

**ERA**

Energy Resources of Australia Ltd

Head office Level 10, TIO Centre,
24 Mitchell St, Darwin NT 0800
GPO Box 2394, Darwin NT 0801, Australia
T +61 8 8924 3500 F +61 8 8924 3555

Ranger mine Locked Bag 1,
Jabiru NT 0886 Australia
T +61 8 8938 1211 F +61 8 8938 1203

www.energyres.com.au

ABN 71 008 550 865
A member of the Rio Tinto Group

ASX Announcement

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Monday 17 October 2011

SUCCESSFUL COMPLETION OF INSTITUTIONAL COMPONENT OF ENTITLEMENT OFFER

Completion of Institutional Entitlement Offer

Energy Resources of Australia Ltd (**ERA**) today announced the successful completion of the institutional component (**Institutional Entitlement Offer**) of its 12 for 7 accelerated renounceable entitlement offer (**Entitlement Offer**) of new ERA ordinary shares (**New Shares**) at an offer price of \$1.53 per New Share (**Offer Price**).

Under the Institutional Entitlement Offer, ERA raised approximately \$380 million through the issue of approximately 249 million shares.

The Institutional Entitlement Offer attracted strong demand from ERA's institutional shareholders (including Rio Tinto's participation for its full 68.4% entitlement), with eligible institutional shareholders electing to take up approximately 99% of the New Shares available to them as part of the Institutional Entitlement Offer.

As announced on Wednesday 12 October 2011, the net proceeds of the Entitlement Offer will be used by ERA to fund construction of a Brine Concentrator and other water management initiatives, construction of the Ranger 3 Deeps exploration decline and associated drilling, completion of evaluation studies into the development of the Ranger 3 Deeps mine and an expanded exploration program during the period 2012 to 2014 targeting highly prospective areas on the Ranger Project Area.

Approximately 1.9 million New Shares were available for the institutional shortfall bookbuild, which was conducted from Thursday, 13 October 2011 to Friday, 14 October 2011. The bookbuild was well supported with a clearing price of \$2.00 per New Share, a premium of \$0.47 to the Offer Price. Eligible institutional shareholders who elected not to take up their entitlements in the Institutional Entitlement Offer will receive \$0.47 for each New Share not taken up (net of expenses and any withholdings required by law).

ERA's Chief Executive Officer, Rob Atkinson, said: "ERA is pleased with the strong support for the capital raising demonstrated by existing shareholders as well as from new investors. The capital allows ERA to progress the very important implementation of our water management strategy and progress exploration and development activities in the Ranger Project Area."

New Shares taken up under the Institutional Entitlement Offer are expected to be issued on Tuesday 25 October 2011 and commence trading on ASX on the same day.

Commencement of Retail Entitlement Offer

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) will open on Wednesday 19 October 2011 and close at 5.00pm (AEDT¹) on Wednesday 9 November 2011. The Retail Entitlement Offer has been fully underwritten, and is expected to raise approximately \$120 million.

¹ Australian Eastern Daylight Time (**AEDT**)



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Retail shareholders who are eligible to participate under the terms of the Retail Entitlement Offer (**Eligible Retail Shareholders**) will be able to subscribe for 12 New Shares for every 7 ERA ordinary shares held at 7.00pm (AEDT) on Monday, 17 October 2011 (**Record Date**), at the same \$1.53 Offer price as the Institutional Entitlement Offer.

Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer should carefully read the retail offer booklet, which will be sent on Wednesday, 19 October 2011 and will also be made available on ERA's website (www.eraentitlementoffer.com.au). Eligible Retail Shareholders wishing to acquire New Shares under the Retail Entitlement Offer will need to apply for New Shares pursuant to the instructions set out on the personalised Entitlement and Acceptance Form that will accompany the retail offer booklet.

Retail shareholders who do not take up their entitlements or who are ineligible to participate in the Retail Entitlement Offer will receive any premium between the clearing price under the retail bookbuild and the Offer Price for New Shares of \$1.53 (net of expenses and any withholdings required by law). No amount will be paid if the clearing price is equal to the Offer Price. There can be no assurance or guarantee that the clearing price will be higher than the Offer Price or that the clearing price achieved in the institutional bookbuild will be matched in the retail bookbuild.

Certain institutions, including Rio Tinto, have entered into arrangements on market based terms with the underwriter to sub-underwrite any shortfall in the Retail Entitlement Offer.

Retail shareholders who have further questions regarding the Offer should call the ERA Entitlement Offer Information Line on 1300 578 157 (within Australia) or +61 3 9415 4355 (from outside Australia) at any time from 9.00am to 5.00pm (AEDT) Monday to Friday during the Retail Entitlement Offer period.

ERA expects its trading halt to be lifted and shares to recommence trading today on an ex-entitlement basis.

Contacts:

Media enquiries:	Janet Hamilton	+61 (0) 8 8924 3550, 0437 326 696
	Jane Hart	+61 (0) 8 8924 3589, 0419 972 784
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

Important information

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