

Energy Resources of Australia Ltd



ERA – Positioned for Growth

Rob Atkinson, *Chief Executive*

Chris Bateman, *Chief Financial Officer*

November 2008



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ERA has two adjoining leases on Aboriginal land surrounded by, but separate from, World Heritage Kakadu National Park in the Northern Territory of Australia

ERA respectfully acknowledges the Mirarr, Traditional Owners of the land on which the leases (and Ranger Mine) are situated



This presentation contains statements which may include predictions as to the future, and which may constitute forward-looking statements within the meaning of Australian or US securities laws. Such statements include, but are not limited to, statements with regard to capacity, future production and grades, projections for sales growth, estimated revenues and reserves, targets for cost savings, the construction cost of new projects, projected capital expenditures, the timing of new projects, future cash flow and debt levels, the outlook for minerals and metals prices, the outlook for economic recovery and trends in the trading environment and may be (but are not necessarily) identified by the use of phrases such as "will", "expect", "anticipate", "believe" and "envisage".

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and may be outside ERA's control. Actual results and developments may differ materially from those expressed or implied in such statements because of a number of factors, including levels of demand and market prices, the ability to produce and transport products profitably, the impact of foreign currency exchange rates on market prices and operating costs, operational problems, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, and activities by governmental authorities such as changes in taxation or regulation.

The information in this presentation 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.



- **Company background**
- Market
- Expansion and exploration
- Operational and financial performance
- Summary

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Energy Resources of Australia Ltd

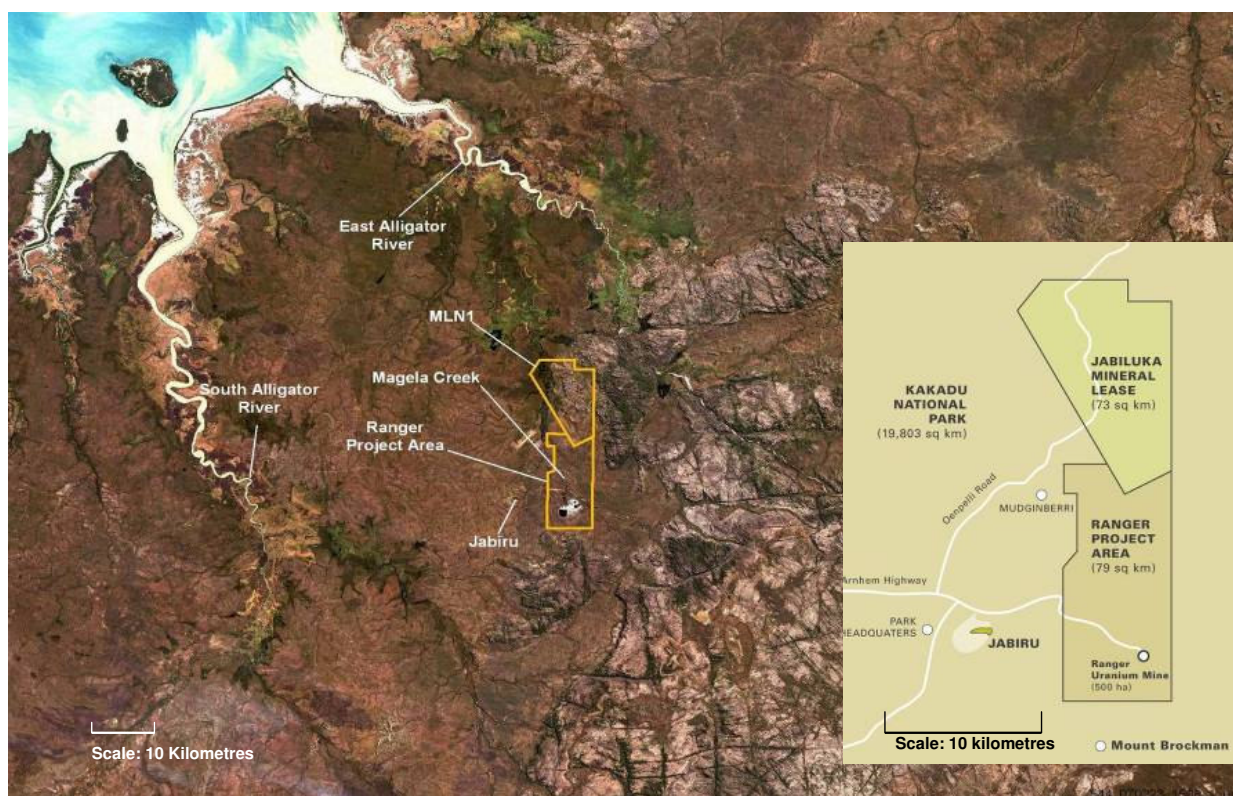
- Operations based in the Northern Territory
- Almost three decades of uranium mining experience at Ranger mine: world's second largest uranium mine
- World class resources with significant expansion opportunities
- Remote location in a culturally sensitive region – unique operating environment surrounded by the World Heritage Kakadu National park
- Indigenous employment has doubled over last 2 years and represents almost 20% of workforce
- Uranium produces equivalent to almost 90% of Australia's annual electricity consumption
 - Equivalent to a reduction of 220 million tonnes of GHG emissions
- 68.4% owned by Rio Tinto



