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**Media Release and  
ASX Announcement**

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13 July 2010

**June 2010 Quarter Operations Review** (unaudited)

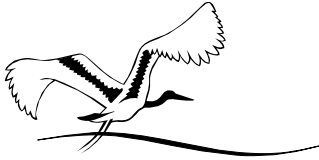
	<b>Q2 10</b>	<b>vs Q2 09</b>	<b>vs Q1 10</b>	<b>6 mths 10</b>	<b>vs 6 mths 09</b>
Total material mined ('000 tonnes)	2,531	-54%	40%	4,334	-57%
Ore mined ('000 tonnes)	113	-81%	-32%	278	-72%
Ore milled ('000 tonnes)	668	12%	12%	1,265	16%
Mill head grade (% uranium oxide)	0.14	-50%	-18%	0.15	-48%
Mill recovery (%)	87.1	-	-4%	88.9	2%
Production – uranium oxide					
- tonnes	829			1,717	
- 000 lbs	1,828	-44%	-7%	3,786	-36%

Uranium oxide produced by Energy Resources of Australia Ltd (ERA) for the June 2010 quarter was 7 per cent lower than the March 2010 quarter and 44 per cent lower than the corresponding period in 2009. The impact of mine sequencing issues, as previously communicated, have persisted and resulted in reduced mill head grade. Improved plant recovery and milling rates have continued in the second quarter.

Material mined for the June 2010 quarter was 40 per cent higher than the March 2010 quarter and 54 per cent lower than the same period in 2009. Ore mined was lower than both the previous quarter and the June 2009 quarter. Reductions in ore mined were largely due to mine sequencing issues associated with work on the localised area of instability on the south wall and higher than normal rainfall late in the wet season, resulting in an increased water level and reduced access to the bottom of the pit.

## **OUTLOOK**

In July, ERA expects to regain access to higher grade ore located in the lower levels of the pit, with mill grade progressively increasing throughout the second half of the year. Due to delayed access to higher grade ore, production of uranium oxide for the 2010 year is now expected to be between 4,300 and 4,700 tonnes. Previously, ERA had indicated that production of uranium oxide in 2010 was expected to be broadly similar to 2009 production (5,240 tonnes). Despite revised production for 2010, sales are expected to be somewhat in excess of 5,000 tonnes, with commitments met by way of inventory management, flexibility of shipments to customers and a small volume of secondary purchases.



## EXPLORATION AND EVALUATION

Work continues on the feasibility study for a proposed heap leach facility at the Ranger mine. The accompanying draft Environmental Impact Study (EIS) is expected to be submitted in the second half of 2010 along with additional consultation with community and regulatory stakeholders being conducted. The formal environmental assessment process under the Northern Territory and the Commonwealth regulations is likely to be completed in the first half of 2011.

Separate studies are advancing regarding the Ranger 3 Deeps resource (10 million tonnes of mineralised material at an average grade of 0.34 per cent uranium oxide), including the development of an exploration decline to conduct close spaced underground exploration drilling to further evaluate the extent and continuity of the resource. These studies are currently being finalised with a final decision to proceed expected during the third quarter of 2010.

Total year-to-date evaluation expenditure at the end of June 2010 was \$17.2 million, compared with \$10.3 million in the corresponding period in 2009. These expenditures have been expensed.

ERA resumes its exploration program on the Ranger lease with 8 drill holes completed in the June quarter, for a total of 3,883 metres. Exploration expenditure for June 2010 quarter was \$1.0 million compared with \$1.5 million in June quarter 2009. Total year-to-date expenditure is \$1.0 million for 2010 compared with \$3.7 million in 2009.

**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.

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For further information on the company's activities please access ERA's website at <http://www.energyres.com.au>