

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

ABN 71 008 550 865

## Media Release and ASX Announcement

2 April 2007

### WEATHER EVENT – IMPACT ON ERA OPERATIONS

On 7 March 2007, ERA declared *force majeure* on its sales contracts as a result of exceptionally heavy rainfall at the Ranger mine and processing plant in late February and early March 2007. ERA has now assessed the effects of the rainfall event on production and shipping schedules.

Because of the high rainfall, mining operations ceased on 27 February and the processing plant was shut down on 28 February. Operations were restarted in the mine on 7 March and in the processing plant on 12 March. Water inventories at the site continue to be managed effectively and there has been no adverse environmental impact.

The shutdown and re-start of the processing plant resulted in the loss of approximately 300 tonnes of uranium oxide production. In addition, the elevated water level in the mine resulting from the high rainfall will restrict access to ore in the second half of 2007 and into 2008. This will have an impact on production in the second half of 2007. In the first half of the year and for some of the second half, ERA will process high grade ore that was mined during 2006 and stockpiled on the surface.

Based on currently available water treatment and disposal capacity, production in 2007 is likely to be similar to 2006, while production in 2008 is likely to be 25 per cent to 35 per cent lower than 2006. Sales for the two years 2007 and 2008 are expected to be generally in line with production.

ERA has identified a number of potential opportunities to reduce the impact of the weather event, including accelerating the treatment and disposal of water. These options are currently being evaluated and in most cases regulatory approvals will be required.

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For further information on the company's activities please access ERA's website at  
<http://www.energyres.com.au>