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ERA leases

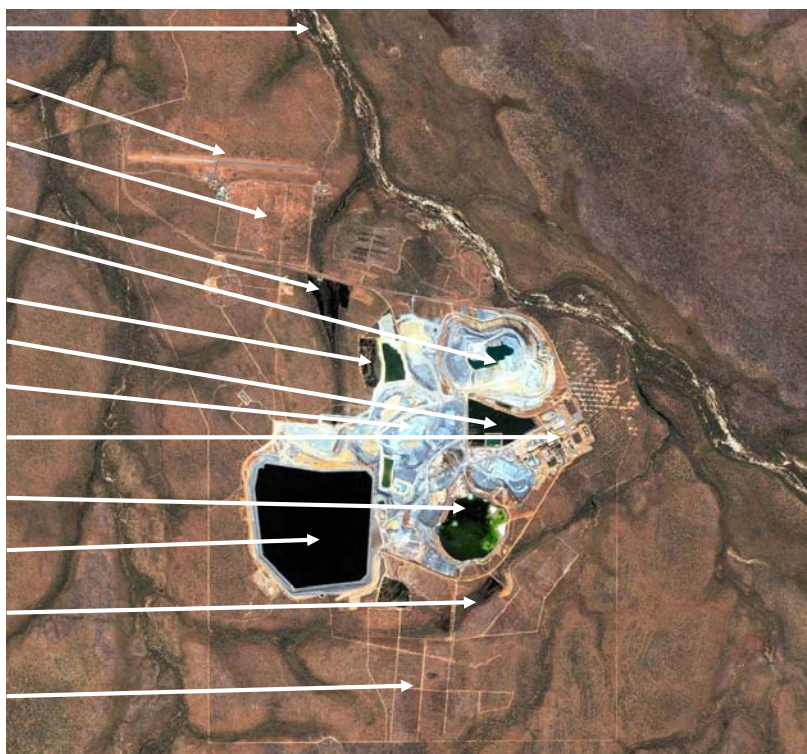


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Ranger

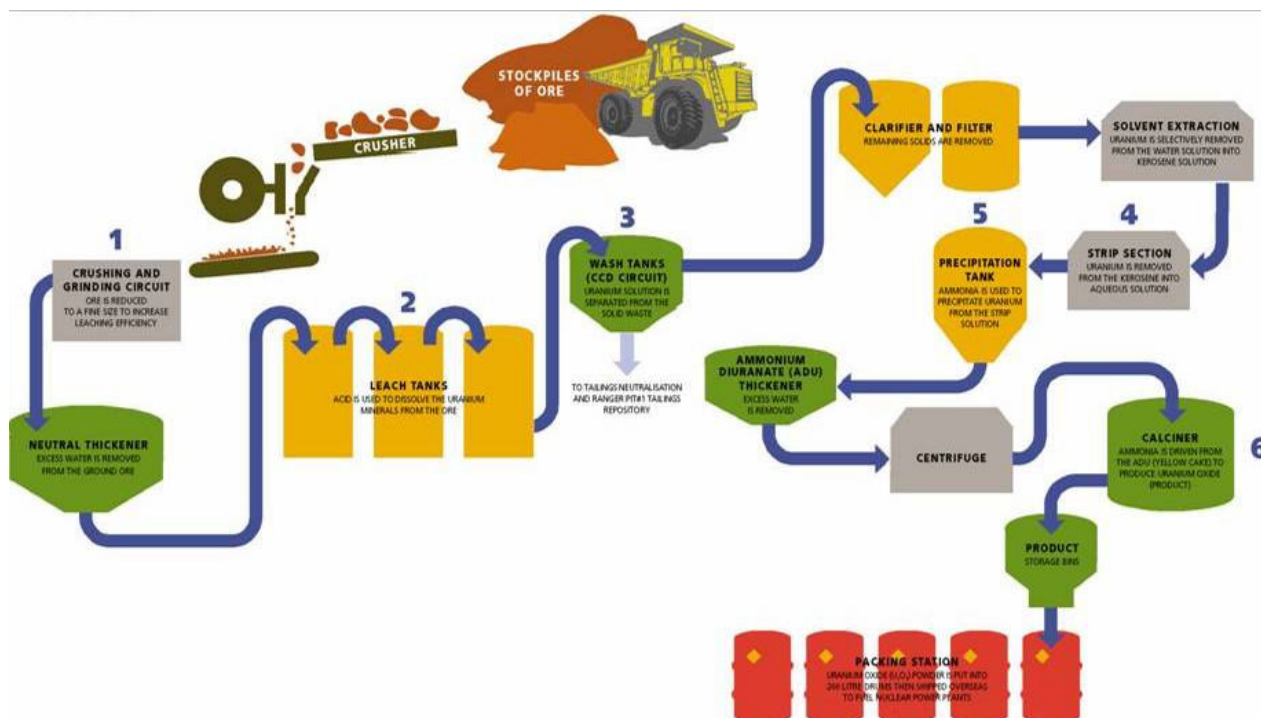
Magela Creek
Airport
Land application
(irrigation) area
Retention pond 1
Pit 3
Constructed wetland filter
Retention pond 2
Stockpiles
Mill
Pit 1
Tailings dam
Corridor Creek
Land application area



