


ERA
Energy Resources of Australia Ltd

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ASX Announcement

10 April 2012

March 2012 Quarter Operations Review

(unaudited)

	Q1 2012	Q1 2011	vs Q1 2011	Q4 2011	vs Q4 2011
Total material mined ('000 tonnes)	1,812	3,801	-52%	3,736	-51%
Ore mined ('000 tonnes)	51	196	-69%	673	-92%
Ore milled ('000 tonnes)	650	185	251%	685	-5%
Mill head grade (% uranium oxide)	0.11	0.24	-54%	0.17	-35%
Mill recovery (%)	88.0	87.6	-	88.6	-1%
Production – uranium oxide					
- tonnes	612	518	18%	1,030	-41%
- 000 lbs	1,349	1,142		2,271	

⁽¹⁾ Processing operations were suspended from 28 January 2011 until 15 June 2011.

Uranium oxide produced by Energy Resources of Australia Ltd (ERA) in the March 2012 Quarter was 612 tonnes. Production was 18% higher than the corresponding quarter in 2011 despite lower mill head grade. Production of uranium oxide in 2011 was significantly impacted by the suspension of processing operations from 28 January 2011 as a result of the extreme rainfall at the Ranger mine over the 2010/2011 wet season.

Whilst there was significantly above average rainfall at Ranger mine during the March 2011 Quarter, mining operations were able to continue in the upper benches of the pit. As mining has now advanced deeper into the pit, mining operations were significantly restricted during the March 2012 Quarter as a result of the water level in the pit. As a result, the total material mined and ore mined in the March 2012 Quarter was significantly lower than the corresponding period in 2011.

The high level of plant performance achieved in the December 2011 Quarter continued in the March 2012 Quarter with mill recovery of 88%. Notwithstanding this, production in the March 2012 Quarter was 41% lower than the December 2011 Quarter due to lower mill head grade. The ore milled in the March 2012 Quarter was sourced from stockpiled material with ERA being unable to access the high grade ore located at the bottom of the pit following the record level of rainfall in December 2011.

ERA advises that 1,499 mm of rain has fallen at the Jabiru Airport in the period of 1 September 2011 to 9.00am (ACST) on 9 April 2012 (Source: Australian Bureau of Meteorology). This compares to 2,371 mm for the same period in 2010/2011. The long term rainfall average for the Jabiru Airport over the period 1 September to 30 April is 1,558 mm.

As a result of the weather conditions recently experienced at Ranger mine, ERA expects to be able to re-commence mining in Ranger Pit 3 by the end of April 2012, which is earlier than was estimated at the beginning of this year. Dewatering of the pit is scheduled for completion in

July 2012. Until access to the high grade ore at the bottom of the pit is obtained following completion of dewatering, ERA advises that production for the June 2012 Quarter is expected to be around the level achieved in the March 2012 Quarter.

EXPLORATION AND EVALUATION

Total evaluation expenditure for the March 2012 Quarter was \$8 million, compared to \$3 million in the corresponding period of 2011, and \$5 million in the December 2011 Quarter.

On 30 March 2012, ERA announced the award of the contract for the construction of the boxcut and decline for the Ranger 3 Deeps Exploration Decline Project to Macmahon Holdings Ltd. Work on the construction of the box cut is scheduled to commence in May 2012 with the construction of the decline expected to commence in October 2012.

ERA will invest a total of \$120 million in the Ranger 3 Deeps Exploration Decline Project to conduct close spaced underground exploration drilling and to explore areas adjacent to the Ranger 3 Deeps resource. The Ranger 3 Deeps mineral resource contains an estimated 34,000 tonnes of uranium oxide.

Exploration expenditure for the March 2012 Quarter totalled \$2 million, compared with no exploration expenditure in the March 2011 Quarter and \$4 million in the December 2011 Quarter.

The wet season restricted access to many areas of the Ranger Project Area which, in turn, limited exploration activities to areas immediately adjacent to Ranger Pit 3 and existing site facilities. Target areas have been identified and, as access to those areas is restored from April 2012, exploration activity on the Ranger Project Area will significantly increase.

As previously announced, ERA is planning to spend a total of \$40 million to undertake an extensive exploration program on highly prospective and under-explored areas of the Ranger Project Area over the period of 2012 to 2014.

OUTLOOK

In light of the earlier than estimated re-commencement of mining in Ranger Pit 3, ERA has revised its production guidance and now expects production for 2012 to be within the range of 3,200 and 3,700 tonnes of uranium oxide, an increase from the previous guidance of 3,000 tonnes to 3,700 tonnes. However, production for 2012 remains highly dependent on the level of actual rainfall encountered for the remainder of the year.

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
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