

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

ABN 71 008 550 865

Media Release and ASX Announcement

27 September 2007

MINE EXTENSION AND PRODUCTION OUTLOOK FOR RANGER

- **Total reserves increased by 4,857 tonnes of contained uranium oxide.**
- **This increase results from a pit extension along with further refinements to the existing pit design.**
- **A\$10million expenditure will also be committed to further expansion studies.**
- **Production in 2008 is expected to return to normal levels.**

Energy Resources of Australia Ltd has approved an extension of the Ranger operating pit. The extension of the operating pit follows a detailed feasibility study which was announced in February 2007. The pit pushback, will extend mining at Ranger until 2012, and combined with optimisation of the existing pit, will add an additional 4,857 tonnes (10.7 million lbs) of contained uranium oxide. The majority of the additional production from the extension will occur in 2011. Processing at Ranger is due to cease in 2020.

The cost of the extension is estimated to be A\$57 million predominately comprising expenditure for additional mining equipment and associated infrastructure. The extension will create 45 new permanent jobs at the site. The project is subject to the normal regulatory process but approval has been given to commence preliminary mining.

ERA has also approved expenditure of A\$10 million for a pre-feasibility study to examine options to extend the mine further and increase production from the processing plant. The study will commence immediately and continue in 2008.

As previously advised, ERA has been successful in implementing a number of mitigation strategies following the heavy rainfall event in late February 2007. It is now expected that Pit 3 will be emptied of water by November 2007. This will allow mining of ore at the bottom of the pit and, subject to experiencing a normal wet season, should allow production in 2008 to be restored to normal levels.

Force majeure will continue to apply to sales contracts in the first half of 2008 as the backlog of deliveries is cleared.



Ore Reserves and Mineral Resources

	AS AT 31 AUGUST 2007 CUT-OFF GRADE 0.08% U ₃ O ₈			AS AT 31 DECEMBER 2006 CUT-OFF GRADE 0.08% U ₃ O ₈		
	ORE (MT)	GRADE (% U ₃ O ₈)	CONTAINED U ₃ O ₈ (TONNES)	ORE (MT)	GRADE (% U ₃ O ₈)	CONTAINED U ₃ O ₈ (TONNES)
RANGER ORE RESERVES						
Current Stockpiles	19.81	0.12	23,017	25.93	0.11	27,692
Ranger No. 3 pit						
In-situ ore						
Proved	5.67	0.22	12,622	4.86	0.24	11,729
Probable	7.23	0.22	16,116	4.78	0.24	11,448
Sub-total Proved and Probable	12.90	0.22	28,738	9.64	0.24	23,177
Total Ranger No. 3						
Stockpile, Proved and Probable Reserve	32.71	0.16	51,755	35.57	0.14	50,869
RANGER MINERAL RESOURCES						
IN ADDITION TO THE ABOVE RESERVE						
Current Mineralised Stockpiles	12.45	0.06	8,036	6.97	0.07	4,842
In-situ resource						
Measured	2.27	0.15	3,467	3.18	0.16	5,167
Indicated	11.77	0.15	17,781	14.18	0.15	21,323
Sub-total Stockpiles, Measured and Indicated Resources	26.49	0.11	29,284	24.33	0.13	31,332
Inferred Resources	8.42	0.15	12,356	7.51	0.16	11,921
Total Resources	34.90	0.12	41,640	31.84	0.14	43,253

	CONTAINED U ₃ O ₈ (TONNES)
RANGER ORE RESERVES RECONCILIATION 2007	
Reserves at 1 January 2007	50,869
Additions to reserves	8,275
Displacement of low grade stockpiles	<u>(3,418)</u>
Net addition to reserves	4,857
Reserves depletion by processing	<u>(3,971)</u>
Reserve as at 31 August 2007	51,755

The information in this report that relates to mineral resources or ore reserves is based on information compiled for Ranger by the company's geologist (fulltime employee) James Pocoe and Rio Tinto mining engineer David Varcoe, who are members of the Australasian Institute of Mining & Metallurgy. James Pocoe and David Varcoe have sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration, and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". James Pocoe and David Varcoe consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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