

ERA Energy Resources of Australia Ltd

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Temporary suspension of processing plant for 12 weeks

On 28 January 2011, Energy Resources of Australia Ltd (**ERA**) will commence an orderly suspension of plant processing operations as a precautionary measure to help ensure that levels in the Tailings Storage Facility (**TSF**) remain below the authorised operating limit throughout the remainder of the wet season.

The suspension is intended to be for a period of 12 weeks.

The La Niña weather pattern, which has brought extensive flooding to the eastern states of Australia, has also brought significantly higher than average rainfall to Ranger mine since October 2010. Water levels in the TSF are currently higher than our predictions for this time of year. Further the Bureau of Meteorology has forecast that the region will experience above average rainfall for the remainder of the 2010/11 wet season.

The decision to temporarily suspend plant processing operations will significantly reduce inflows into the TSF and therefore will provide extra capacity to manage unexpected extreme rain events in the coming months.

The suspension of plant processing operations provides the opportunity to bring forward important planned maintenance and improvement initiatives to maximise plant processing efficiencies and utilisation when production is brought back on line.

ERA will provide guidance on 2011 production and sales commitments in the preliminary final report for 2010 to be released to the Australian Securities Exchange on 28 January 2011.

ERA has advised regulatory authorities and key stakeholders of this precautionary measure.

Normal wet season mining operations will continue as planned.

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