

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

ABN 71 008 550 865

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**Media Release and  
ASX Announcement**

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24-Jul-2002

**Half Year Results 2002**

	<b>6 months ended 30 June 2002</b>	<b>6 months ended 30 June 2001</b>	<b>Change</b>
<b>Sales revenue (\$ million)</b>	71.6	78.5	-9%
<b>Earnings before interest and tax (\$ million)</b>	9.1	11.2	-19%
<b>Net profit after tax (\$ million)</b>	3.3	5.1	-36%
<b>Production - drummed (tonnes U<sub>3</sub>O<sub>8</sub>)</b>	1,863	2,251	-17%

ERA recorded a net profit after tax of \$3.3 million for the six-month period to 30 June 2002 compared with a profit of \$5.1 million for the same period in 2001.

The reduced profit after tax was due to a reduction in sales volumes attributable to the timing of delivery to customers and the increase in the effective \$A:\$US exchange rate of 64.5 cents in maturing forward exchange contracts (up from 63 cents in the previous corresponding period). The losses on settlement of forward exchange contracts was \$12.7 million before tax for the period.

**Dividends**

Given the level of profit, the Directors do not believe it appropriate to declare an interim dividend but expect to declare a final dividend in respect of the full year.

**Sales**

Sales revenue was \$71.6 million (2001: \$78.5 million). Sales volumes are expected to increase in the second half of the year with total volume within the range of 4,600 - 4,900 tonnes U<sub>3</sub>O<sub>8</sub> for the 2002 year.

**Operations**

Production (drummed) decreased to 1,863 tonnes U<sub>3</sub>O<sub>8</sub> (2001: 2,251 tonnes U<sub>3</sub>O<sub>8</sub>). The present level of production has been set to meet anticipated sales and inventory drawdowns.

**Developments**

The environmental capabilities of the Company continue to be strengthened, particularly in relation to achieving compliance and accreditation with ISO 14001 - a world standard of environmental excellence, through a transparent process involving regulators and Aboriginal representatives to ensure stakeholder expectations are understood, ERA's obligations are met and that the operations continue to have no detrimental impact on the surrounding environment.

The recently announced Senate Inquiry and NT investigation into environmental management of uranium mining will provide ERA with opportunities to demonstrate its record of protecting the surrounding Kakadu environment and to reaffirm our commitment to ongoing environmental performance.



In addition, ERA is implementing a major business improvement program during 2002 and continuing throughout 2003 to achieving more efficient work practices and significant cost savings that will deliver an improved and sustainable financial performance.

During the remainder of 2002, ERA will continue to participate in public reporting processes which aim to deliver the highest standards of environmental care. The Company looks forward to the opportunity to express its views during these processes on the effectiveness of these reporting regimes and the changes and improvements that ERA would like to see adopted.

### **Market Outlook**

The spot price for uranium has remained at \$9.90/lb for the majority of the first half of the year. No significant change is anticipated in the demand and supply fundamentals in the short run, but new demand anticipated in the third quarter of 2002 should see a modest rise in price.

ERA expects the prevailing market conditions to be maintained, with the spot price continuing to firm, climbing to long run sustainable levels over the next few years.

Two major events have occurred recently, which should provide a more positive long-run environment for the further development of nuclear power. Firstly, the Finnish Government recently voted to build a fifth nuclear reactor, a significant event given that the last reactor approval in Europe was 15 years ago. This decision reflects the growing awareness in Europe that nuclear power is a vital part of the energy future of most countries, particularly in the light of constraints on emission of greenhouse gases. Secondly, the US Senate has voted to proceed with establishing a nuclear waste repository for spent fuel from commercial reactors, at Yucca Mountain in Nevada.

Due to the timing of customer deliveries, a higher percentage of the year's sales volume will occur in the second half of the year. At the current exchange rate level and with the expected lower exchange rates, it is anticipated that the Company will exceed its after tax profit of 2001 (\$8.1 million).

### **For further information:**

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