

**12 April 2011****March 2011 Quarter Operations Review** (unaudited)

|                                    | <b>Q1 2011</b> | <b>Q1 2010</b> | <b>vs Q1 2010</b> | <b>Q4 2010</b> | <b>vs Q4 2010</b> |
|------------------------------------|----------------|----------------|-------------------|----------------|-------------------|
| Total material mined ('000 tonnes) | 3,801          | 1,803          | 111%              | 3,278          | 16%               |
| Ore mined ('000 tonnes)            | 196            | 165            | 19%               | 722            | -73%              |
| Ore milled ('000 tonnes)           | 185            | 597            | -69%              | 555            | -67%              |
| Mill head grade (% uranium oxide)  | 0.24%          | 0.17%          | 41%               | 0.27%          | -11%              |
| Mill recovery (%)                  | 87.6%          | 90.7           | -3%               | 85.7           | 2%                |
| Production – uranium oxide         |                |                |                   |                |                   |
| - tonnes                           | 518            | 888            | -42%              | 1,165          | -56%              |
| - 000 pounds                       | 1,142          | 1,958          |                   | 2,568          |                   |

On 28 January 2011, Energy Resources of Australia Ltd (ERA) announced that the company had commenced an orderly suspension of plant processing operations at the Ranger mine as a precautionary measure to help ensure that the water level in the Tailings Storage Facility (TSF) remained below the authorised operating limit throughout what was predicted to be an exceptional wet season. An update on the suspension of processing operations and the impact on ERA's operations is outlined in a separate announcement to the Australian Securities Exchange today.

ERA's March 2011 quarter results have been significantly impacted by the suspension of the processing plant. Uranium oxide produced by ERA for the March 2011 quarter was 42 per cent lower than the corresponding quarter in 2010.

Mining operations continued during the quarter, with strong fleet utilisation and continued access to material contained in the upper benches of the mine. Total material mined for the March 2011 quarter was 111 per cent higher than the March 2010 quarter.

Ore mined was lower than the December 2010 quarter due to mining of upper benches of the mine, which contain lower volumes of ore. Ore mined volumes were significantly above levels of the corresponding quarter in 2010, during which operations were focused on the removal of an area of instability on the south wall of the pit.



ERA

A large quantity of water has accumulated in the pit due to the significantly above average rainfall experienced during the current wet season. This will prevent any further mining in the pit occurring until water levels drop.

## **EXPLORATION AND EVALUATION**

The Northern Territory and Commonwealth Governments' assessments of ERA's draft Environmental Impact Statement (EIS) for the proposed heap leach facility against their Terms of Reference requirements were recently received and these assessments are now being reviewed.

A proposal to develop the Ranger 3 Deeps exploration decline remains in the final stages of ERA's approval process with a final decision expected in the second quarter of 2011.

Total evaluation expenditure during the March 2011 quarter was \$3 million, compared with \$14 million in the March 2010 quarter and \$10 million in the final quarter of 2010.

There was no exploration drilling expenditure during the March 2011 quarter, with planning underway to resume the drilling program during the dry season.

**Competent Person** The information in this report relating to exploration results is based on information compiled by Greg Rogers, who is a member of the Australasian Institute of Mining and Metallurgy. Greg Rogers is a full-time employee of the company and he has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Greg Rogers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### **Contacts:**

Media enquiries: Shannon McRae +61 (0) 8 8924 3514, 0457 532 270

Investor enquiries: Dave Skinner +61 (0) 3 9283 3628

For further information on the company's activities please access ERA's website at [www.energyres.com.au](http://www.energyres.com.au)