
CHIEF EXECUTIVE'S ADDRESS

ANNUAL GENERAL MEETING

22 APRIL 2009

Thank you, David. It is a pleasure to be here today addressing this AGM, my first as Chief Executive. Before I discuss our performance for 2008, I would like to make a few comments about safety. This is of the highest priority for ERA.

SAFETY

In 2008 we maintained the strong performance of 2007 with an all injury frequency rate of 1.01 per 200,000 hours worked. However, while this was a strong performance compared with many others in the industry and compared to other industries, we did not meet our own expectations. We believe that there is more to be done, and our goal remains fixed on the ambitious but achievable goal of becoming a zero harm workplace. As the Chief Executive of this company, I am determined that every person who works for ERA should return home each day in at least as good health as they started the day.

OVERVIEW

2008 was an outstanding year for ERA. There were numerous records set for the year. ERA's net profit for 2008 was a record \$222 million. After adjusting for a significant insurance settlement, underlying earnings were a record \$119 million. This insurance settlement in December 2008 was a result of the significant interruptions to business along with the associated property damage caused by the acid plant failure and Cyclone Monica in 2006, and by the extreme rainfall event in late February 2007.

As the Chairman noted, we achieved great success in our exploration programme, significantly adding to our resources. The Company achieved its highest ever level of indigenous employment with 95 indigenous employees at the year end. Most importantly, we achieved all of this while maintaining a strong safety performance and protecting the environment surrounding the mine.

This morning I would like to take you through some of the highlights of the year that has passed.

This is a very exciting time to be in the uranium mining business.

PRODUCTION AND FINANCIAL PERFORMANCE

In 2008, ERA has achieved production of 5,339 tonnes, the third highest in the mine's history.

This performance, combined with an increase in the average realized uranium price, resulted in strong revenues from the sale of uranium oxide of \$496 million. Costs were higher, partly as a result of an increase in the amount of material moved, which increased by 112 per cent to 20.2 million tonnes for the year. But it was also a reflection of the high cost of many inputs including diesel, lime and contractor costs.

EXPANSION PROJECTS

ERA is in growth mode. Several projects were completed or were near completion by the end of 2008. Construction of the laterite plant and the radiometric sorter were completed in 2008 and will contribute to this year's production.

During 2008, ERA more than doubled its pond water treatment capacity. The Company is now upgrading the lime softening circuit to enable the treatment of process water, and this work is scheduled for completion in the second quarter of 2009.

In 2008 ERA increased the storage capacity of the existing tailings facility by raising the height of the dam. A new tailings delivery system that incorporates primary, secondary and tertiary containment was also constructed. Importantly, construction of a trial rehabilitation landform was completed and work is underway to test and monitor the effectiveness of rehabilitation and revegetation concepts well ahead of mine closure.

Throughout 2008, expansion plans were developed in order to add to our planned production. As a result, two applications were recently submitted to Government. The first was a proposal for a heap leach facility targeting the treatment of low grade ore containing 15 to 20,000 tonnes of uranium oxide. The proposed project has been deemed by the Commonwealth to be a controlled action under the EPBC Act which requires further environmental assessment and the approval of the Federal Environment Minister before it can proceed. The Northern Territory Government's approval has also been requested and we believe they will also be involved in any environmental assessment processes.

We expect that preparation of Environmental Impact Assessment documentation and the associated public consultation process will take 12 to 18 months.

The second application seeks permission to develop an exploration decline to further evaluate the exciting Ranger 3 Deeps deposit. This application remains before the relevant government departments. However, ERA expects that this exploration project will not be regarded as a controlled action under the EPBC Act and that a detailed environmental impact assessment will not be required at this stage.

SOCIAL AND ENVIRONMENTAL ISSUES

During 2008, ERA continued the success of its Indigenous employment programme. At the end of 2008, 95 employees were Indigenous, up 46 per cent on 2007. This has increased beyond 100 since the end of the year. This represents a doubling of our Indigenous workforce over a two year period and ERA can now rightly claim, with 20% of our work force Indigenous, to be one of Australia's most significant private sector employers of Indigenous people. With a growing workforce and a desire to see more of the economic benefits from our business retained in the local region, we are determined to build on this strong performance in the years ahead.

To operate a mine in an area surrounded by the World Heritage listed Kakadu National Park is a significant privilege and responsibility. Not only do we need to deliver the highest possible environmental performance, but we also must strive for the highest possible levels of transparency in our dealings with all interested parties.

The Ranger mine is arguably the most regulated and scrutinized mine in the world. We accept that not everyone will agree with our views on the importance of nuclear energy as a means of meeting the world's energy requirements, but we strive to demonstrate to everyone – regulators and the public alike - that our business is being conducted to the highest possible standards.

