



ERA Energy Resources of Australia Ltd

2014 half year results

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Forward-looking statements

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- This presentation includes forward-looking statements. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding ERA’s financial position, business strategy, plans and objectives of management for future operations (including development plans, rehabilitation estimates and subjectives relating to ERA’s products, production forecasts and reserve and resource positions), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of ERA, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.
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- Nothing in this presentation should be interpreted to mean that future earnings per share of ERA will necessarily match or exceed its historical published earnings per share.
- All currency mentioned in this presentation is in Australian dollars unless otherwise stated.

Competent Persons

- The information in this presentation that relates to exploration results and mineral resources is based on information compiled by geologists Greg Rogers and Stephen Pevely (full time employees of Energy Resources of Australia Ltd) who are members of the Australasian Institute of Mining & Metallurgy. Greg Rogers and Stephen Pevely have sufficient experience that 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 a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Greg Rogers and Stephen Pevely consent to the inclusion in this presentation of the matters based on their information in the form and context in which it appears.



Acknowledge Traditional Owners

- The mining operations of Energy Resources of Australia Ltd (ERA) are located on Aboriginal land and are surrounded by, but separate from, Kakadu National Park
- ERA respectfully acknowledges the Mirarr, Traditional Owners of the land on which the Ranger mine is situated



Agenda

- **Business objectives and half year highlights**
- **Safety**
- **Market outlook**
- **Ranger 3 Deeps**
- **Operational performance**
- **Financial performance**
- **Progressive rehabilitation**
- **Summary**



Continuing to deliver on our business objectives

ERA's aim is to maximise shareholder value while preparing for a future as an underground miner with a significantly smaller environmental footprint, contributing to the global energy market and local community

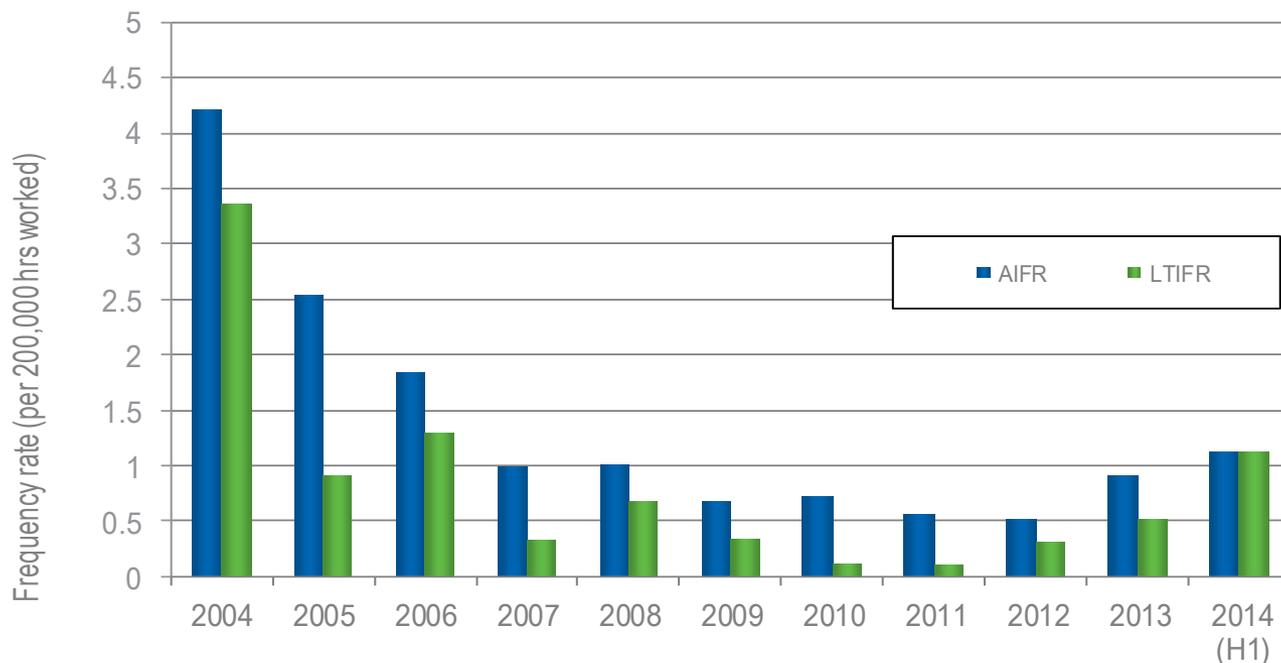
Business Objective

- **Developing a long term resource base on the Ranger Project Area**
- **Continuing operational effectiveness**
- **Building and maintaining strong stakeholder relationships**
- **Excellence in rehabilitation practices**

