012



Pit 1
Rehabilitation
activities
commences
2012

Brine
Concentrator
Commissioning
2013

Pit 3
complete
mining by
2012

Ranger 3
Deeps
Exploration
Decline
Construction
starts 2012