ERA Energy Resources of Australia Ltd

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10 January 2013

ASX Announcement

December 2012 Quarter Operations Review

(unaudited)

	Q4 12	vs Q4 11	vs Q3 12	12 mths 12	vs 12 mths 11[1]
Total material mined ('000 tonnes)	2,045	-45%	-55%	11,857	11%
Ore mined ('000 tonnes)	1,197	78%	-38%	3,753	226%
Ore milled ('000 tonnes)	629	-8%	-6%	2,577	59%
Mill head grade (% uranium oxide)	0.23	35%	-	0.17	-6%
Mill recovery (%)	85.7	-3%	-1%	86.2	-2%
Production – uranium oxide - tonnes - 000 lbs	 1,227 2,705	 19%	 -1%	 3,710 8,179	 40%

[1] *Processing operations were suspended from 28 January 2011 until 15 June 2011.*

Uranium oxide produced by Energy Resources of Australia Ltd (**ERA**) in 2012 was 3,710 tonnes. Production for the December 2012 quarter was 1,227 tonnes, one per cent lower than the previous quarter and 19 per cent higher than the corresponding quarter in 2011. Uranium oxide production in the second half of 2012 benefited from access to higher grade ore located at the bottom of the pit, which helped to achieve higher mill head grade. Uranium oxide produced in 2011 was significantly impacted by the suspension of procession operations from 28 January 2011 until 15 June 2011.

In November 2012, ERA completed mining in Pit 3 ahead of schedule, following the earlier than expected completion of dewatering of the pit in May 2012, coupled with continued strong equipment availability and utilisation. The earlier than expected completion of mining in Pit 3 resulted in material moved for the December 2012 quarter being significantly lower than the previous quarter.

In December 2012, ERA commenced the backfilling of Pit 3 utilising its existing mining fleet. This is an important part of ERA's rehabilitation programme.

From December 2012, the source of feed for the mill will be stockpiled material, which includes some high grade ore mined in 2012.

EXPLORATION AND EVALUATION

Total evaluation expenditure for the December 2012 quarter was $1 million and related to the Ranger 3 Deeps prefeasibility study. This study aims to evaluate and confirm the scope for a possible Ranger 3 Deeps underground mine.

Total evaluation expenditure for 2012 was $3 million compared to $18 million for 2011.

Total exploration expenditure for the December 2012 quarter was $17 million compared to $5 million in the corresponding quarter in 2011. During the December 2012 quarter, work continued on the Ranger 3 Deeps exploration decline with the box cut completed and backfilled. At the end of December 2012, approximately 57 meters of underground decline had been constructed with underground progress to date slightly slower than scheduled due to poor ground conditions. The overall project presently remains on time and within budget.

Limited surface exploration was undertaken during the December 2012 quarter, with drill rigs redeployed to assist with hydrological drilling and grouting of existing holes in the Ranger 3 Deeps area. Drilling occurred in the Georgetown area with no significant intercepts encountered.

Exploration expenditure for 2012 totalled $45 million and was comprised of $34 million for the Ranger 3 Deeps exploration decline and $11 million for surface exploration. This compared to $9 million for 2011.

Competent Person The information in this report relating to exploration results is based on information compiled by Greg Rogers, who is a member of the Australasian Institute of Mining and Metallurgy. Greg Rogers is a full-time employee of the company and he has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Greg Rogers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

About Energy Resources of Australia Ltd

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.

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