2014 half year highlights

- Ranger 3 Deeps drilling totalled 38,578 metres at 30 June 2014
- Prefeasibility Study remains on schedule and on budget
- Recommencement of processing operations in June 2014
- Cash position of \$321 million at 30 June 2014
- Continued engagement with the Gundjeihmi Aboriginal Corporation, which represents the Mirarr Traditional Owners
- Initial backfill of Pit 3 continued to progress ahead of schedule

Renewed focus on safety performance



- **Safety**

- Challenging period for safety performance:
 - Four lost time injuries in the 2014 half year
 - All Injury Frequency Rate 1.12 in the 2014 half year
- Safety improvement programme underway

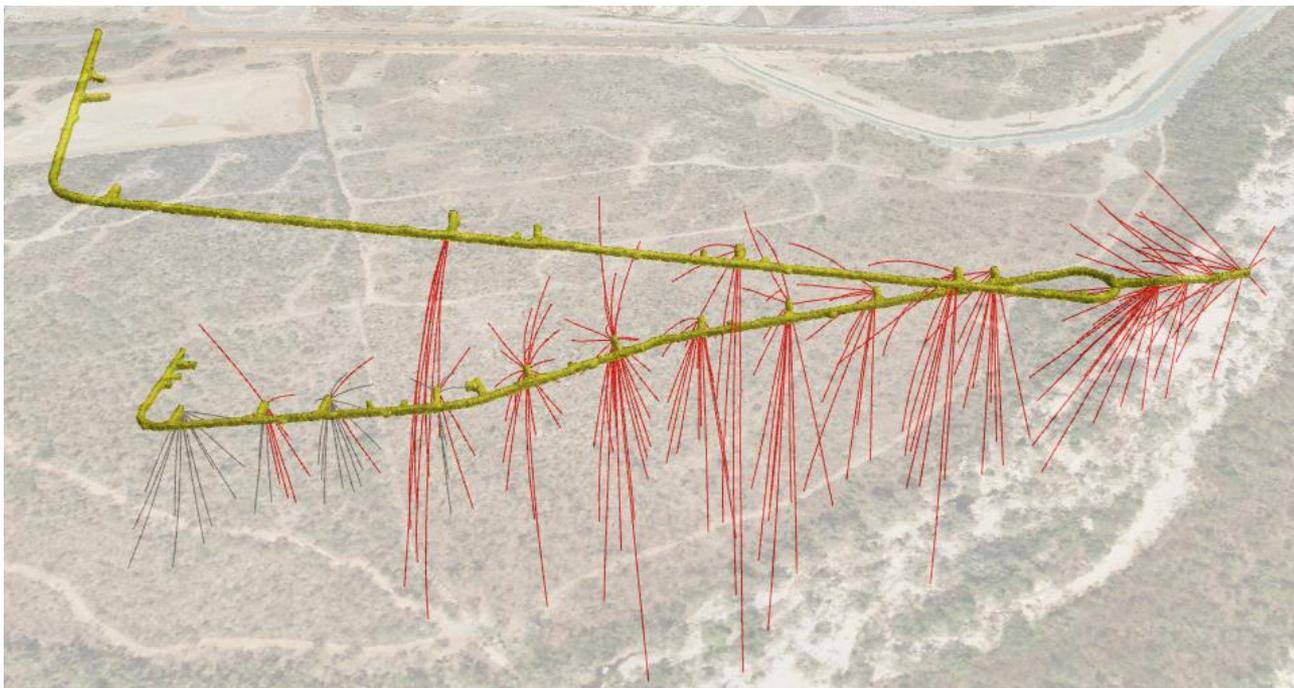


Near term market conditions remain challenging; longer term fundamentals stronger