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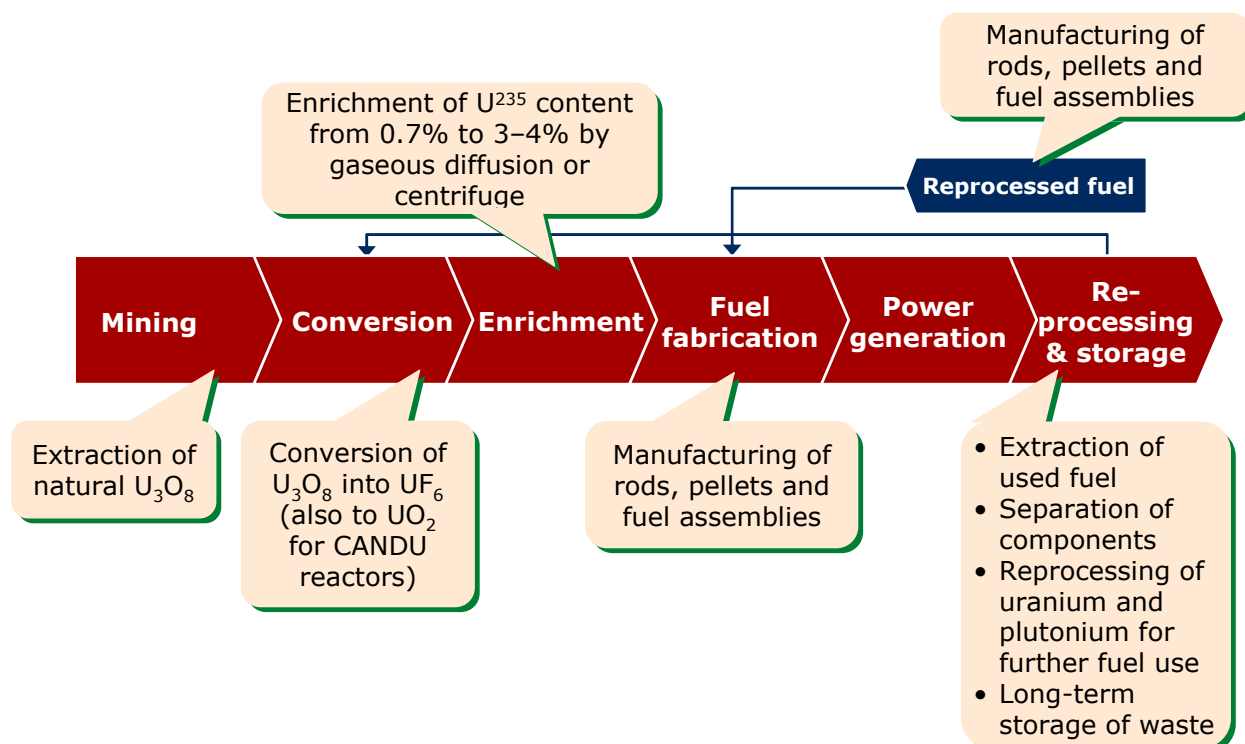
Uranium extraction process



