



ASX Announcement

19 December 2013

Ranger processing plant incident – clean-up and recovery operations

- Clean-up and recovery operations at Energy Resources of Australia Ltd's (ERA) Ranger processing plant are well advanced following the failure of Leach Tank No. 1
- Costs of the clean-up and recovery operations are not expected to be material to 2013 results
- Total production for 2013 was 2,960 tonnes of uranium oxide
- ERA has sufficient inventory to meet all sales commitments in the first half of 2014
- Scope of ERA's investigation into the incident has been established

Clean-up and recovery operations at the Ranger processing plant are well advanced following the failure of Leach Tank No. 1.

An exclusion zone around the immediate area of the failed leach tank was established immediately after the incident and remains in place. All slurry outside the exclusion zone has been recovered.

The decommissioning of Leach Tank No. 1 and other impacted infrastructure will be undertaken in the coming weeks. Costs of the clean-up and recovery operation (including decommissioning) are not expected to be material to 2013 results.

Total production for 2013 was 2,960 tonnes of uranium oxide, which is within the previously communicated production guidance of 2,800 tonnes to 3,200 tonnes. Further details in relation to production will be provided when ERA announces its full year results for 2013.

The full financial impact for 2014 of the leach tank failure is still being assessed and will depend on a range of factors, including any necessary reparation work on processing plant infrastructure and when ERA is authorised to recommence processing operations. As previously announced, ERA has received notices from the Northern Territory Department of Mines and Energy and the Commonwealth Minister for Industry that it cannot recommence processing operations at Ranger without regulatory approval. All other activities at Ranger, including rehabilitation, water management and the Ranger 3 Deeps Exploration Decline, continue as scheduled.



Further guidance on 2014 production and financial impacts will be provided when more information becomes available.

In relation to its existing sales contracts, ERA notes that a large inventory of uranium oxide was built in 2013 and confirms that it has sufficient inventory to meet all sales commitments in the first half of 2014.

As previously announced, ERA will commission a full investigation into the leach tank incident. ERA has established the scope of the investigation, which will examine the root cause of the leach tank failure and review site processing infrastructure.

Based on the findings of the investigation, it may be necessary to conduct additional reparation work on processing plant infrastructure. ERA will communicate the impacts of necessary reparation work, if any, when more information becomes available.

ERA's investigation will run in parallel with the joint investigation undertaken by a Government appointed taskforce charged with overseeing the regulatory response to the leach tank incident.

The taskforce consists of the Northern Territory Department of Mines and Energy, Northern Territory WorkSafe, the Supervising Scientist, the Commonwealth Department of Industry and a representative from the Gundjeihmi Aboriginal Corporation, which represents the Mirarr Traditional Owners.

ERA will continue to work closely with all members of the taskforce.

ERA will continue to keep stakeholders and regulators informed of the progress of its investigations and assessments.

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

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 110,000 tonnes of uranium oxide.

ERA is a major employer in the Northern Territory and the Alligator Rivers Region. ERA is proud of its diverse workforce of more than 500 people, of which 16 per cent are Indigenous people.

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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