

ASX Interim report – 30 June 2009

Lodged with the ASX under Listing Rule 4.2A
This information should be read in conjunction with the
31 December 2008 financial report.

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Directors' Report

for the half-year ended 30 June 2009

The Directors of Energy Resources of Australia Ltd ("ERA") present their report together with the consolidated financial report of the consolidated entity, being the company and its controlled entity, for the half-year ended 30 June 2009.

Directors

The Directors of the company at any time during the half-year or since the end of the financial period were:

Name	Period of Directorship
Dr D Klingner Chairman	Appointed Director July 2004 Appointed Chairman January 2005
Mr R Atkinson	Appointed Chief Executive and Director September 2008
Mr R Carter	Appointed November 1999
Prof. H Garnett	Appointed January 2005
Mr P Taylor	Appointed February 2007
Mr C Salisbury	Appointed February 2007

Results for announcement to the market

A summary of consolidated revenues and results for the half-year is set out below:

				June 2009 \$000	June 2008 \$000
Revenue from sales of uranium oxide	Up	134%	to	336,085	143,543
Revenue from ordinary activities	Up	107%	to	347,032	167,418
Profit / (loss) from ordinary activities after tax attributable to members	Up	228%	to	127,551	38,949
Net profit / (loss) for the period attributable to members	Up	228%	to	127,551	38,949
Earnings per share (cents)				66.9	20.4
Underlying earnings	Up	276%	to	127,551	33,949
Dividends/distributions			Amount per security		Franked amount per security
Interim dividend			14 cents		30%
Record date for determining entitlements to the dividend					14 August 2009

These financial results have been prepared in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS).

Directors' Report

for the half-year ended 30 June 2009

Review of operations

ERA's net profit after tax and underlying earnings for the half year ended 30 June 2009 was a record \$127.6 million compared with a net profit after tax of \$38.9 million for the same period in 2008, and compared with ERA's record full year underlying earnings in 2008 of \$119.0 million. Earnings before interest and tax (EBIT) were \$176.1 million (June 2008: \$54.4 million)

Total revenues increased for the period to a record \$347.0 million (June 2008: \$167.4 million), while revenues from sales of uranium oxide rose to a record \$336.1 million (June 2008: \$143.5 million).

Sales were higher for the period at 2,280 tonnes (June 2008: 1,746 tonnes). ERA's average realised sales price is only partially influenced by the current market prices due to its diversified and long term sales contract portfolio. The average realised sales price of uranium oxide for the six months to June 2009 was US\$48.02 per pound (June 2008: US\$35.69 per pound). On 30 June 2009, the average long term market price was US\$65.00 per pound and the average spot price was US\$51.50 per pound.

The weakening of ERA's realised A\$:US\$ exchange rate to 71.80 cents (June 2008: 95.69 cents) and the pre-tax hedging gain of \$2.0 million (June 2008: \$14.5 million) increased sales revenues by \$85.9 million compared to the first half of 2008. The company's last remaining forward exchange contracts were exercised during the period at an average A\$:US\$ exchange rate of US57 cents (June 2008: US66 cents), and no new currency exchange contracts were entered into.

Uranium oxide production for the June 2009 half year of 2,695 tonnes (June 2008: 2,357 tonnes) was 14% per cent higher than the first half of 2008. This was primarily due to higher average grades, at 0.29 per cent uranium oxide compared to 0.26 per cent in the corresponding period of 2008 and increased throughput (1.09 million tonnes of ore processed compared to 1.05 million tonnes in the first half of 2008). The laterite processing plant and the radiometric sorter are both now integrated in the processing operations, with the laterite plant contributing to production during the June 2009 half year.

Mine production during the June 2009 half year of 10.00 million tonnes total material mined was 14% higher than during the June 2008 half year, due to better mining conditions in consequence of the lower than average wet season in 2009, and a full six months contribution from the expanded mining fleet commissioned during the first half of 2008. Ore mined during the first half of 2009 at 0.99 million tonnes was 35% lower than the corresponding period in 2008, primarily due to mine sequencing.

While revenues rose during the period, this was partially offset by a rise in raw materials and consumables costs, employee and contractor expenses, government royalties and depreciation expense. Raw materials and consumables costs increased as a result of the increased production together with the impact of exchange rates on USD denominated purchases, partially offset by usage efficiencies. Employee and contractor costs remain up primarily due to the continued expansion of mining operations and the progression of project prefeasibility studies. The increased revenues resulted in an increased contribution of \$11 million to government and other royalties. The completion of major capital projects early in 2009 has seen increased depreciation charges incurred.

