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

ACN 008 550 865

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**Media Release and  
ASX Announcement**

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16 October 2007

**Third Quarter Operations Review** (unaudited)**RANGER**

	<b>Q3 07</b>	<b>vs Q3 06</b>	<b>vs Q2 07</b>	<b>9 mths 07</b>	<b>vs 9 mths 06</b>
Ore Mined (tonnes)	702,218	-27%	+2%	2,162,578	+25%
Ore Milled (tonnes)	481,493	-20%	-14%	1,440,094	-5%
Mill Head Grade (%)	0.31	+55%	+3%	0.30	+34%
Mill Recovery (%)	87.9	+0%	-1%	87.8	+0%
Production - U <sub>3</sub> O <sub>8</sub>					
- tonnes	1,363	+24%	-9%	3,859	+25%
- 000 lbs	3,005			8,508	

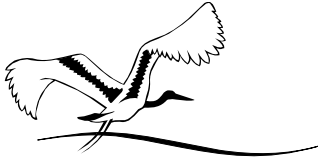
Drummed production of 1,363 tonnes of uranium oxide in the third quarter of 2007 was 24 per cent more than the third quarter of 2006 due to the processing of high grade ore made available through the implementation of various water disposal measures and the optimisation of the mine plan. Whilst the ore mined was 27 per cent lower than in the third quarter of 2006 the ore grade was significantly higher. Ore milled was 20 per cent lower than in the comparable quarter of 2006 due to the planned annual shut down for mill and other plant maintenance.

Production from the acid plant was supplemented by external purchases. Bulk acid imports commenced in the third quarter and the acid plant will be decommissioned in the fourth quarter.

As previously reported, ERA has successfully implemented a number of mitigation strategies following the heavy rainfall event in late February 2007. Pit 3 is expected to be emptied of water by November 2007. This will allow mining of ore at the bottom of the pit and, subject to experiencing a normal wet season, production in 2008 should be restored to normal levels.

*Force majeure*, declared after the February/March weather event, will continue to apply to sales contracts in the first half of 2008 as the backlog of deliveries is cleared.

Long term uranium demand remains strong although spot prices have weakened. The long term market price at the end of September was US\$95.00 per pound (September 2006: US\$54.50 per pound). ERA's average contractual sales price is only partially influenced by the current market price due to its portfolio of contracts containing a range of pricing mechanisms entered into when the uranium oxide market was considerably weaker.

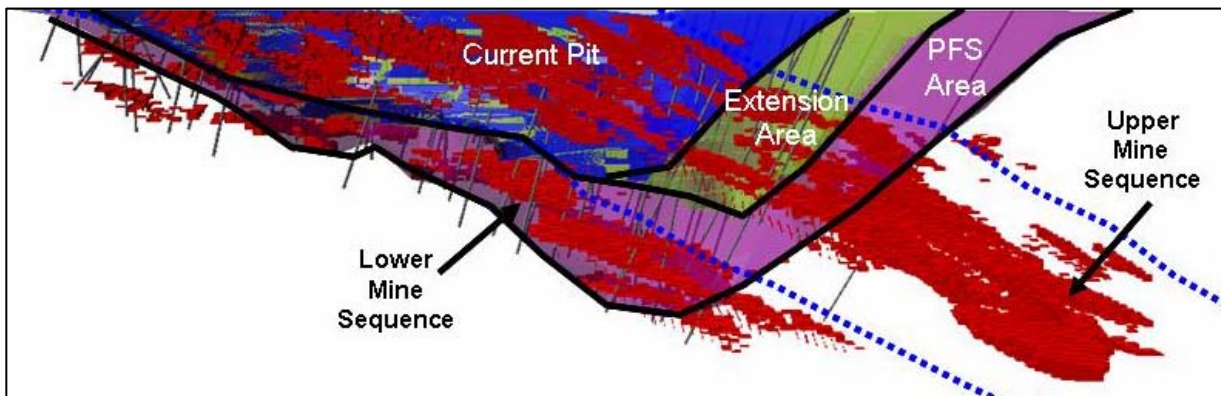


## EXPLORATION AND EVALUATION EXPENDITURE

Expenditure on exploration and evaluation on the Ranger Project Area for the third quarter of 2007 was \$2.8 million, with year to date expenditure of \$9.5 million. Exploration continued to concentrate on improving geological information on potential resource extensions to the east of the current operating pit (Ranger 3).

The previously announced pre-feasibility study to examine options to extend the mine further and increase production from the processing plant highlighted the need to understand and define the uranium resource contained within the carbonate dominated lower mine sequence (“LMS”). To achieve this, further drilling commenced during the quarter targeting the mineralisation. The results of this drilling will form the basis of ongoing studies into the first quarter of 2008.

**Figure 1: Ranger 3 Representative CrossSection**



Note: This diagram illustrates a section across the known mineralisation at Ranger 3 and beyond to the Ranger 3 Deeps area. The red sequence represents mineralisation at a cut off grade of 0.08% U<sub>3</sub>O<sub>8</sub>. Some of the mineralisation shown outside the pre feasibility study (“PFS”) Area is not included in Ranger’s declared resources but if it were included it would be predominantly in the inferred category.

### ***Drilling in the vicinity of Ranger’s current operating pit***

Ranger 3 mineralisation extends ‘down dip’ to the east of the current pit. In the third quarter, the exploration program continued to test the deeper extensions further to the south east to determine the limit of the mineralisation. The program also tested the LMS hosted uranium mineralisation. Figure 2 shows the location of holes drilled in 2007 to date.

