

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

ABN 71 008 550 865

CHAIRMAN'S ADDRESS

Annual General Meeting

21 April 2010

Good morning and welcome to ERA's 2010 Annual General Meeting.

Introduction

Let me begin by acknowledging the Traditional Owners of the land on which we meet today – the Larrakia people.

I also acknowledge the Traditional Owners of the land on which ERA operates, the Mirarr people.

Financial results

2009 has been an excellent year for ERA.

The Company delivered record safety and financial performance, celebrated significant milestones in Indigenous employment, ensured that the environment remained protected, and sustained uranium production and sales at high levels.

These achievements lay foundations for the future as ERA continues work on world class development projects.

In terms of financial performance, we have achieved record sales revenues of \$768 million. This was a 55 per cent increase over 2008.

We achieved record underlying earnings of \$273 million, up by 129 per cent from 2008.

And shareholders have received record dividends of 39 cents per share, up 39 per cent from 2008.

ERA's diversified portfolio of sales contracts and pricing mechanisms delivered an average realised sales price of uranium oxide during 2009 of US\$50.84 per pound.

This compares with the average spot market price on 31 December 2009 of US\$44.50 per pound.



While revenues rose, ERA faced increases in employee and contractor expenses, government royalties and depreciation.

Employee and contractor costs were higher, primarily due to the commissioning of new infrastructure projects and progression of project feasibility studies.

Significant savings were seen in borrowing costs due to ERA's strong cash position. The company remained debt free throughout 2009.

Capital spending reduced to \$33 million, compared with \$167 million in 2008, as a result of the completion of several major infrastructure projects.

However, capital investment will increase in 2010 and 2011 in line with our production expansion plans.

Strategy

Our long term strategy involves evaluating opportunities for growth, while maintaining production levels by expanding processing capacity.

We are investing in a series of exciting and ambitious projects in the coming months and years which will lay a solid foundation for the company's future, and ensure successful and sustainable operations at Ranger.

ERA's investments planned for 2010 include the potential construction of an underground exploration decline at the Ranger 3 Deeps mineral resource, progress on other near mine exploration targets, and the completion of the feasibility study and environmental approvals process for the proposed Ranger heap leach facility.

With 2009 a year of record profit, a strong balance sheet and continued control on costs, ERA has the financial strength to progress these investments.

While the world economy shows sign of improvement, there remains uncertainty in financial markets, and our strong financial position gives ERA an edge compared with competitors who may rely on access to external funding.

We also continue to hold the world-class Jabiluka mineral lease, which remains under long term care and maintenance, and development will not proceed without the agreement of the Mirarr Traditional Owners.

The success of this strategy of optimising production performance while investing in the Company's future was recognised in 2009 by being named the Northern Territory Exporter of the Year for the second year running, and by receiving the award of "Explorer of the Year" for the discovery of the Ranger 3 Deeps mineral resource from *Australian Mining* magazine.

2010 and first quarter performance



As we announced in January, and confirmed earlier this month in the March 2010 Quarter Production Review, ERA's full year production and sales for 2010 are expected to be broadly in line with the levels of recent years. However, production and sales will be more heavily weighted towards the second half of the year.

The lower production, and consequent sales profile, during the first half is largely a consequence of mine sequencing and anticipated lower grades.

Assuming that market prices remain slightly softer than during 2009, we expect that the average realised sales price for the first half of 2010 and the full year to be broadly in line with, 2009. Against a relatively strong average realised exchange rate in 2009 of US 82 cents, a weaker US dollar in 2010, currently trading at US 93 cents, will of course continue to be a very significant driver on realised sales revenues.

We will continue to see higher expenditure on scheduled maintenance programmes, along with expenditure on ERA's significant development projects, during 2010.

We expect that all of these factors will negatively impact earnings in the first half and for the full year.

Long term outlook

Despite price weakening in 2009, the long-term outlook for the uranium market remains strong, with nuclear power recognised as a key element of the global energy solution.

While market prices have stabilised well below the historic highs reached in 2007, current prices are still significantly higher than for most of ERA's 30-year history, supporting investments to increase output.

We are entering a period when many developing and developed countries are looking to invest in electricity capacity while working to reduce carbon emissions.

Continued growth in electricity demand, especially in high-growth emerging economies, along with concerns over energy security and the cost and availability of fossil fuels are focusing renewed attention on clean, safe nuclear power.

The International Energy Agency predicts that low carbon technologies – including nuclear - will play a key role in the carbon constrained global economy of 2030.

The requirements of the world's existing 436 reactors and the construction of new reactors combine to increase demand. Fifty-three new units are currently under construction around the world, with 142 more planned or ordered.

Much of anticipated growth in demand will occur in ERA's established markets, where ERA can capitalise on its long-standing reputation as a reliable supplier and its relationships with key utility customers around the world.



While the global recession has reduced projected growth somewhat from a year ago, China's plans for nuclear power continue to grow, India has very ambitious plans and the rest of the world will continue to face the very significant challenge of carbon emissions, energy security and energy diversity.

ERA has a strong relationship with the Chinese market and stands to benefit from further growth in this market.

We also note the Australian Government's decision to finalise a bilateral safeguards agreement with Russia to enable sales of uranium to Russian electricity generators. While we have no plans for sales to Russian utilities, we do welcome the continued expansion of potential markets for Australian uranium.

ERA's market position and reputation as a large and reliable long-term supplier will ensure the company retains a significant presence in the global uranium market.

Conclusion

With another high performance year setting the foundation for further success, ERA's future prospects are excellent.

We enjoy a robust balance sheet and strong cash-flows, with a diverse range of long-term customers in key markets, and the operational capacity and experience to deliver sustainable resource development to meet demand.

The continued vigour of the uranium market, driven by sustained global interest in nuclear energy, places ERA in an excellent position to generate value and deliver significant benefits to shareholders and stakeholders.

Before closing I would like to thank Dick Carter for his years of sterling service to this Company as a Non-Executive Director. The Company has benefitted greatly from his wise counsel, vast experience in the resources industry and his leadership of the Audit Committee.

I would now like to hand over to our Chief Executive, Mr Rob Atkinson, who will address you in more detail on ERA's operational performance in 2009.

Thank you.

Dr David Klingner
Chairman