Capital expenditure of \$18.5 million in the 2009 first half was considerably lower than in 2008 (June 2008 : \$92.9 million), when the Company was investing in a number of projects including the pit expansion, the radiometric sorting plant and the laterite treatment plant.

Exploration and Evaluation

During the half year, ERA invested a pre-tax amount of \$14.0 million on exploration and evaluation, and this was expensed to the profit and loss account.

ERA's exploration programme has continued to be focussed on the Ranger 3 Deeps ore body, with a current resource of around 34,000 tonnes of uranium oxide. On 16 July, ERA announced that the proposed Ranger 3 Deeps exploration decline project, to conduct close spaced underground exploration drilling to further evaluate the extent and continuity of the Ranger 3 Deeps ore body, will not be subject to further environmental assessment under the Northern Territory *Environmental Assessment Act* or the Commonwealth of Australia *Environmental Protection & Biodiversity Conservation Act*.

Directors' Report

for the half-year ended 30 June 2009

On 19 May 2009, ERA announced that the proposed heap leach facility at the Ranger operations, targeting the extraction of 15,000 to 20,000 tonnes of uranium oxide contained in low grade mineralised material currently on the stockpiles and yet to be mined, would be subject to environmental assessment under the *Environmental Assessment Act* and the *Environmental Protection & Biodiversity Conservation Act*, at the level of an Environmental Impact Statement. The Northern Territory and Commonwealth governments have not yet released the draft guidelines for the Environmental Impact Statement for public comment.

Dividends

The ERA directors have declared an interim dividend in respect of the 2009 financial year of 14 cents per share (8 cent interim dividend in 2008), fully franked at 30 per cent. The ex-dividend date will be 10 August 2009. The dividend will be paid to shareholders on the register at the close of business on Friday 14 August 2009, and it will be paid on Friday 28 August 2009.

ERA directors declared a final dividend of twenty cents per share for the 2008 financial year. This dividend was paid on 27 February 2009, bringing the total dividends paid to shareholders for the 2008 financial year to 28 cents per share, fully franked.

Outlook

Consistent with the guidance provided in January 2009, full year production is expected to be in line with normal levels, while total sales tonnes in 2009 are still expected to be slightly higher than in 2008, with sales volumes higher in the second half.

The average realised sales price during the second half of 2009 is expected to remain at levels similar to the first half, subject to the precise timing of sales deliveries during the period and significant movements in the long term and spot market prices for uranium oxide. Contracts are generally denominated in US\$ and therefore the A\$:US\$ exchange rate will also continue to have an impact on sales revenues during the second half of 2009.

Evaluation studies on the Ranger 3 Deeps exploration decline project will continue towards a decision on the construction of the decline in early 2010. As studies on the proposed heap leach facility are continuing, ERA will work in parallel towards the completion of the necessary Environmental Impact Statement once guidelines are released by the Northern Territory and Commonwealth governments. Current projections remain that ERA has sufficient cash on hand to take these studies and projects at least to bankable feasibility level without the need for further financing.

Rounding of Amounts

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in this financial report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise indicated.

Auditors' independence declaration

A copy of the auditors' independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page five.

Signed at Darwin this 30th day of July 2009 in accordance with a resolution of the directors.



Dr D Klingner
Chairman

PricewaterhouseCoopers
ABN 52 780 433 757

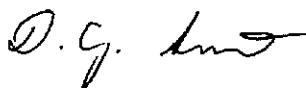
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Auditor's Independence Declaration

As lead auditor for the review of Energy Resources of Australia Ltd for the half year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Energy Resources of Australia Ltd and the entities it controlled during the period.



Debbie Smith
Partner
PricewaterhouseCoopers

Melbourne
30 July 2009

Energy Resources of Australia Ltd
Consolidated statement of comprehensive income
For the half-year ended 30 June 2009

	Notes	30 June 2009 \$'000	30 June 2008 \$'000
Revenue from continuing operations		347,032	162,418
Other income		-	5,000
Changes in inventories		50,071	62,999
Raw materials and consumables used		(67,354)	(57,868)
Employee benefits and contractor expense		(81,862)	(72,770)
Government and other royalties		(18,765)	(7,746)
Commission and shipping expenses		(6,151)	(2,308)
Depreciation and amortisation expenses		(28,353)	(19,385)
Financing costs		(7,240)	(7,871)
Statutory and corporate expenses		(8,060)	(6,623)
Other expenses		(1,360)	(3,069)
Profit before income tax		<u>177,958</u>	<u>52,777</u>
Income tax expense		(50,407)	(13,828)
Profit for the half-year		<u>127,551</u>	<u>38,949</u>
Other comprehensive income			
Changes in the fair value of cash flow hedges		(1,705)	(9,063)
Income tax relating to components of other comprehensive income		512	2,719
Other comprehensive income for the half-year, net of tax		<u>(1,193)</u>	<u>(6,344)</u>
Total comprehensive income for the half-year		<u>126,358</u>	<u>32,605</u>
Profit is attributable to:			
Owners of Energy Resources of Australia Ltd		<u>127,551</u>	<u>38,949</u>
		<u>127,551</u>	<u>38,949</u>
Total comprehensive income for the half-year is attributable to:			
Owners of Energy Resources of Australia Ltd		<u>126,358</u>	<u>32,605</u>
		<u>126,358</u>	<u>32,605</u>
		Cents	Cents
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company:			
Basic earnings per share	5	66.9	20.4
Diluted earnings per share	5	66.9	20.4
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share	5	66.9	20.4
Diluted earnings per share	5	66.9	20.4