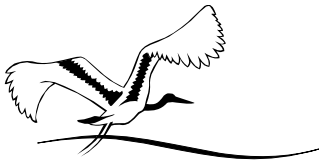
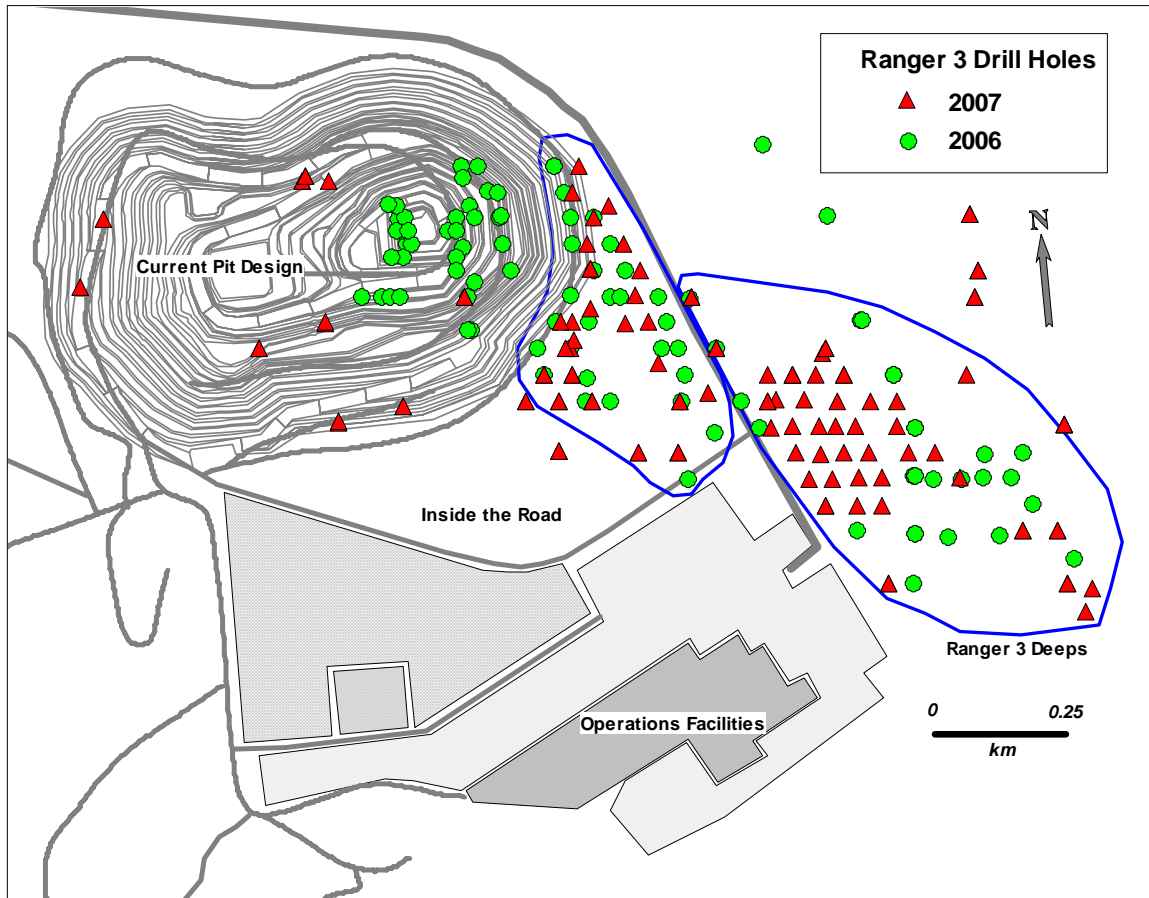


Figure 2: Ranger 3 drilling locations



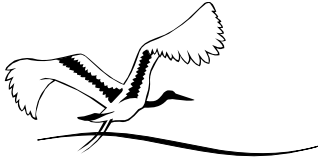
Nine holes were completed inside the road for 2,486 metres, 16 holes were completed in the Ranger 3 Deeps area for 8,491 metres and 10 holes (including two geotechnical holes) were completed in the current pit to test the LMS for 1,742 metres.

Table 1: Significant intercepts in the Ranger 3 Deeps area.

<i>Hole ID</i>	<i>Depth (m)</i>		<i>Interval (m)</i>	<i>%eU3O8</i>
	<i>From</i>	<i>To</i>		
S3PD730	449	468	19	1.014
S3PD730	491	496	5	0.390
S3PD730	549	555	6	0.146
S3PD730	609	622	13	0.168
S3PD756	410	440	30	0.399
S3PD756	443	467	24	0.221

Table 2: Significant intercepts in the PFS area.

<i>Hole ID</i>	<i>Depth (m)</i>		<i>Interval (m)</i>	<i>%eU3O8</i>
	<i>From</i>	<i>To</i>		
S3P762	133	139	6	0.150
S3P763	1	16	15	0.247

**Ranger 18 East**

Seismic techniques are being considered to identify drill targets more effectively at Ranger 18 East, and elsewhere on the Ranger Project Area. A trial program at Ranger 3 is being evaluated. If successful, seismic techniques will be used at R18E to focus drilling efforts. The current plan does not include further drilling at R18E this year.

**Competent Person**

The information in this report relating to exploration results is based on information compiled by Greg Rogers, who is a member of the Australasian Institute of Mining and Metallurgy. Greg Rogers is a full-time employee of the company and he has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Greg Rogers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

All intersections were determined using a 0.08% U3O8 cut-off at a minimum five metres composite, including a maximum of two metres of non mineralised internal material. Intersections are down-hole lengths and the true width of the intersections has not been calculated

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

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