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CHIEF EXECUTIVE'S ADDRESS

Annual General Meeting

13 April 2011

Thank you, David.

Before starting I would also like to acknowledge the Larrakia people, custodians of the land on which we meet, and the Mirarr people, custodians of the land on which we operate the Ranger mine.

2010 was a very challenging year and one which carried mixed fortunes for ERA. The Chairman has spoken about the difficulties we have faced since the strong financial performance of 2009, such as unseasonal heavy rain, geotechnical issues in Pit 3, and lower grades than expected. In these difficult times it is important for ERA's leaders and workforce to focus on those things they can fully control. Despite the difficulties, there were a number of impressive achievements in 2010.

Firstly, as I have done at the last two ERA Annual General Meetings, I want to confirm that safety is my top priority. In spite of the other challenges we faced in 2010, I am pleased to report that we continued the strong safety performance of recent years.

While 2009 remains our best safety performance on record, 2010 came very close to repeating that performance and this despite undertaking some major projects and the difficult conditions in the mine.

Very importantly, we continued our unbroken track record of ensuring that the environment around the mine remains protected. This was confirmed by the Australian Government's Supervising Scientist Division in its most recent annual report.

We also progressed ERA's development projects. Work continued on the Ranger heap leach facility feasibility study and a study was completed on construction of a decline to conduct exploration drilling of the Ranger 3 Deeps resource.



These achievements highlight the skills and efforts of the people we have in this Company, and they are a reflection of our commitment to the triple bottom line of sustainable development, that is: strong economic, environmental and social outcomes. It is difficult to think of another mining operation where these outcomes are so obviously and critically important to its long term business success.

I want to acknowledge and sincerely thank the team at ERA, whether in Jabiru, Darwin or further afield, for working safely, for their dedication and for their hard work.

I now want to provide some further detail around our operational performance.

Safety

Firstly, I want to talk further about our safety performance. Safety is intrinsic in all that we do. It is our most important value. It is simply un-acceptable for people to be hurt at work. Each and every day we all strive to have zero injuries in our business.

At ERA we use the All Injury Frequency Rate as the measure of our safety performance. In 2010 we came very close to improving on our record All Injury performance in 2009. In 2010 we achieved a world-class All Injury Frequency Rate of 0.71 injuries per 200,000 hours of work. The 2009 record was 0.68.

So whilst we fell just short of improving on our 2009 performance, nevertheless our strong performance in 2010 proves that 2009 was not a “once-off” and that the systems and behaviours which led to that record performance have become further embedded in our safety culture.

During the year we achieved 278 days without a lost time injury, which equalled the company record. Over the full year we recorded a total of two lost time injuries compared to three in 2009. The severity rate of injuries was also significantly reduced. The most severe injuries suffered, and the only ones which resulted in lost time from work insofar as the team members were unable to perform their full duties, were a cut hand in the heavy equipment workshop and a fractured ankle after falling when walking on uneven ground. Both team members, I am pleased to report, made a full recovery.



So whilst we will never be satisfied until we achieve our goal of zero injuries, I want to acknowledge the ongoing improvements and commitment to safety by all who work at ERA.

Environment

A fundamental part of our commitment to the community in which we operate is our environmental performance.

ERA's tenements are surrounded by, but separate from, Kakadu National Park. The town of Jabiru, where a significant proportion of our workforce is resident, is located within the Park.

In order for the company to operate in this highly significant region, internationally renowned for its environmental and cultural values, there is a very legitimate expectation that we will demonstrate outstanding environmental management. We fully accept that our future is dependent on meeting these expectations.

I am sure you will all be aware of the extensive regulatory, reporting and advisory systems that are in place to ensure the surrounding environment is protected. The Ranger mine is arguably the most regulated and scrutinised mine in Australia. Our regulators and stakeholders frequently undertake inspections of our operations and are fully informed in all aspects of our performance. This is entirely appropriate given the significance of our location.

We are very proud of maintaining our unbroken record of ensuring that the environment around the mine has remained protected, as determined by the Commonwealth Government's Supervising Scientist.

However, maintaining this achievement requires ongoing diligence, effort, innovation and significant investment.

Water management is without doubt the most significant challenge for the company at this time. This is particularly the case in respect of reducing process water inventories.

You will already know about the extraordinary weather conditions we have faced lately. Of course this has not been limited to our own region – much of Australia has been impacted, sometimes very tragically, by the effects of La



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Niña. At Ranger we had a late finish to the 2009/10 wet season and then an early and very heavy onset to the 2010/11 wet season.

To say that this has been challenging for the team at ERA would be an understatement. However we have met the challenge. We have managed water carefully and conscientiously during this time.

During 2010 several major programmes were undertaken to improve ERA water management at the Ranger site. A \$9 million project to divert stockpile run-off and seepage water flows was completed. This project led to immediate and significant improvements in water quality in one of our largest retention ponds.