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Energy Resources of Australia Ltd
Consolidated statement of financial position
As at 30 June 2009

	30 June 2009 \$'000	31 Dec 2008 \$'000
Notes		
ASSETS		
Current assets		
Cash and cash equivalents	105,956	106,894
Trade and other receivables	31,112	51,930
Inventories	145,312	116,374
Derivative financial instruments	-	1,705
Other	4,950	711
Total current assets	<u>287,330</u>	<u>277,614</u>
Non-current assets		
Inventories	168,126	146,614
Undeveloped properties	203,632	203,632
Property, plant and equipment	487,529	490,851
Investment in trust fund	52,386	51,698
Total non-current assets	<u>911,673</u>	<u>892,795</u>
Total assets	<u>1,199,003</u>	<u>1,170,409</u>
LIABILITIES		
Current liabilities		
Payables	50,666	80,094
Current tax liabilities	50,379	84,864
Provisions	23,383	22,859
Total current liabilities	<u>124,428</u>	<u>187,817</u>
Non-current liabilities		
Deferred tax liabilities	33,480	39,783
Provisions	193,959	183,883
Total non-current liabilities	<u>227,439</u>	<u>223,666</u>
Total liabilities	<u>351,867</u>	<u>411,483</u>
Net assets	<u>847,136</u>	<u>758,926</u>
EQUITY		
Contributed equity	214,585	214,585
Reserves	389,741	390,934
Retained profits	242,810	153,407
Total equity	<u>847,136</u>	<u>758,926</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Energy Resources of Australia Ltd
Consolidated statement of changes in equity
For the half-year ended 30 June 2009

	Notes	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 January 2009		214,585	390,934	153,407	758,926
Total comprehensive income for the half-year		<u>-</u>	<u>(1,193)</u>	<u>127,551</u>	<u>126,358</u>
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs		-	-	-	-
Dividends provided for or paid	3	-	-	(38,148)	(38,148)
Employee share options - value of employee services		-	-	-	-
Employee share scheme		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>	<u>(38,148)</u>	<u>(38,148)</u>
Balance at 30 June 2009		<u>214,585</u>	<u>389,741</u>	<u>242,810</u>	<u>847,136</u>
Balance at 1 January 2008		214,585	406,407	(14,971)	606,021
Total comprehensive income for the half-year		<u>-</u>	<u>(6,344)</u>	<u>38,949</u>	<u>32,605</u>
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs		-	-	-	-
Dividends provided for or paid	3	-	-	(38,148)	(38,148)
Employee share options - value of employee services		-	(493)	-	(493)
Employee share scheme		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>-</u>	<u>(493)</u>	<u>(38,148)</u>	<u>(38,641)</u>
Balance at 30 June 2008		<u>214,585</u>	<u>399,570</u>	<u>(14,170)</u>	<u>599,985</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Energy Resources of Australia Ltd
Consolidated statement of cash flows
For the half-year ended 30 June 2009

	Half-year ended	
	2009	2008
Notes	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	386,464	279,392
Payments to suppliers and employees (inclusive of goods and services tax)	<u>(241,715)</u>	<u>(156,920)</u>
	144,749	122,472
Interest received	2,434	1,036
Interest and other costs of finance paid	(885)	(1,988)
Income taxes paid	<u>(90,683)</u>	<u>(22,498)</u>
Net cash inflow from operating activities	<u>55,615</u>	<u>99,022</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(18,474)	(92,851)
Proceeds from sale of property, plant and equipment	<u>20</u>	<u>111</u>
Net cash outflow from investing activities	<u>(18,454)</u>	<u>(92,740)</u>
Cash flows from financing activities		
Proceeds from borrowings	-	32,815
Dividend payments	<u>(38,148)</u>	<u>(38,148)</u>
Net cash outflow from financing activities	<u>(38,148)</u>	<u>(5,333)</u>
Net (decrease)/increase in cash and cash equivalents	(987)	949
Cash and cash equivalents at the beginning of the half-year	106,894	17,729
Effects of exchange rate changes on cash and cash equivalents	<u>49</u>	<u>(84)</u>
Cash and cash equivalents at end of the half-year	<u>105,956</u>	<u>18,594</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 Summary of significant accounting policies

