



**Media Release and
ASX Announcement**

13 January 2011

December 2010 Quarter Operations Review (unaudited)

	Q4 '10	vs Q4 '09	vs Q3 '10	12 mths '10	vs 12 mths '09	12 mths '09
Total material mined ('000 tonnes)	3,278	-23%	9%	10,620	-46%	19,539
Ore mined ('000 tonnes)	722	159%	69%	1,427	-36%	2,234
Ore milled ('000 tonnes)	555	-9%	-4%	2,400	6%	2,268
Mill head grade (% uranium oxide)	0.27	35%	50%	0.19	-27%	0.26
Mill recovery (%)	85.7	-6%	-1%	87.2	-1%	88.3
Production – uranium oxide						
- tonnes	1,165	2%	28%	3,793	-28%	5,240
- 000 lbs	2,568			8,362		11,553

Uranium oxide produced by Energy Resources of Australia Ltd (**ERA**) in 2010 was 3,793 tonnes, compared with 5,240 tonnes in 2009. 2010 uranium oxide production has been adversely impacted by lower mill head grade. Plant performance remained robust with record ore treated of 2.4 million tonnes. 2010 production differed slightly from the previously communicated guidance of 3,900 tonnes due to completed but un-drummed production on hand at the end of the year. This tonnage will be drummed in January and reported in the March 2011 Quarter Operations Review.

Uranium oxide produced in the December 2010 quarter was 1,165 tonnes, 28 percent higher than the September 2010 quarter and two percent higher than the corresponding quarter in 2009.

Material mined in the December 2010 quarter, of 3.3 million tonnes, was nine percent higher than the September 2010 quarter and 23 percent lower than the corresponding quarter of 2009. Mill head grade for the December 2010 quarter, of 0.27 percent uranium oxide, was 50 percent higher than the September 2010 quarter and 35 percent higher than the corresponding quarter of 2009. After the effects of an above average wet season and geotechnical issues, particularly in the first half of the year, access to higher grade ore was re-established in the December 2010 quarter.

Total 2010 sales of uranium oxide were 5,026 tonnes (2009: 5,497 tonnes). The shortfall between production and the sales commitments in 2010 was covered by a combination of



inventory management, flexibility of timing of shipments to customers, loans and purchases of uranium oxide.

EXPLORATION AND EVALUATION

Work has continued on the feasibility study for the proposed heap leach facility at the Ranger mine. Preparation of ERA's draft Environmental Impact Statement (EIS) for the proposed heap leach facility is continuing. The draft EIS will be submitted for public notification and comment in the first half of 2011.

The study for the development of an exploration decline to conduct close spaced underground exploration drilling of the Ranger 3 Deeps resource has been completed. A proposal to develop the exploration decline is in the final stages of ERA's approval process with a final decision expected in the second quarter of 2011.

Total evaluation expenditure during the December 2010 quarter was \$10 million, compared with \$7 million in the December 2009 (\$33 million for the 2010 year compared with \$25 million in 2009).

During the December 2010 quarter, the exploration activities focused on the in-fill resource drilling programme as detailed in the ASX announcement of 21 December 2010. Total expenditure on exploration for 2010 was \$5 million (2009:\$5 million).

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 <http://www.energyres.com.au>