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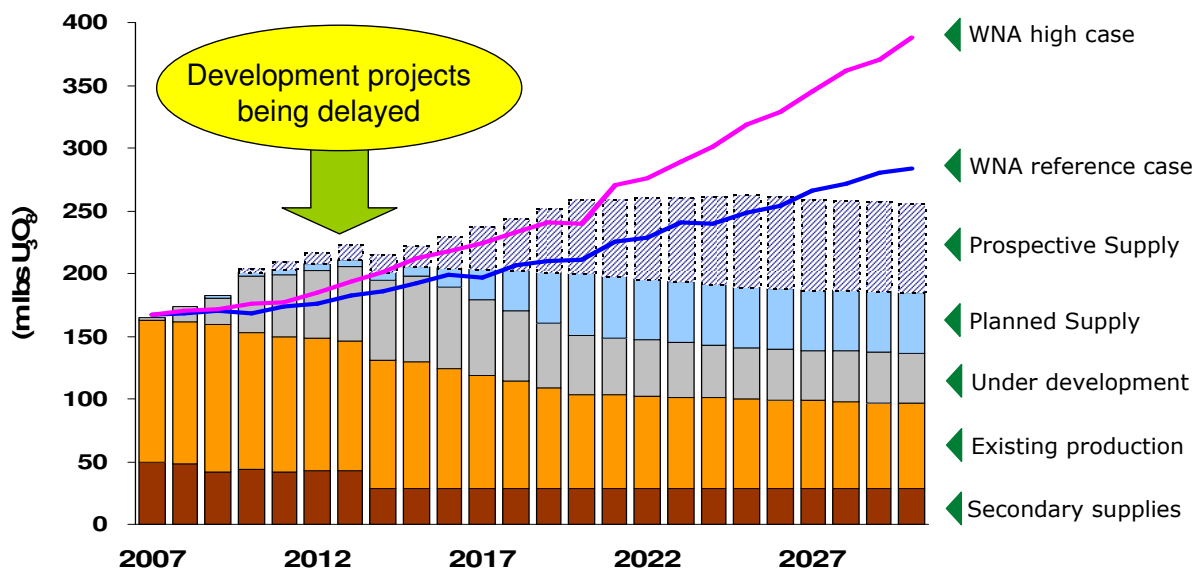


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Market Outlook

WNA estimates of supply appear overly bullish with many suppliers failing to meet expectations

