

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

ABN 71 008 550 865

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**Media Release and  
ASX announcement**

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17-Oct-1997

**Quarterly Production & Exploration Report to 30 September 1997  
(unaudited)**

	<b>Current Year 3 months ended 30 September 1997</b>	<b>Previous Year 3 months ended 30 September 1996</b>
Sales revenue (\$ million)	19.7	16.0
Earnings before interest and tax (\$ million)	3.5	1.8
Profit after tax (\$ million)	1.2	0.6
Ranger sales (tonnes U <sub>3</sub> O <sub>8</sub> )	508.4	136.1
Third party sales (tonnes U <sub>3</sub> O <sub>8</sub> )	-	269.8
Total sales (tonnes U <sub>3</sub> O <sub>8</sub> )	508.4	405.9
Production - drummed (tonnes U <sub>3</sub> O <sub>8</sub> )	1,244.1	1,043.3
Ore treated ('000 tonnes)	528.9	385.6
Average grade (%)	0.274	0.302

**PROFIT**

Energy Resources of Australia Ltd (ERA) doubled profit after tax to \$1.2 million during the September 1997 quarter (1996: \$0.6 million) and earnings before interest and tax increased to \$3.5 million (1996: \$1.8 million) over the previous year's quarter.

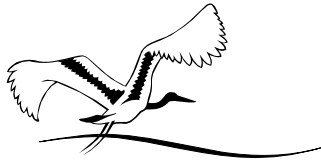
This increase can be attributed to an increase in sales to 508.4 tonnes U<sub>3</sub>O<sub>8</sub> (1996: 405.9 tonnes U<sub>3</sub>O<sub>8</sub>) resulting in a boost of 23 per cent to sales revenue to \$19.7 million (1996: \$16.0 million). This consisted totally of Ranger sales. Sales are traditionally skewed towards the second half of the year and are expected to reach 5,000 tonnes U<sub>3</sub>O<sub>8</sub> for the 1997/98 financial year.

The spot market price moved to a low of \$US10.20 per pound U<sub>3</sub>O<sub>8</sub> during the quarter, however it has turned around to reach \$US11.00 per pound U<sub>3</sub>O<sub>8</sub> at 30 September 1997 and has since increased to its current level of US\$11.25 per pound U<sub>3</sub>O<sub>8</sub>.

**PRODUCTION**

Production increased by 19 per cent to 1,224.1 tonnes U<sub>3</sub>O<sub>8</sub> during the quarter ended 30 September 1997 (1996: 1,043.3 tonnes U<sub>3</sub>O<sub>8</sub>). This increase can be attributed to the plant capacity expansion which was completed and fully commissioned in August.

The plant has been performing well and the Company is in line to achieve production of around 5,000 tonnes U<sub>3</sub>O<sub>8</sub> during the 1997/98 financial year.



## EXPLORATION & EVALUATION EXPENDITURE

The Company recommenced exploration work during the quarter undertaking \$18,000 of exploration expenditure relating to an analysis of uranium resources around the world.

ERA capitalised \$130,000 of evaluation expenditure in regard to the Jabiluka proposal.

## DEVELOPMENTS

The 50 per cent plant capacity expansion at the Ranger uranium mine in the Northern Territory was completed and commissioned during August. This has resulted in increased throughput and led to production of 1,244.1 tonnes  $U_3O_8$  during the quarter (1996: 1,043.3 tonnes  $U_3O_8$ ).

On 22 August 1997 the Commonwealth Minister for the Environment advised the Minister for Resources and Energy that there appeared to be no environmental reason why the Company's preferred proposal for the development of the Jabiluka uranium mine could not proceed. On 8 October 1997 the Commonwealth Minister for Resources and Energy, Senator Warwick Parer, advised that he had approved the development of the Jabiluka project subject to stringent conditions.

ERA commenced negotiations with the Northern Land Council (NLC), who act on behalf of the Traditional Owners, on the change of concept of design of Jabiluka on 25 August 1997. This negotiation process occurs under the Company's existing agreement with the NLC and is expected to take approximately six months.

### **For further information:**

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