- **Near term outlook continues to be driven by fall in reactor requirements**
 - Spot price at lowest level since 2005, below US\$30 per pound
 - Activity in the term market remains slow
 - Japanese uncertainty and inventory levels are key factors for near term demand
 - Current prices provide little incentive to invest in greenfield production
- **Global long term nuclear growth projections remain good**
 - China has 29 units under construction and more than 50 planned by 2025
 - Reactor growth occurring in the USA, Korea, UAE, France, Russia, Finland and India
 - Japanese Government accepted new Basic Energy Plan, which includes nuclear as important base load power source
- **The growth drivers are largely unchanged**
 - Economic growth in developing countries only sustainable through increased power generation
 - Global mandate to significantly reduce CO2 emissions
 - Long-term security and affordability of energy supply is a concern for many countries
 - Diversity of supply is important to uranium customers

Ranger 3 Deeps exploration decline nearing completion

- Face position 2,221 metres from surface at 30 June 2014 out of a total of 2,765 metres for the end of Phase 2
- Underground drilling totalled 38,578 metres at 30 June 2014



Ranger 3 Deeps drill holes - previous (red) and planned (grey)

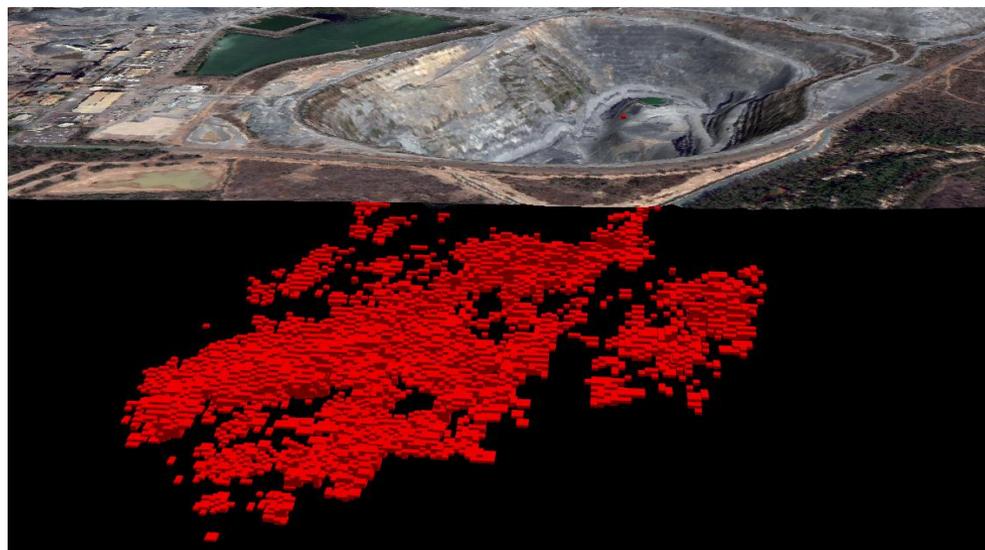
- Work on ventilation shaft temporarily halted in May 2014 to address the occurrence of subsidence beneath the top of the vent shaft
- Plan to recover the upper section of the ventilation shaft is being implemented



Prefeasibility Study will be completed in late 2014

- **Key developments in first half**
 - Resource model updated in June 2014
- **Critical items to be completed in second half**
 - Completion of resource drilling, development of mine plans and submission of Environmental Impact Statement critical path items for second half of 2014
 - Prefeasibility Study to evaluate key elements of project:
 - Economic viability
 - Resource size
 - Development path
 - Operating and development costs

| Ranger 3 Deeps Forecast milestones to production | Target | Status |
|----------------------------------------------------------------|---------------|--------|
| Regulatory approval for exploration decline granted | August 2011 | ✓ |
| Box cut excavation completed | October 2012 | ✓ |
| Decline tunnel construction commences | November 2012 | ✓ |
| Ranger 3 Deeps mine referral submitted to government | Jan 2013 | ✓ |
| Exploration drilling starts | June 2013 | ✓ |
| Exploration and resource drilling completed; completion of PFS | End 2014 | |
| Regulatory and ministerial approval | Mid 2015 | |
| Underground mine production | Late 2015 | |



Ranger 3 Deeps mineral resource model

Restart of Ranger processing plant

| | H1 2014 |
|--------------------------------------------------|---------|
| Mill operation | |
| Ore milled ('000 tonnes) | 46 |
| Recovery (%) | 85.2 |
| Mill head grade (% uranium oxide) | 0.08 |
| Tonnes produced (U ₃ O ₈) | n/a |