Uranium demand vs. Supply, m lbs U_3O_8

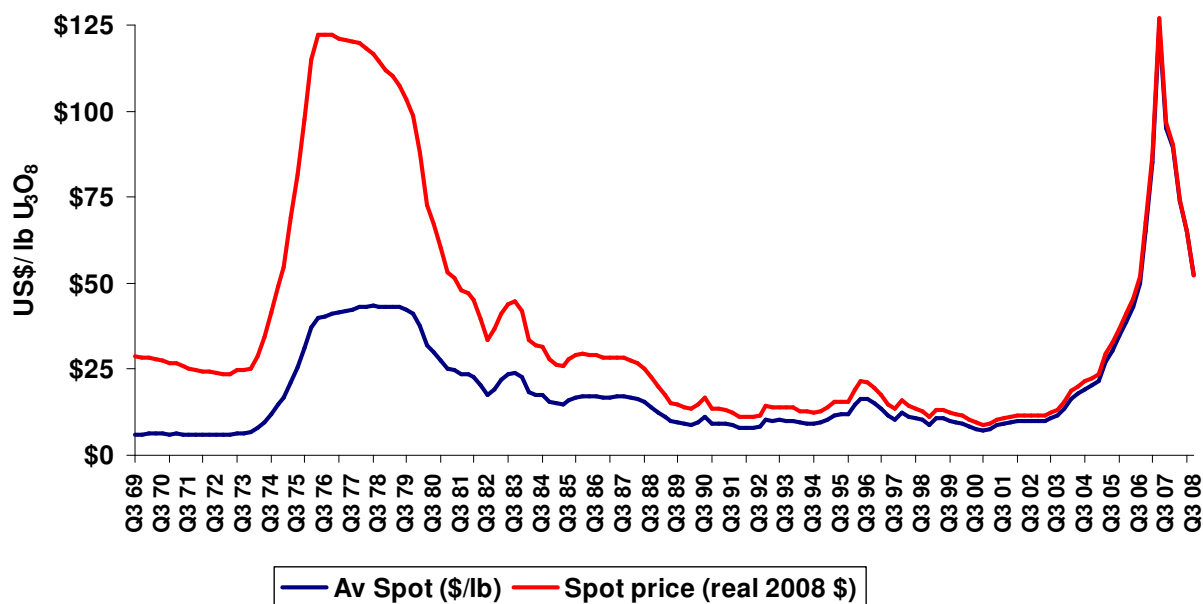


Source: WNA 2007

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Uranium spot prices

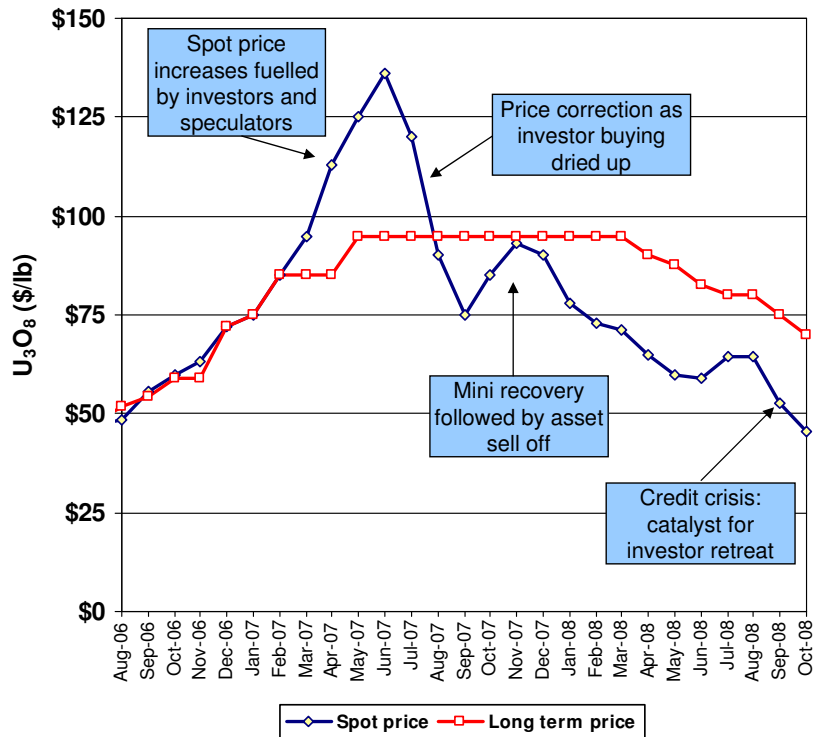


Source: Ux Consulting, NuExco

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Uranium spot prices



Recent price drivers:

- Large increases in 2007 driven by strong demand including investor buying
- Market correction late 2007 followed by a mini-recovery
- Falls in 2008 exacerbated by turmoil in financial markets and investor selling
- Term market has weakened somewhat but it remains stronger than spot
- Expect indices to converge in time although volatility will continue in spot market

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Opportunities for further growth

- Further Pit 3 extension targeting approx 8,000 tonnes of contained uranium above current cut-off grade
- Heap leach facility aimed at 15,000-20,000 tonnes of contained uranium in low grade mineralised material on current stockpiles & in pit expansion
- Extensive small column and large column tests underway and yielding strong results
- Consultation with regulators underway



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Ranger 3 Deeps exploration results

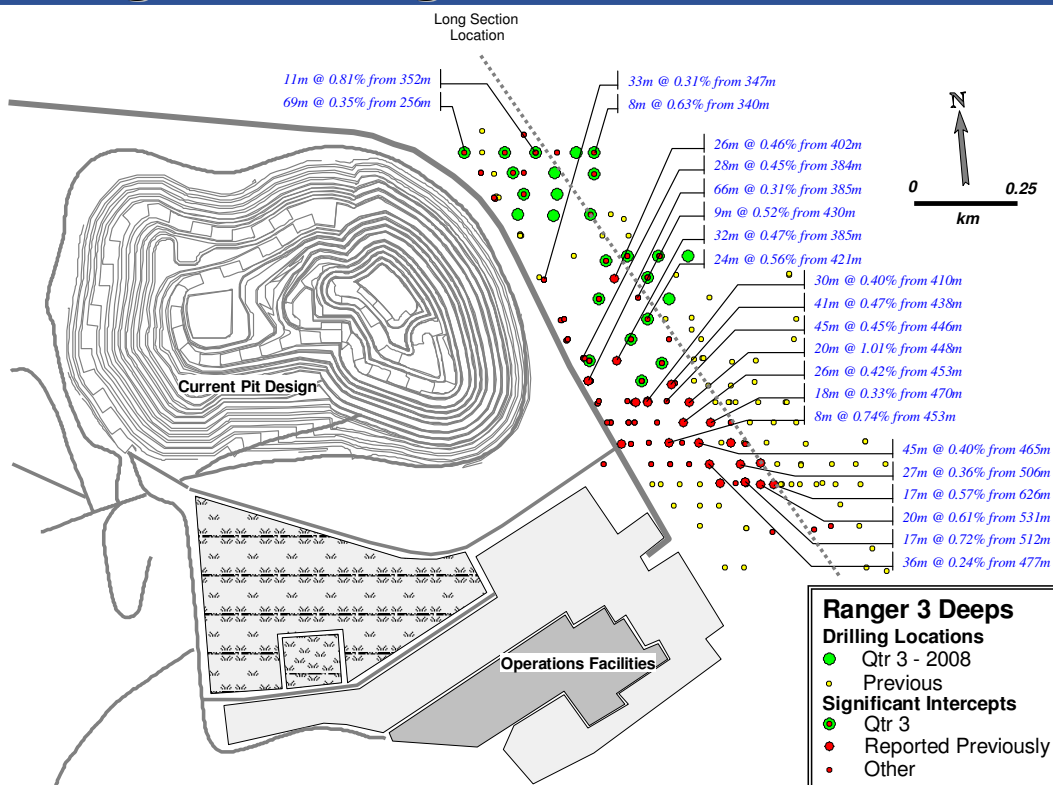
- Adjacent to current Ranger 3 open pit and existing infrastructure
- Defined mineralisation of 15 to 20 million tonnes
- Potential for 30,000 to 40,000 tonnes contained uranium oxide
- Mineralisation open to the north of current drilling
- Zone has a strike length of approximately 1.2 kilometres
- Intersects at depths between 250 and 500 metres
- Studying potential for exploration decline from within or adjacent to current open pit to access Ranger 3 Deeps



