

Chairman's Address
Annual General Meeting
22 April 2008

Good morning and welcome to you all, especially to those shareholders who have made the journey to attend the first ERA Annual General Meeting to be held in Darwin. ERA is the only publicly listed company on the Australian Stock Exchange with its headquarters in Darwin. The Board felt it appropriate to hold the Annual General Meeting in the same location as its corporate headquarters and close to its operational base.

Before I start I would like to acknowledge the Traditional Owners of the land on which we meet today – the Larrakia people.

And, I would also like to acknowledge the Traditional Owners of the land on which ERA operates - the Mirarr people.

It is good to be here with you at this exciting time for the uranium industry. The forecast for continued growth in the demand for electricity, energy security issues, increases in fossil fuel prices, and most significantly heightened awareness of climate change; all continue the focus on nuclear power and the demand for uranium.

In 2007 ERA was able to overcome considerable operational hurdles to report a record net profit of \$76.1 million, a 74 per cent increase over 2006. Profit before interest and tax rose to \$108.0 million, up 57 per cent on the previous year, and, a final dividend of 20 cents per share fully franked was declared for the year.

The Board has considered the dividend policy and seeks to distribute a substantial portion of net profits after tax giving due regard to the future cash needs of the company.

Production in 2007 of 5,412 tonnes of uranium oxide was attained despite an extreme rainfall event that we reported on at last year's Annual General Meeting. The company met all delivery commitments by the end of 2007 and *Force Majeure* declared after the February extreme rainfall event, has been lifted.

ERA is the third biggest producer of uranium in the world, providing almost 10 per cent of the world's produced uranium in 2007. ERA's customers are power companies in North America, Europe and South East Asia and they are focused on ensuring stability of supply well into the future. The majority of ERA's production is sold into long term contracts either linked to market indicators or using base escalated pricing (or a combination of the two).

Uranium prices remain strong. Spot prices were more volatile in 2007 than in previous years. The spot indicator rose from US\$72.00 per pound at the end of 2006 to a high of US\$136.00 in June before falling back to US\$89.50 per pound at the end of 2007. The long term uranium market price however remained more stable rising from US\$72.00 per pound at the end of 2006 to US\$95.00 in May 2007 where it remained for the balance of the year.

The key reasons for the sustained price increase have been the depletion of secondary market inventories and a shortage of near term primary supply. The likelihood of carbon emission costs being imposed on fossil fuel energy production also looms as another factor keeping prices high.

ERA's averaged realised price for contained uranium oxide was US\$25.06 per pound compared with US\$18.36 per pound in 2006, an increase of 36 per cent. It continued to be under the current market price indicators because of contracts negotiated several years ago at a time when market prices were considerably lower. However, ERA continues to let contracts at these higher uranium prices as lower priced legacy contracts expire and additional production is brought on line.

ERA's work on extending and expanding production has placed the company in a good position to capitalise on the strong market conditions. Over the course of 2007 a number of projects were initiated which when complete will provide increased uranium oxide production.

In considering the strategy of the company the Board believes that ERA's leases in the Alligator Rivers Region of the Northern Territory are very prospective. With the Jabiluka ore body in the north, the Ranger one and three ore bodies on the Ranger Project Area and Areva's Koongarra ore body in the south there is a clearly defined belt of high quality mineralisation.

The Board believes that ERA should focus its resources on drilling on existing leases, both in the vicinity of the current operating pit as well as elsewhere on the leases to identify both near term and longer term expansion options. However, ERA will be opportunistic in evaluating other prospects as they arise.

In line with the Board's strategy, approval was granted in September to proceed with a \$57 million extension to the operating pit. Work has now begun and it is expected that the extension will yield an additional 4,857 tonnes (or 10.7 million pounds) of contained uranium oxide, extend the life of the existing pit from 2008 until 2012, and provide a further 45 full time jobs.

Again in September the Board also approved a \$10 million pre-feasibility expansion study into further Ranger extension options that, if successful, will move to a full feasibility study in mid 2008.

Construction is well under way on the laterite treatment plant and it is expected to be complete by mid 2008. A radiometric sorter to further assist in processing the low-grade stockpiles will also be completed by mid 2008.

Exploration on the Ranger Project Area was again a major focus for 2007, with expenditure in 2007 (\$14.1 million) almost double that of 2006 (\$7.2 million). Drilling focused on extensions of the operating pit orebody.

In response to the extreme rainfall event mentioned earlier, ERA developed a water management strategy that enabled access to the pit far sooner than would otherwise have been possible. Successful elements of the strategy have now been integrated into Ranger's long term water management strategy.

Relationships with Traditional Owners and other key Northern Territory stakeholders continue to improve, and it is encouraging to see the range of local projects in which a cooperative approach is being taken. The company continues to consult with the Mirarr people, and we are certainly benefiting from positive cooperation with the Mirarr people. An example of this is the joint development of a revised cross-cultural awareness course currently being delivered to all new staff and contractors.

ERA strongly supports the Mirarr's aspiration to be recognised as the Traditional Owners of the land on which Jabiru is built. With the expiration of the head-lease for the town of Jabiru in 2021, ERA's management continue to work with the Territory and Federal Governments and other key stakeholders to examine options for the future of Jabiru. We believe that ERA will be present in the region for many years to come and can provide the economic platform for a sustainable community beyond 2021.

The Jabiluka deposit remains a valuable asset to the company but, as we have said in previous years, it remains on long term care and maintenance and will not be developed without the consent of the Traditional Owners.

The company continues to play a strong role in the public arena, both within the Northern Territory and nationally. ERA is well engaged with industry bodies and with the Federal Governments initiatives to reform the uranium mining industry.

In summary, whilst ERA's performance in 2007 was initially shaped by an extreme rainfall event and the declaration of *Force Majeure* on sales contracts, the company was able to achieve a near record level of production and a record net profit.

Throughout a difficult period the company remained in close contact with its customers to assure them of our commitment to fulfilling our contractual obligations. We now believe that those efforts will stand us in good stead with our customers when marketing future tonnes.

ERA is well positioned to benefit from the strong demand for uranium oxide worldwide and is actively seeking opportunities to add value by expanding and extending production from its resources.

I invite the Chief Executive, Chris Salisbury to deliver his report.