In 2008, the Commonwealth Government's Supervising Scientist Division concluded once again that in the 12 months covered by its annual report, the environment surrounding Ranger's operations remained protected.

Not only does the Company protect the environment on and around our leases, it is making a significant contribution to global efforts to reduce greenhouse gas emissions. By producing a significant percentage of the world's primary uranium in 2008, ERA contributed to the avoidance of an estimated 220 million tonnes of greenhouse gas emissions.

Increasingly, there is recognition that a safe and secure nuclear industry is an essential component of the power generation mix if there is to be any chance of meeting global greenhouse gas reduction goals.

ERA's engagement with the Mirarr people, Traditional Owners of the land on which the Ranger and Jabiluka leases are located, continues to develop. This relationship is of the highest importance to the company. It is widely recognised in the mining industry that how miners interact with their local community is critical to maintain a social license to operate.

At Ranger, there is significant work being undertaken around cultural heritage management, which is as important as ever during a period of expansion. The Traditional Owners and their representatives continue to provide cross cultural awareness training to all new employees and contractors, and we are very appreciative of that.

There are important discussions underway about the future of Jabiru, and ERA is working closely with the respective Government Departments, Traditional Owners and their representatives, as well as a range of stakeholders in the town. Traditional Owners are kept well informed about all aspects of the Company's operations and periodically visit the mine for inspections.

It is a strong conviction of mine that it is possible to see significant sustainable benefits flow to the local community from mining, and I am determined that we will see this continuing to strengthen in the future.

In 2008, ERA paid \$24.9 million in royalties to the Commonwealth Government, which was in turn remitted to the Northern Territory Government and Aboriginal interests. It is well understood that cash disbursements do not of themselves lead to positive social outcomes, but they are a significant part of ERA's socio-economic contribution. Whilst ERA does not have any direct input into how these royalties are ultimately used, we have been engaged in some very positive initiatives with the Gundjeihmi Aboriginal Corporation, representatives of the Mirarr, looking at how to achieve better regional social and economic outcomes from mining.

GOVERNMENT RELATIONS

For a highly regulated industry like uranium mining, strong and productive relationships with governments are important. We maintain strong lines of communication with political leaders and government officials at all levels. We endeavour to keep them well informed about all of our activities and in turn encourage feedback.

There is widespread recognition about the very significant positive social and economic contribution that ERA makes to the Northern Territory and Australia whether it be through employment, royalties, taxes and related services such as contractors and supplies. We were gratified to receive the Minerals and Energy Award at the 2008 Australian Export Awards, co-presented by Austrade and the Australian Chamber of Commerce, which recognizes outstanding achievements in international business.

ECONOMIC ENVIRONMENT

I would also like to make a few comments about the commercial and regulatory environment in which we are operating.

The market for uranium remains robust, despite some softening of the “spot” price in recent months. However, the underlying fundamentals of the market remain strong. ERA maintains positive, very long-term relationships with the major electric utilities in key markets and will look forward to benefiting from this growth.

China is an exciting new market for ERA, and while it represents a relatively small part of the total demand for uranium, its growth potential is enormous.

ERA was the first Australian company to sell uranium to China last year, and I have recently returned from visiting customers there, as well as our long-established and valued customers in Japan, Taiwan and South Korea.

It is clear that Chinese plans to increase generation capacity are unaffected by the current economic turbulence. Indeed, the fiscal stimulus measures being put in place by the Chinese Government will support new reactors with a combined capacity of 70 GW being built by 2020.

Clearly, we are operating in a period of significant economic challenges. At the same time, there is something of a silver lining to the economic clouds around us. The cost pressures we faced in recent years are reversing, and we expect to see the costs of many significant inputs such as diesel, acid, lime and contractors revert to prices more in line with historic levels. We will be working hard to ensure that all of our costs are closely managed, by achieving competitive input prices as well as operating very efficiently and eliminating waste.

OUR PEOPLE

Finally, I would like to acknowledge the contribution of all of the employees of ERA to 2008's performance. The success of ERA is very dependant on our people and I personally appreciate every member of the team's commitment, dedication, and hard work to help ensure that ERA is a safe, environmentally conscious, reliable, productive and cost efficient company.

CONCLUSION

So, in summary, 2008 has been another year of record achievements. We have safely delivered strong profits while delivering on the expectations of governments and communities. We have protected the environment whilst progressing several significant growth opportunities. We approach the future with confidence and enthusiasm as we look to continue to deliver strong positive outcomes for shareholders and stakeholders in this company in 2009 and beyond.

Thank you and I will now hand back to David.