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ASX Announcement

30 November 2011

ERA COMPLETES SUCCESSFUL ENTITLEMENT OFFER AND OPERATIONS UPDATE

Energy Resources of Australia Ltd (**ERA**) recently announced the successful completion of its 12 for 7 accelerated renounceable entitlement offer which raised approximately \$500 million.

The proceeds of the Entitlement Offer will be used to fund:

- (a) the construction of a Brine Concentrator for an estimated cost of \$220 million and other water management initiatives for an estimated cost of \$52 million;
- (b) the construction of the Ranger 3 Deeps exploration decline and associated exploration drilling for an estimated cost of \$120 million;
- (c) the completion of evaluation studies into the development of the Ranger 3 Deeps mine for an estimated cost of \$55 million; and
- (d) an expanded exploration program targeting highly prospective areas on the Ranger Project Area during the period 2012 to 2014 for an estimated cost of \$40 million.

There was strong support from ERA's institutional and retail shareholders (including Rio Tinto's participation for its full 68.4% entitlement).

The funds raised will allow ERA to progress the very important implementation of its strategic plan including water management, in particular the construction of a brine concentrator with 1.83GL per year treatment capacity, and exploration and development projects in the Ranger Project Area.

The exploration and development projects planned by ERA for the Ranger Project Area are:

- (a) an expanded exploration program to be conducted on the entire Ranger Project Area in the period from 2012 to 2014;
- (b) construction of the Ranger 3 Deeps exploration decline to undertake close spaced underground exploration drilling; and
- (c) completion of evaluation studies on the potential development of the Ranger 3 Deeps mine.

ERA's Chief Executive, Rob Atkinson, said: "ERA is pleased with the strong support for the capital raising from both existing shareholders and new investors. This was a very positive outcome and is a demonstration of investor support for ERA's strategic plan. These projects are the critical foundations for our future and the development of each of these projects make the period through to 2014 a very exciting time for ERA."



ERA

Operations Update

ERA advises that, for the period of 1 October 2011 to 27 November 2011, 210.8mm of rain has fallen at the Jabiru Airport (Source: Australian Bureau of Metrology). This is slightly above the long term cumulative average rainfall and is well below the 372.6mm of rainfall encountered during the same period in 2010.

In line with the guidance provided in the September 2011 Quarter Operations Review released on 12 October 2011, ERA advises the following:

(a) *Dewatering of Pit 3:*

The commissioning of additional pond water treatment capacity in July 2011, which doubled overall pond water treatment capacity, has accelerated the removal of water from Pit 3 following the significantly above average 2010/2011 wet season. Subject to the occurrence of future significant rainfall events in the intervening period, ERA expects that the full dewatering of Pit 3 will be complete by mid December 2011.

(b) *Tailings Storage Facility wall lift:*

The four metre lift to the Tailings Storage Facility (**TSF**) was completed on 3 November 2011 and ERA has recently received regulatory approval for an increased wet season maximum operating level for the TSF of 56.0m.

(c) *2011 Production forecast*

ERA continues to expect uranium production for 2011 to be approximately 2,600 tonnes, which remains in line with previous guidance.

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For further information on the company's activities please access ERA's website at www.energyres.com.au