

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

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A member of the Rio Tinto Group

13 July 2011

ASX Announcement**June 2011 Quarter Operations Review** (unaudited)

| | Q2 2011 | vs Q2 2010 | vs Q1 2011 | 6 mths 2011 | vs 6 mths 2010 |
|------------------------------------|---------|------------|------------|-------------|----------------|
| Total material mined ('000 tonnes) | 400 | -84% | -90% | 4,201 | -3% |
| Ore mined ('000 tonnes) | 20 | -82% | -90% | 216 | -22% |
| Ore milled ('000 tonnes) | 75 | -89% | -60% | 260 | -80% |
| Mill head grade (% uranium oxide) | 0.14% | - | -42% | 0.21% | 40% |
| Mill recovery (%) | 88.8% | 2% | 1% | 87.9% | -1% |
| Production – uranium oxide | | | | | |
| - tonnes | 83 | -90% | -84% | 601 | -65% |
| - 000 lbs | 183 | | | 1,325 | |

On 14 June 2011, Energy Resources of Australia Ltd (ERA) announced it would commence a progressive restart of processing operations at the Ranger mine. This followed the announcement on 28 January 2011 of a temporary suspension of processing operations for an initial period of 12 weeks which was subsequently extended on 12 April 2011. This action was taken in response to the significantly above average wet season encountered in the Northern Territory.

ERA's June 2011 Quarter operating results have been significantly impacted by this temporary suspension. Uranium oxide produced by ERA for the June 2011 Quarter was only 83 tonnes, which represented the production achieved since the progressive restart of processing operations on 14 June 2011.

Mining operations were also impacted by the significantly above average wet season with the level of pond water in Pit 3 reaching a record level of in excess of 3.5 gigitalitres. During the June 2011 Quarter, mining activities in Pit 3 were primarily focused on ore located in the upper benches until the rising water level resulted in the cessation of mining in the middle of the quarter. At this time, mining activities changed focus from in pit activity to stockpile transfers. Partial access to the upper benches in Pit 3 was obtained in late June with mining operations to move deeper into the pit as the water level recedes. ERA continues with the installation and commissioning of additional pond water treatment capacity and does not expect to obtain access to the bottom of the pit, where the high grade ore is located, before the December 2011 Quarter.



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With the progressive restart of the processing operations from 14 June 2011, ERA's 2011 production of uranium oxide is now expected to be approximately 2,600 tonnes. This has increased from the previously announced 2011 production expectation of approximately 2,400 tonnes.

EXPLORATION AND EVALUATION

Work continues on the Ranger Heap Leach Draft Environmental Impact Statement (EIS). The Draft EIS is expected to be submitted to the ERA Board for consideration early in the second half of 2011.

A proposal to develop the Ranger 3 Deeps exploration decline remains in the final stages of ERA's approval process.

Total year to date evaluation expenditure at the end of June was \$6 million, compared with \$17 million for the corresponding period in 2010.

ERA resumed its exploration program on the Ranger Project Area with an expenditure during the June 2011 Quarter of \$1 million. Exploration drilling during the June 2011 Quarter focused on the reported mineralisation in the Georgetown area south east of the Ranger 3 Deeps resource.

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.

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