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Ranger 3 drilling results



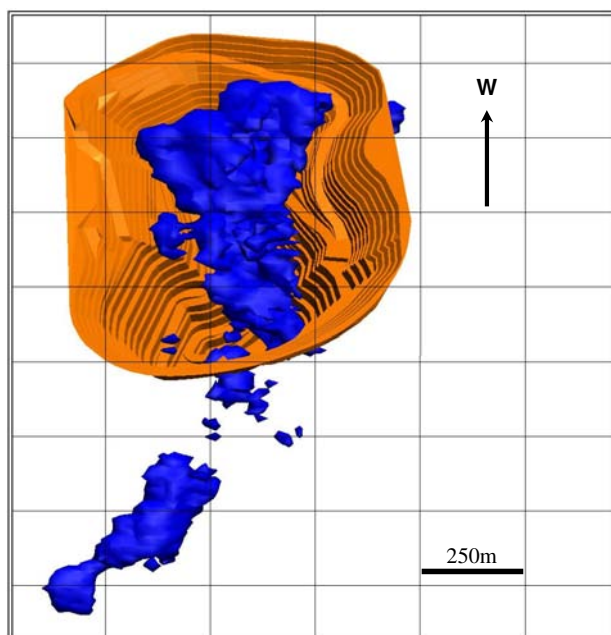
Significant Intercept: 0.08% U3O8 cut-off at a minimum 5m composite, including a maximum of 2m of non mineralized internal material

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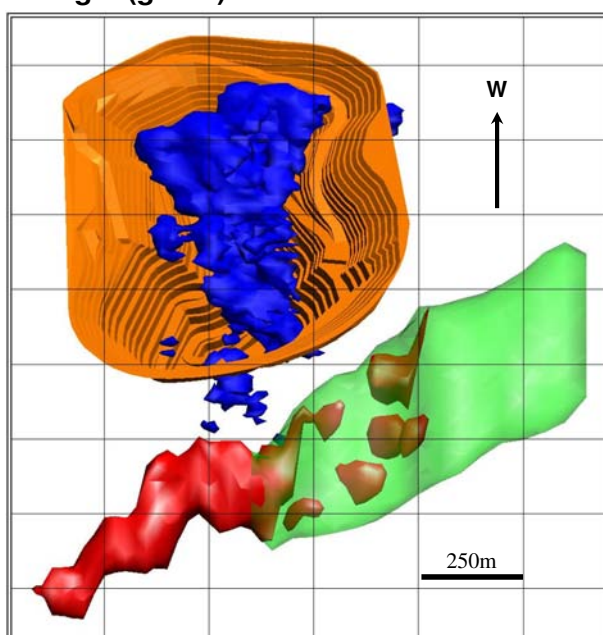
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Ranger 3 Deeps exploration target

Mineralisation (blue) as at December 2007



Mineralisation (blue/red) and Exploration target (green) areas as at October 2008

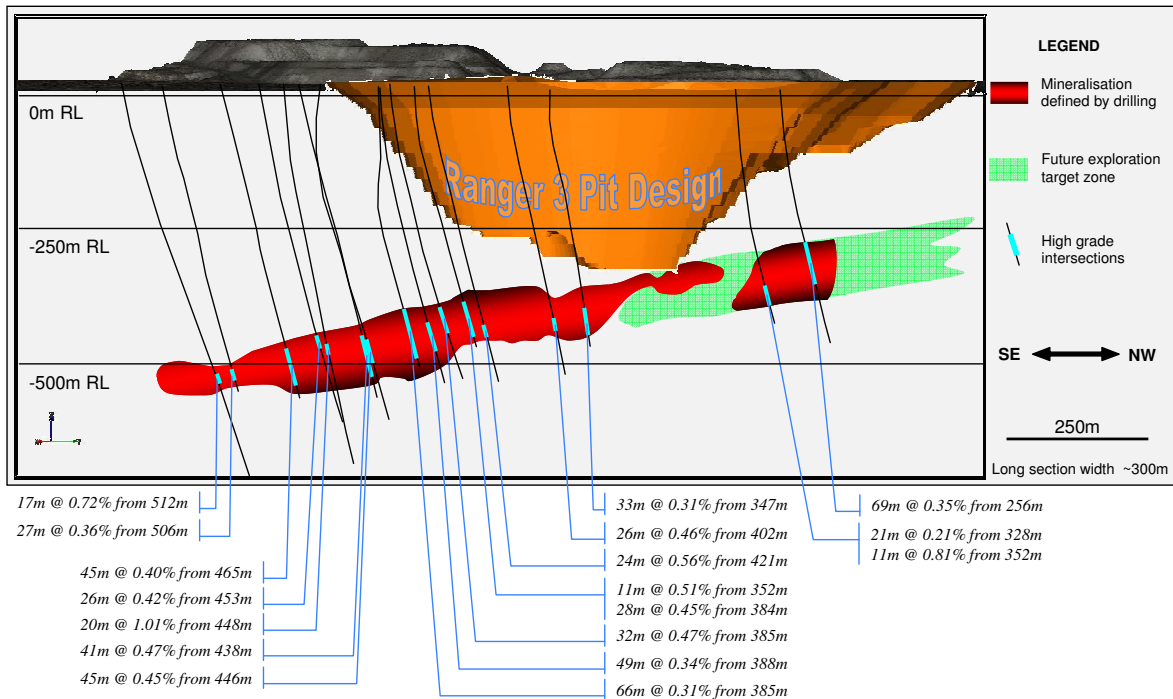


Oblique view looking west of the Ranger 3 pit design (orange)