- **Progressive restart of operations commenced in June 2014**
 - A progressive restart of the Ranger processing plant commenced on 5 June 2014 following the receipt of written approval to recommence processing operations from the Northern Territory Department of Mines and Energy and the Commonwealth Minister for Industry
- **Processing ramping up to full capacity in the September quarter**
 - 46,000 tonnes of ore milled in June 2014, but no uranium oxide drummed and packed for shipment prior to the end of June
 - On track for ramp up to full processing capacity in the September quarter
 - 2014 uranium oxide production guidance of between 1,100 and 1,500 tonnes

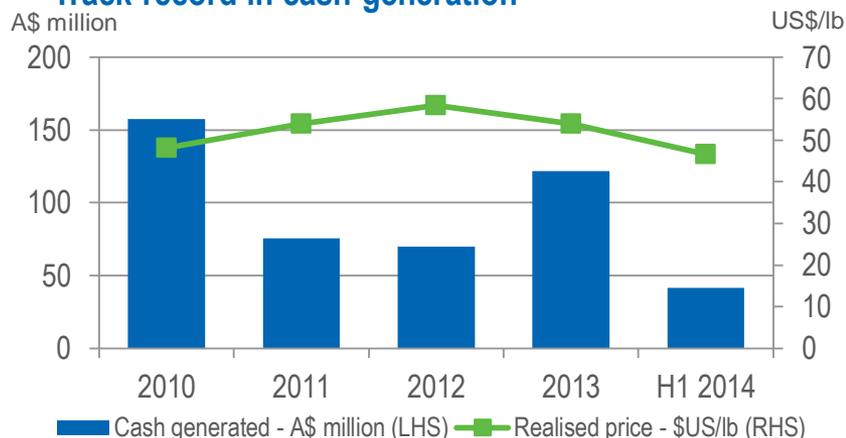


Focus on cash generation and Ranger 3 Deeps investment

| | H1-2014 |
|----------------------------------------------------|--------------|
| Earnings - \$ million | |
| • Net profit/(loss) after tax | (127.2) |
| Sales | |
| • Revenue from sales of uranium oxide (\$ million) | 171.6 |
| • Sales volume (tonnes) | 1,524 |
| • Average realised price – US\$/lb | 46.65 |
| First half cash flow - \$ million | |
| • Cash balance at 1 January 2014 | 357.2 |
| • Cash flow generated ¹ | 41.6 |
| • Evaluation and exploration expenditure | (41.7) |
| • Capital expenditure | (5.9) |
| • Rehabilitation expenditure | (30.1) |
| • Cash balance at 30 June 2014 | 321.1 |

- **Earnings adversely impacted by Leach Tank failure**
 - Earnings affected by non-cash impacts of Leach Tank failure including a drawdown in finished goods inventory and decrease in depreciation
- **Revenue supported by sales from inventories**
 - Sales volume 33 per cent higher than the 2013 half year
 - Decrease in average realised price to US\$47 per pound compared to US\$54 per pound in the 2013 half year
 - New sales and marketing agreement implemented on 1 July 2014
 - Sales volumes in the second half are expected to be broadly in line with the first half
- **Cash position remains strong at 30 June 2014**
 - Delivery of \$150 million in cumulative cost reductions on track for completion in 2014
 - Next stage of cost and productivity initiatives has commenced
 - ERA Board has not declared an interim dividend for 2014 half year

