



21 December 2010

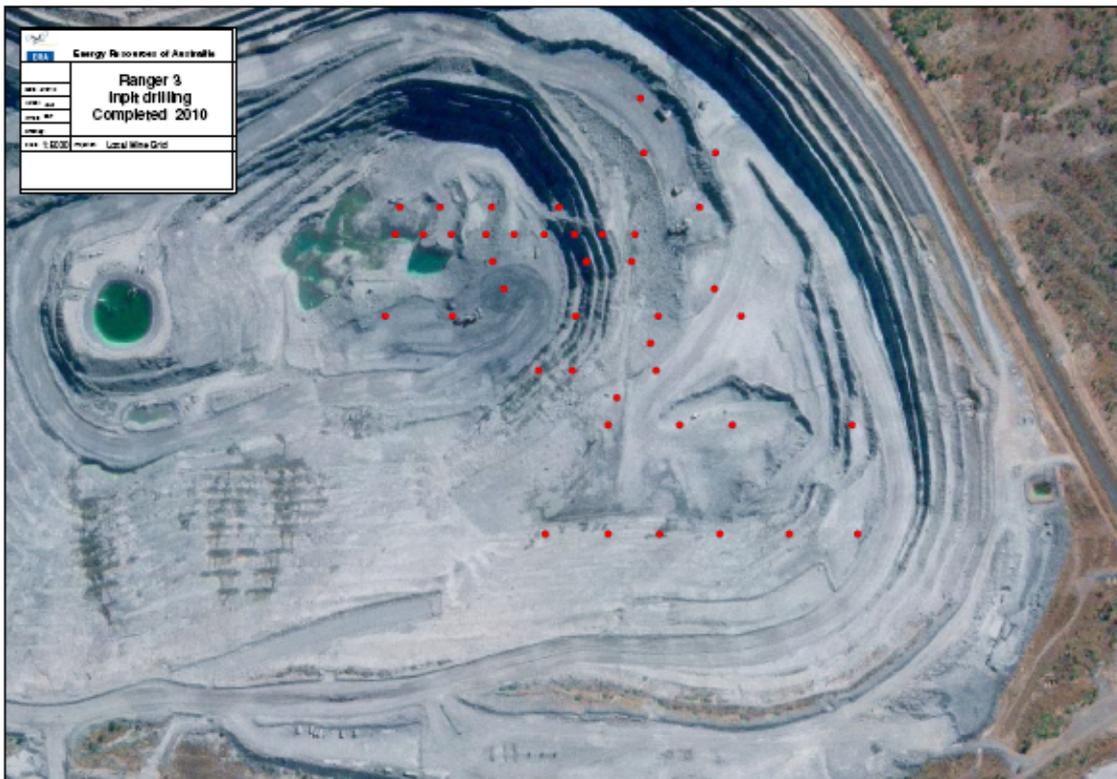
RANGER PIT 3 INFILL DRILLING PROGRAMME

As previously communicated in the September 2010 Quarter Operations Review dated 13 October 2010, due to encountering lower than anticipated mined ore grades, Energy Resources of Australia Ltd (**ERA**) initiated an infill drilling programme in Ranger Pit 3 in order to improve ore body knowledge and confidence in the in-situ reserves.

As the end of the life of Ranger Pit 3 is approaching, the remaining ore is located within increasingly narrow, geologically complex zones in close association with barren rock at the margin of the orebody. The drill density used for ore reserve delineation in previous years has proven insufficient in the ore zones now being mined, resulting in difficulty delineating high grade from barren zones in the lower part of the orebody now being exploited. The infill drilling programme has significantly enhanced the resolution of the geological model in this area and will enable more accurate mine scheduling of the remaining ore.

The infill drilling programme, which has recently been completed, consisted of 42 holes for a total of 4,048m drilled. The location of each hole is outlined in the map below.

Map showing infill drilling programme in Ranger Pit 3



The geological interpretation of the Pit 3 ore body was updated as a consequence of this infill drilling programme. As a result of this update, the Ranger mine in-situ reserves will be reduced by approximately 1,310t of uranium oxide relative to ERA's Annual Statement of Reserves and Resources dated 29 January 2010. A further reduction of approximately 540t uranium oxide



ERA

will be made for the uranium oxide that ERA expected to mine during 2010 but did not recover as a result of the lower than anticipated mined ore grades encountered.

In addition to the adjustments to be made as a result of the infill drilling programme, a further reduction of in-situ reserves totalling approximately 550t uranium oxide will also be made as a result of the pit re-design which was necessary after the successful remediation of the localised area of instability on the South Wall of the Ranger Pit 3 during 2010.

In summary, as a result of the infill drilling programme and the pit redesign due to the localised area of instability on the South Wall, the Ranger in-situ reserves will be reduced by approximately 2,400t.

ERA is in the process of completing its annual assessment and evaluation of reserves and resources for Ranger and Jabiluka. ERA will release its Annual Reserves and Resources Statement for the year ended 31 December 2010 in late January 2011.

The information in this release that relates to Ranger Ore Reserves is based on information compiled by Geologist Greg Rogers (a full time employee of Energy Resources of Australia Ltd) and Mining Engineer Reid Miller (a full time employee of Energy Resources of Australia Ltd) who are all members of the Australasian Institute of Mining and Metallurgy. Greg Rogers 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". Greg Rogers and Reid Miller consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Contacts:

Media enquiries: Jane Hart +61 (0) 8 8924 3589, 0419 972 784
Shannon McRae +61 (0) 8 8924 3514, 0457 532 270
Investor enquiries: Simon Ellinor +61 (0) 7 3361 4365

For further information on the company's activities please access ERA's website at www.energyres.com.au