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Ranger 3 Deeps long section



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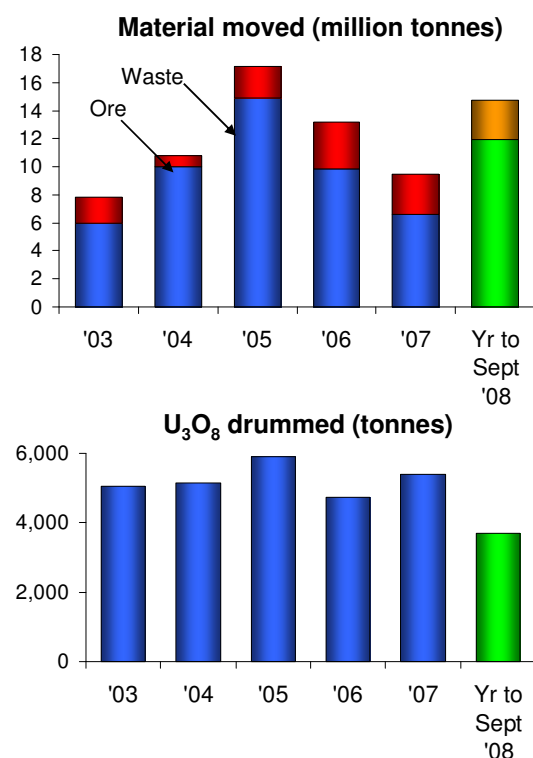
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ERA production



Source: ERA

Mining

- Current Ranger 3 pit expected to be mined out in 2012; processing to continue until 2020
 - Build-up of stockpiled ore for future processing
- Expected to move over 20 million tonnes of material in 2008
- Prior to onset of wet season, stockpiling high grade ore for processing
 - Currently 120 days supply of ore at 0.30% U₃O₈
 - Targeting approximately 150 days supply of ore at 0.30% U₃O₈ by end of December 2008
 - For comparison, in November 2007 stockpile was approximately 14 days supply of ore at 0.30% U₃O₈

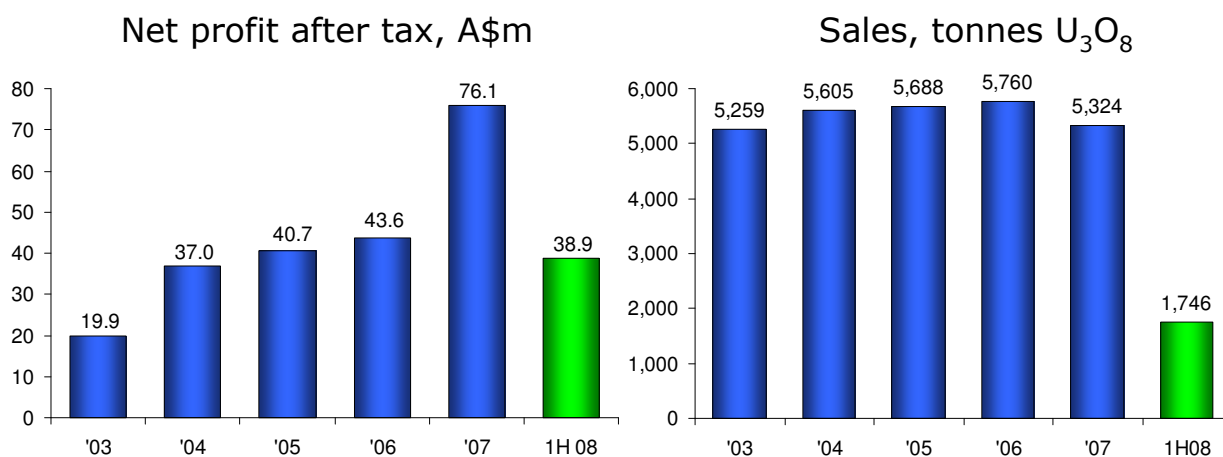
Processing

- Process plant capacity of 2.4 million tonnes of ore per annum
- Production for full year expected in the range of 5100~5300 tonnes
- Laterite and radiometric sorter plants in commissioning

