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

ABN 71 008 550 865

**Media Release and
ASX Announcement**

25 July 2008

HALF-YEAR RESULTS 2008

	Six months ended 30 June 2008	Six months ended 30 June 2007	Change
Revenue (A\$ million)	167.4	114.3	+46%
Earnings before interest and tax (A\$ million)	54.4	12.4	+340%
Net profit after tax (A\$ million)	38.9	5.7	+587%
Interim dividend (cents per share)	8.0	0.0	
Uranium oxide drummed - tonnes	2,357	2,496	
- pounds ('000)	5,196	5,503	-6%
Uranium oxide sold - tonnes	1,746	2,200	
- pounds ('000)	3,849	4,850	-21%

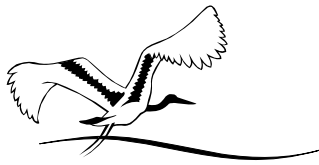
Profit

ERA recorded a net profit after tax of A\$38.9 million for the half-year ended 30 June 2008 compared with a profit of A\$5.7 million for the same period in 2007. Earnings before interest and tax (EBIT) were \$54.4 million (June 2007: \$12.4 million).

Revenue and costs

Sales for the period were 1,746 tonnes (June 2007: 2,200 tonnes). Revenue for the period was A\$167.4 million (June 2007: A\$114.3 million). Revenue was adversely affected (A\$26.2 million) by the strengthening of ERA's realised A\$:US\$ exchange rate to 95.32 cents (June 2007: 80.70 cents). The company settled US\$32 million (June 2007: US\$33 million) in forward exchange contracts during the period at an average A\$:US\$ exchange rate of US66 cents (June 2007: US66 cents) resulting in a pre-tax gain of A\$14.5 million (June 2007: A\$9.4 million). No new currency exchange contracts were entered into during the period.

ERA's average contractual sales price is only partially influenced by the spot market due to the portfolio of contracts containing a range of pricing mechanisms entered into when the uranium oxide market was considerably weaker. The average realised sales price of uranium oxide for the six months to June 2008 was US\$35.69 per pound (June 2007: US\$16.90 per pound). Unlike recent years, overall sales pricing benefited in the first half from a higher proportion of deliveries for more recent sales contracts at higher prices, as well as deferral into the second half of 2008 of deliveries for lower priced commitments. The likely average price in the second half of 2008 will therefore be somewhat lower than in the first half of the year..



Uranium prices remain strong and the average long term market price for the June 2008 half year was US\$90.83 per pound (June 2007: US\$86.67 per pound).

Total operating costs were higher than the corresponding period last year. The company has experienced significant cost increases in key inputs including diesel, lime, acid and pyrolusite. In addition, ore characteristics have resulted in increased acid consumption.

Operations

Uranium oxide production for the June 2008 half year of 2,357 tonnes (June 2007: 2,496 tonnes of uranium oxide) was 6 per cent lower than the first half of 2007. This was due to lower mill head grade in the second quarter of 2008, caused by a combination of depleted high grade stockpiles and restricted access to higher grade ore, which is located predominantly in the bottom of the pit.

At the start of the 2007/8 wet season, high grade stockpiles were lower than the previous year due to the effects of the February 2007 significant weather event, which restricted access to high grade ore until late in the fourth quarter of 2007. At the end of the 2007/8 wet season, water levels in the pit were substantially lower than at the same time in 2007, however access to higher grade ore was again restricted. Access to higher grade was re-established in mid June 2008.

Cashflow

Net cash inflow for the 2008 half year was A\$0.9 million (June 2007: A\$3.3 million) which reflected increased inventory and capital project expenditure, offset by increased sales proceeds as a result of the higher realised selling price during the period. Payments for the first half increased to A\$151.8 million (June 2007: A\$117.4 million) reflecting increased production costs and capital expenditure.

Capital expenditure of A\$92.9 million in the 2008 first half (June 2007: A\$22.4 million) was predominantly to support expansion projects including the Pit 3 extension (with all heavy mobile equipment now delivered), construction of the laterite and radiometric sorting plants, and additional water treatment expansion.

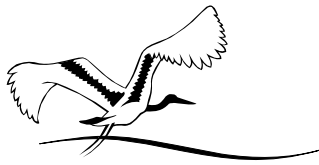
Dividends

The ERA directors have declared an interim dividend of 8 cents per share (no interim dividend paid in 2007), fully franked at 30 per cent. The record date for the dividend is 26 August 2008, and it will be paid on 9 September 2008.

ERA Directors declared a final dividend of twenty cents per share for the 2007 financial year. This dividend was paid on 29 February 2008.

Outlook for 2008

With the Ranger operating pit now emptied of water, and consistent with guidance provided in January, production in 2008 is expected to be at normal levels.



Commissioning of the laterite processing plant and the radiometric sorter is expected to be completed in the third quarter of 2008. The laterite processing plant will be used to process stockpiled lateritic ore, which contains a large proportion of clay minerals and is not compatible with the current processing plant. The radiometric sorter uses a technique to sort ore according to contained uranium, with consequent increase in grade of uranium for the processing plant.

Exploration has been focussed on the northern extension of the Ranger 3 Deeps area with encouraging results. As a result, high resolution three-dimensional seismic surveys will be conducted at the Ranger 3 Deeps and Ranger 18 East areas in the third quarter of 2008, with interpretation of the results expected in the fourth quarter.

In September 2007, a pre-feasibility study was announced to study options to extend the mine life and to increase production from the current processing plant. This study is now well progressed.

As part of the pre-feasibility study, ERA conducted an order of magnitude study into the heap leaching of low grade ore.

ERA has decided to commence the process of gaining approval of stakeholders for a mine expansion and the heap leach facility. The mine expansion targets an additional 8,000 tonnes of uranium oxide contained in resources while the potential 10 million tonnes per year heap leach facility will treat 15 to 20,000 tonnes of uranium oxide contained in low grade mineralised material both in situ and on stockpile. An interim budget of A\$7 million has been approved for the next stage of studies.

The scope and budget for the heap leach pre-feasibility study will be finalised after preliminary consultations with stakeholders. ERA expects to provide further guidance on progress of the next stage of development in the fourth quarter of 2008.

Following the bilateral safeguards agreement signed between the Australian and Chinese governments last year, ERA has reached in principle agreement for a contract to supply uranium oxide to an electric utility in China beginning in the second half of 2008.

Contacts:

Media enquires: Libby Beath – 08 8924 3514, mobile 0419 147887

Investor enquires: Dave Skinner – 03 9283 3628

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