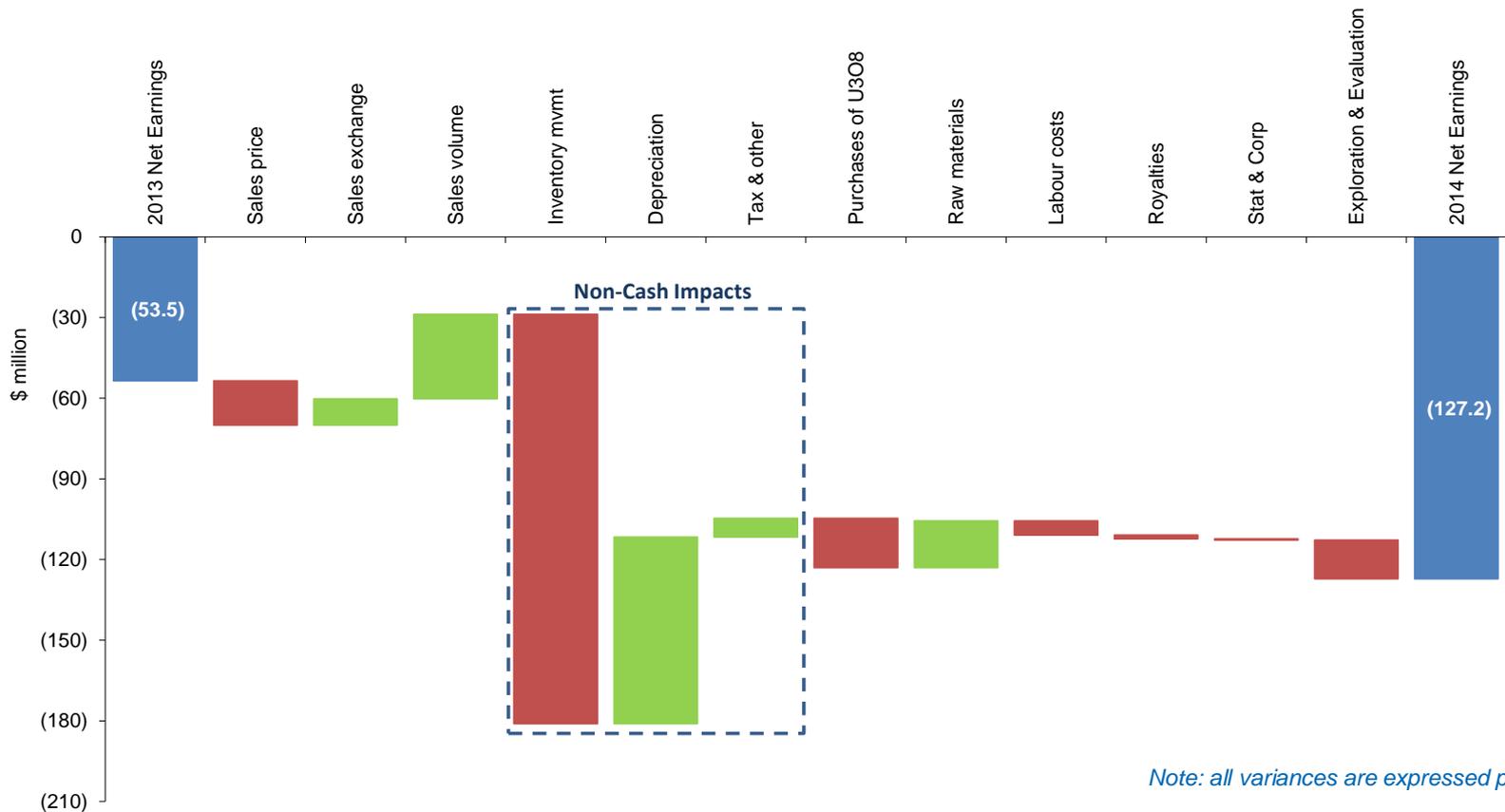
Track record in cash generation¹



¹ Cash flow generated is a non-IFRS measure and represents receipts from customers (incl. GST), net interest and foreign exchange, less payments to suppliers (incl. GST). It excludes payments for exploration and evaluation and rehabilitation which are included in the total of cash flows from operating activities. Refer consolidated cash flow statement (Appendix 4D and 4E for respective periods).



Key earnings variances 2014 half year compared to 2013 June half year



Note: all variances are expressed post tax

- Due to the processing plant suspension, ERA made a significant draw down on finished goods inventories
- ERA purchased uranium oxide to meet committed sales scheduled for the second half
- Depreciation, which is largely calculated on a units of production basis, has significantly decreased due to the lower production of uranium oxide resulting from the processing plant suspension

Making good progress on rehabilitation

- Pit 3 initial backfill nearing completion: 8.3 million tonnes of waste material moved during the first half of 2014 taking the total to 31.1 million tonnes at end of June 2014
- Tailings management work progressing on schedule and budget
- Jabiluka pond rehabilitation project recommencement of plantings in the September quarter
- Brine Concentrator continued to meet water quality specifications and throughput was progressively increased during 2014 half year



Pit 3 at completion of mining in November 2012



Pit 3 July 2014

Summary

- **Key development initiatives on schedule and on budget**
 - Ranger 3 Deeps exploration decline
 - Ranger 3 Deeps Prefeasibility Study
- **Ranger processing plant progressive restart underway – full processing in September quarter**
- **Cash position of \$321 million at 30 June 2014**
- **Key rehabilitation projects progressing well - Pit 3 initial backfill nearing completion**



Ranger 3 Deeps exploration decline portal



Brine Concentrator