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Earnings and sales volumes



- Sales for full year 2008 expected to be around 5,250 tonnes
- Major "non operating" pre-tax expenses to October 08
 - \$13 million on exploration
 - \$10 million on expansion studies (plant, leaching, pit extension)
- Benefit of strengthening US\$ offset by impact of US\$110 million drawdown (at A\$:US\$ rate ~90c) under revolving credit facility

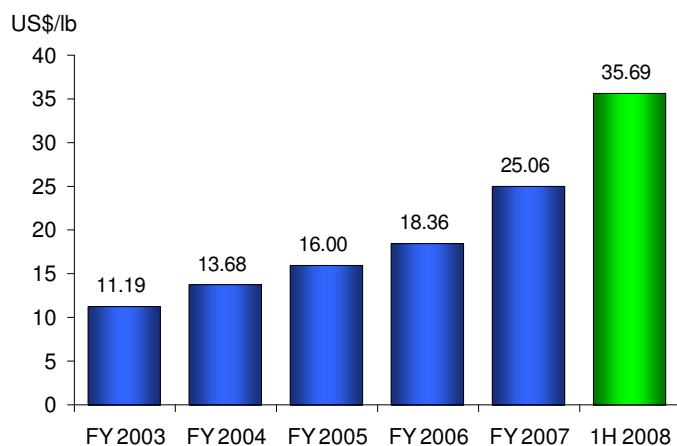
Source: ERA

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ERA's sales contract position

Average realised uranium price



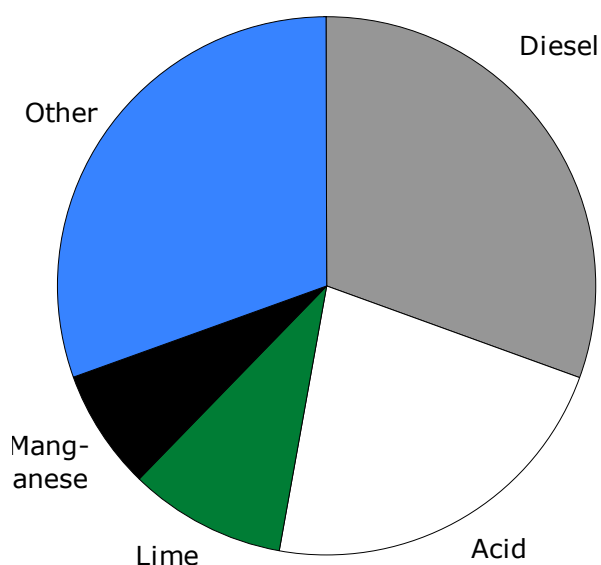
Source: ERA

- Contracts are generally:
 - 3 to 5 years in duration
 - First delivery 2 to 4 yrs after agreement
- Contracts contain a mixture of pricing mechanisms:
 - Fixed price/base escalated
 - Linked to market indicators
 - Negotiated prices
- Legacy contracts, containing large volume flexibilities and low ceiling prices, are being steadily replaced by higher-performing contracts
- Full year realised price expected to be 5-7% lower than H1 2008
- Continued strengthening of realised pricing expected in 2009
- First contract signed with China

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Raw materials and consumables



2008 Estimated Cost Breakdown

- Diesel costs starting to fall in line with weakening of oil price
- Acid prices dropping (along with sulphur) although still at levels above 2007
 - Further reductions expected
- Significant portion of the lime cost is related to transportation
- Manganese prices easing as demand from China reduces

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Recent projects

- Ranger 3 open pit extension
 - \$57 million to enlarge pit shell and increase mining rates approved September 2007
 - extension contains 54.5 Mt of material and has extended mine life to 2012
 - an additional 4,857 tonnes of uranium (10.7 Mlbs) added to reserves
 - extension preserves current mining roles & created 45 additional jobs



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Recent projects

- Radiometric sorter
 - \$19 million facility to sort low grade ore
 - Brings forward production of 1,100 tonnes over 4 years via grade manipulation
 - Commissioning underway
- Laterite plant
 - \$44 million project to construct plant to treat high clay content material
 - Potential to increase production by 400 tonnes of U_3O_8 per annum for approximately 7 years
 - Commissioning underway



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Recent projects

- New microfiltration/reverse osmosis water treatment plant
 - \$18 million project to increase pond water treatment capacity
 - Increased treatment capacity by over 100% (from 5.5 to 12 mega litres)
- Retrofit of existing water treatment plant for process water treatment (\$11 million)
- Tailings dam lift
 - \$30 million project to raise wall by 3 metres
 - Completion expected Q4 2008
- New tailings deposition system
 - A\$17 million project to deposit tailings into TSF (currently depositing into Pit 1)
 - Pit 1 close out & rehabilitation will commence in 2010



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- 28 years of uranium mining experience in the Northern Territory of Australia
- World's second largest uranium mine
- Lease areas contain world class ore bodies, including one of the world's largest undeveloped resources
- 2008 will be another record year for earnings
- Significant expansion/exploration work already underway at Ranger
- Opportunities are adjacent to current infrastructure
- Poised for further expansion

