

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

ABN 71 008 550 865

Media Release and ASX announcement

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Construction commences at Jabiluka

Energy Resources of Australia Ltd (ERA) today advised construction of the Jabiluka mine commenced last night.

The start of work on the mine follows the approval for the mine development from the Commonwealth and Northern Territory Governments. It is expected construction will take approximately 18 months to complete.

A decision on where the Jabiluka ore should be processed is yet to be finalised. ERA's preferred proposal to process the Jabiluka ore at the existing Ranger mill, 22 km south of Jabiluka, has now received all the appropriate Commonwealth Government approvals. However, in recognition of opposition to ERA's preferred proposal by some Aboriginal landowners, ERA has put forward the Jabiluka mill alternative.

This alternative proposal to develop a mill on site at Jabiluka, as put forward in the 1996 Environmental Impact Statement, is now subject to a Public Environment Report which has been submitted to the Minister for the Environment, Senator Hill. Following the completion of the Public Environment Report process and subject to approval, the Company will at that time further consult with Aboriginal landowners to determine which of the mill alternatives should be implemented.

"The Jabiluka proposal is based on the use of world's best technology and has been designed to ensure there will be no detrimental impact on the neighbouring Kakadu National Park or on local Aboriginal cultural sites," said Phillip Shirvington, Chief Executive of ERA.

ERA is able to demonstrate this after 18 years of operations at the Ranger mine, which all supervising authorities agree has had no detrimental impact on the surrounding environment.

Jabiluka is estimated to add \$6.2 billion to Australia's GDP and generate \$210 million in royalties for the Northern Territory Aboriginal people. As part of ERA's proposal to mine Jabiluka the Company has undertaken to work with the local Aboriginal community, providing funding for the provision of housing, training, employment, support of Aboriginal business, social impact monitoring, alcohol counselling, bridging education and a Women's Resource Centre.

"All uranium from Jabiluka will be sold under strict international safeguard systems for use in nuclear power stations. There has never been a diversion of nuclear material from a genuine civil nuclear electric power program to weapons," Mr Shirvington said.