Other achievements included a 26% improvement in performance of the process water treatment plant, improved catchment management to direct rainfall run-off away from disturbed areas of the minesite, and improved segregation of pond and process water streams.

A key aspect of managing water is understanding the local waterways and monitoring water quality. In 2010 ERA installed seven new pontoon based monitoring stations in Magela creek and an additional three real-time continuous monitoring devices in other locations across the mine site.

These initiatives all contribute to ensuring protection of the surrounding environment and demonstrate our very strong commitment to achieving that outcome.

With the ongoing challenge we face with significantly above average rainfall this year, water management will continue to receive the highest priority. Amongst projects currently underway is the pilot testing of a brine concentrator and the raising of the tailings dam wall. It is expected that the brine concentrator will be the cornerstone of reducing process water inventories. 2011 will see details of the ERA water strategy finalised. This will be demanding on our resources and will represent significant investment, however it is critically important for our future business. I hope to be able to make an announcement confirming the brine concentrator is proceeding to the next stage of its development and the associated cost estimates within the next few weeks.



While we continually explore opportunities for growth, an increasingly important priority for ERA is to prepare for rehabilitation of operational areas. But of course rehabilitation is not something which starts only after mining ceases – it is and must be a progressive activity.

Work is well underway on the remediation of land application areas, our rehabilitation techniques and knowledge continue to be developed through the trial landform project, and we have been undertaking studies and other preparations for closure of Pit 1 which was ERA's first mining pit.

ERA and Rio Tinto audited ERA's closure plans in 2010. These plans take into account ERA's legal obligations as well as the expectations of Traditional Owners, regulators, and the broader community. We must, and do, take these obligations and expectations very seriously. Rehabilitating the Ranger site to these exacting standards will be demanding of our time, our resources, and our finances. ERA continues to work on these plans in order to ensure their completeness and accuracy. The significant expenditure associated with rehabilitation will be incurred whether or not new projects are approved.

People and Community

ERA's operations underpin the local economy and employment is a key element of this. At the end of 2010, ERA's workforce comprised 523 jobs and 80 permanent contractor positions.

The contribution ERA makes as a major employer in the Northern Territory goes beyond the multiplier effect of salaries or the residential workforce who help make Jabiru the thriving regional centre that it is. ERA has also made a commitment and concerted effort to substantially increase the training and employment of Indigenous people. At the end of 2010, ERA directly employed 81 Indigenous workers with a further nine Indigenous contractors.

I am confident that we can do more in this area with recent initiatives such as an Indigenous mentoring programme and the delivery of nationally accredited training which several of our Indigenous employees have already completed. ERA also supported 18 employees enrolled in literacy training conducted by Charles Darwin University.

We have a range of programmes in place to increase Indigenous participation in the local economy and to raise our cross-cultural capability as an organisation. For example, ERA's education partnership with the Northern



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Territory Government and the schools in Jabiru and Gunbalanya will support more local youth, particularly indigenous young people, to enter the workforce including into professional and managerial roles. Improved education outcomes are fundamental to providing young people with choices about the sorts of careers they might pursue and ultimately about the lives they want to lead.

We are proud of the role we play in the community. This is an important element of our social license to operate, but as most people will appreciate and clearly realise that the quantum of this important work is highly dependant on whether or not we are a profitable business. ERA's contribution to the Northern Territory and regional economies, to royalty flows, and to community initiatives will all be seriously affected and significantly reduced by the production challenges we face. Despite these challenges, I am committed to pursuing partnerships which can deliver beneficial outcomes for both local communities and for ERA.

Addressing Indigenous disadvantage is a matter of national importance but it also requires action at the local level. ERA is in a position to make such a difference. It is important that we do this in partnership with local Aboriginal people and in particular with Traditional Owners.

ERA's mining and processing operations occur on land owned by the Mirarr people.

The relationship between ERA and the Mirarr remains of fundamental importance to me personally and to the company.

I continue to sincerely aspire to work with the Mirarr to create a relationship that is mutually rewarding for us both. ERA is committed to work towards that important objective. To provide just a couple of recent examples, ERA continues to support the Mirarr in their quest to be formally recognised as the Traditional Owners of the land on which the town of Jabiru sits, and the Mirarr through the Gundjeihmi Aboriginal Corporation will be directly involved this year in a joint technical review aimed at understanding and addressing their concerns about surface water management. I look forward to further engagement in this same spirit.

I now want to turn to our operational performance in 2010.



Operations

The drummed uranium oxide production in 2010 was 3,793 tonnes, down 28% on the 5,240 tonnes produced in 2009. This was primarily due to significantly lower grade than planned and was in spite of record plant performance in 2010.

At 10.6 million tonnes the total material mined in 2010 was 46% lower than in 2009. This was due to unfavourable mining conditions mainly as a consequence of the later than normal finish to the 09/10 wet season and the early onset of the 10/11 wet season, as well as the impact of work required to manage an area of instability on the south wall of the pit.

