

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

ABN 71 008 550 865

**Media Release and
ASX Announcement**

15-Jul-1999

Quarterly Production and Exploration Report

	Current year 3 months ended 30 June 1999	Current year 12 months ended 30 June 1999	Previous year 3 months ended 30 June 1998	Previous year 12 months ended 30 June 1998
Production - drummed (tonnes U ₃ O ₈)	736.2	4,374.9	732.6	4,161.9
Ore treated ('000 tonnes)	334.3	1,826.5	395.7	1,843.0
Average grade (%)	0.262	0.267	0.236	0.269

PRODUCTION

Production for the quarter of 736.2 tonnes U₃O₈ (1998: 732.6 tonnes U₃O₈) was similar to the corresponding period last year. Full year production increased to 4,374.9 tonnes U₃O₈ (1998: 4,161.9 tonnes U₃O₈).

Effective January 1999, the Company reduced production of its Ranger Mill to an annualised rate of 4,000 tpa by temporarily shutting down the second ball mill until the market outlook improves. Production is expected to remain around 4,000 tonnes U₃O₈ tonnes for 1999/00.

The previous twelve month period and previous fourth quarter were adversely affected by mill chemical difficulties.

EXPLORATION AND EVALUATION EXPENDITURE

During the June quarter ERA undertook \$333,000 of exploration and evaluation expenditure in relation to a 695 m diamond cored drill hole at Jabiluka. This hole will provide greater knowledge of the structural and hydrological regimes within the interpreted ore boundaries. The results are still being analysed.

ERA also capitalised \$11.7 million of development expenditure during the quarter. This related primarily to the development of the Jabiluka decline and includes \$0.6 million of capitalised interest in accordance with the new accounting standard AASB 1036.

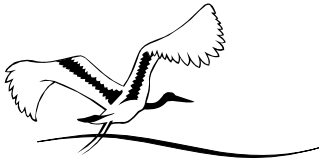
DEVELOPMENTS

Mr Robert Cleary has been appointed as ERA's new Chief Executive. Mr Cleary also joins the ERA Board, a vacancy created following the appointment of Mr Phillip Shirvington as Executive General Manager - New Business Evolution in ERA's parent company, North Limited. ERA established a dedicated Jabiluka Project Team on 1 June 1999 focussed on the Company's prime goal of bringing the preferred development option of milling Jabiluka ore at the existing Ranger mill into production by 2001.

Construction of Stage One of Jabiluka mine development has been completed under budget and ahead of schedule and a six week core sampling program will be completed in August as outlined in the media release dated 4 July 1999.

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On 12 July the World Heritage Commission by a majority of 20 to 1 confirmed that the Jabiluka project would not cause Kakadu's World Heritage status to be placed in-danger. The Company agreed to phase Jabiluka into production as Ranger mine production is phased out. On this basis, limited ore processing is expected to commence from Jabiluka in 2001.

For further information:

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