This general purpose financial report for the interim half-year reporting period ended 30 June 2009 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2008 and any public announcements made by Energy Resources of Australia Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The group has adopted AASB 8 *Operating Segments* from 1 July 2009. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. Adoption of the AASB 8 has not resulted to any changes in disclosure of segment information.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

ERA has reclassified the following financial information for the comparative period in order to improve the relevance and reliance of the information presented:

Classification of comparative financial information

	Reported 2008 \$'000	Reclassification 2009 \$'000	Reported 2009 \$'000
Statement of Comprehensive Income			
Revenue from continuing operations	158,833	3,585	162,418
Other income	8,585	(3,585)	5,000
Statement of Cash Flows			
Payments to suppliers and employees	(151,830)	(5,090)	(156,920)
Interest and other costs of finance paid	(7,078)	5,090	(1,988)

2 Segment information

(a) Primary reporting format - business segments

Half-year 2009

	Uranium \$'000	Consulting \$'000	Eliminations \$'000	Consolidated \$'000
Segment revenue				
Sales to external customers	346,730	302	-	347,032
Intersegment sales	-	2,615	(2,615)	-
Total sales revenue	346,730	2,917	(2,615)	347,032
Other revenue	-	-	-	-
Total segment revenue	346,730	2,917	(2,615)	347,032
Consolidated revenue				347,032
Profit/(loss) before tax	177,956	2	-	177,958

Half-year 2008

	Uranium \$'000	Consulting \$'000	Eliminations \$'000	Consolidated \$'000
Segment revenue				
Sales to external customers	158,470	363	-	158,833
Intersegment sales	-	1,910	(1,910)	-
Total sales revenue	158,470	2,273	(1,910)	158,833
Other revenue	8,567	18	-	8,585
Total segment revenue	167,037	2,291	(1,910)	167,418
Consolidated revenue				167,418
Profit/(loss) before tax	52,696	81	-	52,777

3 Dividends

Half-year ended	
2009	2008
\$'000	\$'000

(a) Ordinary shares

Final dividend for the year ended 31 December 2008 of 20 cents (2007 - 20 cents) per fully paid share paid on 7 February 2009 (2008 – 29 February 2008)

Fully franked based on tax paid @ 30%

38,148	38,148
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4 Contingencies

(a) Legal actions against ERA

Unresolved legal action commenced by the Mirarr Traditional Owners in the Federal Court against the former Federal Minister for Resources and ERA claiming that due process was not followed in granting approvals for the Jabiluka Mill Alternative is dormant. Should ERA proceed with the Jabiluka Mill Alternative, notice will be given to the applicant who may or may not wish to pursue the argument further.

No material losses are anticipated in respect of this legal dispute.

5 Earnings per share

Half-year ended	
2009	2008
Cents	Cents

Basic earnings per share

66.9	20.4
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Diluted earnings per share

66.9	20.4
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Weighted average number of ordinary shares on issue used in the calculation basic earnings per share: 2009: 190,737,934; (2008: 190,737,934)

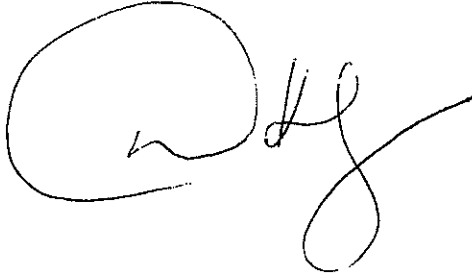
6 Events occurring after the balance sheet date

There have been no material events occurring after balance date that have not been reported in the half-year financial statements.

In the directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 11 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2009 and of their performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Energy Resources of Australia Ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

A handwritten signature in black ink, consisting of a large, rounded initial 'D' followed by a stylized 'K' and a long, sweeping horizontal stroke extending to the right.

Dr D Klingner

Chairman

Darwin
30 July, 2009

**Independent auditor's review report to the members of
Energy Resources of Australia Ltd**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial statements of Energy Resources of Australia Ltd, which comprise the statement of financial position as at 30 June 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Energy Resources of Australia Ltd Group (the consolidated entity). The consolidated entity comprises both Energy Resources of Australia Ltd (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Energy Resources of Australia Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independent auditor's review report to the members of Energy Resources of Australia Ltd (continued)

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Energy Resources of Australia Ltd is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

D. G. Smith

Debbie Smith
Partner

Melbourne
30 July 2009