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ASX Announcement

ERA Board approves Ranger 3 Deeps mine prefeasibility study

Today, the Board of Energy Resources of Australia Ltd (**ERA**) approved the expenditure of \$57 million to conduct a prefeasibility study on the potential Ranger 3 Deeps mine. The study will be conducted from 2012 until 2014 inclusive.

The funding for the study was included as part of the \$500 million capital raising conducted by ERA in 2011.

This study will evaluate and confirm the scope for a possible Ranger 3 Deeps underground mine. It will also include 16,000 metres of drilling for resource definition (in addition to the 35,000 metres of drilling approved as part of the Ranger 3 Deeps Exploration Decline project), extension of the decline and the installation of a ventilation shaft.

On 1 May 2012, ERA commenced construction on the Ranger 3 Deeps exploration decline project to conduct close spaced underground exploration drilling to further define the Ranger 3 Deeps ore body, and to explore areas adjacent to the resource. The results of the underground exploration drilling will be incorporated into the prefeasibility study.

"This is another positive and significant step towards determining the viability of an underground mine on the Ranger Project Area," said Rob Atkinson, Chief Executive.

"We will continue discussions with the Mirarr through their representatives, the Gundjeihmi Aboriginal Corporation, as well as with the Commonwealth government and Northern Territory government, in relation to this project and the outcomes of the study.

A decision on the viability of the development of an operational Ranger 3 Deeps mine is expected to be made in late 2014.

About Energy Resources of Australia Ltd (ERA)

ERA is one of the nation's largest uranium producers and Australia's longest continually operating uranium mine.

ERA has an excellent track record of reliably supplying customers. Uranium has been mined at Ranger for three decades. Ranger mine is one of only three mines in the world to produce in excess of 100,000 tonnes of uranium oxide.

ERA's Ranger mine is located eight kilometres east of Jabiru and 260 kilometres east of Darwin, located in Australia's Northern Territory.

**ERA**

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