1.4 million tonnes of uranium ore was mined during the year, down from 2.2 million tonnes in 2009. This was due mainly to limited access to higher grade ore at the bottom of Pit 3 because of the late wet season and the south wall geotechnical issue which impacted mining sequence in the first half of the year.

A programme of infill drilling within the pit was conducted in late 2010 to confirm confidence in the resource. Results indicate that these geological conditions will continue to present challenges to maintaining grade, however the data does allow us to plan and predict with more accuracy than we were previously able to do.

With improved access and better information, mine performance in Q4 was of a high order, new techniques were deployed and there was a significantly increased focus on grade control.

In the plant, ore milled was 6% higher than in 2009. I would like to take this opportunity to recognise the achievements of the ERA plant. There have been a number of improvements to equipment and processes and these are delivering enhanced performance now and into the future. Plant utilisation for 2010 was a record 86.9%, exceeding the previous best rate of 85.7% recorded in 2009. Extraction and recovery rates were also at record and near record levels respectively.



Of note amongst the many improvements, is the new Geomet system which was trialled in 2009 and delivered significant benefits in 2010. The Geomet system stabilises processing operations by minimising the variability of ore that is fed to the plant. This boosts plant efficiency, reduces consumption of chemicals, and minimises waste.

Also noteworthy was the \$4.9 million project to replace the calciner – the first time that this integral component of the ERA processing plant has been replaced in thirty years. This was completed without injury, under budget and ahead of time. Originally scheduled to require a 21 day shutdown, the calciner was replaced in 14 days, and production was only interrupted for eight days.

The power station generator rebuild programme continued in 2010, with a complete rebuild of one generator and work well underway on another. Rebuilt generators deliver improved performance and are vital in ensuring delivery of power to the mine and to the town of Jabiru. The fuel efficiency of the generators has also been improved and I am pleased to note that ERA's overall greenhouse gas emissions fell by almost 7% in 2010.

New projects

You will by now be familiar with the proposed Ranger heap leach facility. The heap leach facility is aimed at extracting 15 to 20,000 tonnes of uranium oxide contained in low grade mineralised material in the Ranger stockpiles.

This continues to be a complex and demanding project. Although it has taken considerably longer than originally anticipated, work on the feasibility study for the proposed heap leach facility has now been completed. Due to our location in the tropics, the heap leach requires very substantial engineering to ensure the environmental controls are of a high order. This adds significant costs compared with heap leach operations in drier regions elsewhere in the world. This is entirely appropriate. ERA's draft Environmental Impact Statement (EIS) for the heap leach facility is also near to completion and is currently planned to be submitted for public notification and comment during the first half of this year.

As the Chairman has already noted, although ERA believes this is a quality project, it is very important that we have strong stakeholder support, particularly in regard to environmental considerations before proceeding.



The study for the development of an exploration decline to conduct close spaced underground exploration drilling of the Ranger 3 Deeps resource has been completed. A proposal to develop the exploration decline is proceeding through ERA's approval process with a decision expected in the second quarter of 2011. Subject to the necessary approvals, commencement of the decline is targeted for this year's dry season.

The Ranger 3 Deeps resource is estimated at 10 million tonnes of mineralised material with an average grade of 0.34 per cent uranium oxide.

In 2010, exploration activities focused on targets within the immediate surrounds of the existing Ranger operations, including resource drilling to support evaluation studies of the proposed Ranger 3 Deeps exploration decline.

In 2011, ERA's exploration programme will continue drilling areas close to the Ranger 3 Deeps mineral resource, as well as other exploration targets further afield on the Ranger Project Area.

Conclusion

In conclusion, 2010 was a very difficult year for ERA shareholders and workforce alike.

2011 has already proven it will be another difficult year. Indeed ERA is now at a critical juncture.

We have long known and prepared for the closure of Pit 3 at the end of 2012 and a transition to one of ERA's pipeline of future projects. However this period has been made considerably more difficult by the complexity of mining at depth in the Pit, the challenging wet season that is still upon us and the need to treat water accumulated over past years.

As you are aware, production has been suspended since the end of January this year due to the significantly above-average rainfall we have received and continue to experience and as announced yesterday the suspension will continue until late July. As the Chairman has mentioned, 2011 production will be significantly less than originally planned.

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Having two consecutive years with substantially lower than planned tonnages and associated revenues, along with one of the heaviest wet seasons on record has had a very significant impact on the business and will continue to do so in the future. ERA is undergoing a full review of all aspects of its business, both current and in the future, to ensure our priorities, resources and finances are clearly focussed on ensuring a strong business foundation for the future.

These very significant impacts and challenges create uncertainty, but that uncertainty will not distract us from either our commitment to safety and the environment, or from the opportunities presented by the world class assets on our leases.

I can assure you of the talent and effort that has been directed, and will continue to be directed, at addressing these challenges to ensure that ERA will continue to have a strong foundation to be able to take advantage of the opportunities that lie ahead.

Thank you.

Rob Atkinson

Chief Executive