

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

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A member of the Rio Tinto Group

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19 May 2014

Company Announcements Office
Australian Stock Exchange Limited
Level 4, Stock Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

From Monday 19 May 2014 to Thursday 22 May 2014, Andrea Sutton, Chief Executive, and Steeve Thibeault, Chief Financial Officer, accompanied by James May will meet with members of the financial community in Sydney and Asia to provide an update on Energy Resources of Australia Ltd ('ERA').

Attached is a copy of the presentation to be provided during these meetings. The presentation provides an update on the operations of the Ranger uranium mine and ERA's major projects.

Yours faithfully

Thomas Wilcox
Company Secretary



ERA Energy Resources of Australia Ltd

ERA update

Andrea Sutton | Chief Executive

Steeve Thibeault/James May | Chief Financial Officer

May 2014





Forward-looking statement

- This presentation has been prepared by Energy Resources of Australia Ltd (“ERA”) and consists of the slides for a presentation concerning ERA. By reviewing/attending this presentation you agree to be bound by the following conditions.

Forward-looking statements

- This presentation includes forward-looking statements. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding ERA’s financial position, business strategy, plans and objectives of management for future operations (including development plans, rehabilitation estimates and subjectives relating to ERA’s products, production forecasts and reserve and resource positions), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of ERA, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.
- Such forward-looking statements are based on numerous assumptions regarding ERA’s present and future business strategies and the environment in which ERA will operate in the future. Among the important factors that could cause ERA’s actual results, performance or achievements to differ materially from those in the forward looking statements include, among others, adverse weather conditions, levels of actual production during any period, levels of demand and market prices, the ability to produce and transport products profitably, the impact of foreign currency exchange rates on sales revenues, market prices and operating costs, operational problems, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by governmental authorities such as changes in taxation or regulation and such other risk factors identified in ERA’s most recent Annual Report. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this presentation.
- Nothing in this presentation should be interpreted to mean that future earnings per share of ERA will necessarily match or exceed its historical published earnings per share.
- All currency mentioned in this presentation is in Australian dollars unless otherwise stated.
- The information in this presentation that relates to exploration results and Ranger Mineral Resources is based on information compiled by Geologists Greg Rogers and Stephen Pevely (full time employees of Energy Resources of Australia Ltd) who are members of the Australasian Institute of Mining & Metallurgy. Greg Rogers and Stephen Pevely 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 Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Greg Rogers and Stephen Pevely consent to the inclusion in this presentation of the matters based on their information in the form and context in which it appears.



Acknowledge Traditional Owners

- The mining operations of Energy Resources of Australia Ltd (ERA) are located on Aboriginal land and are surrounded by, but separate from, Kakadu National Park
- ERA respectfully acknowledges the Mirarr, Traditional Owners of the land on which the Ranger mine is situated



Agenda

- ERA's Business Objectives
- Market Outlook
- Financial Focus
- Project Development
 - Ranger 3 Deeps
- Operational Management
 - Safety and People
 - Processing Plant Update
- Stakeholder Engagement
- Rehabilitation



ERA business objectives

To maximise shareholder value while preparing for a future as an underground miner with a significantly smaller environmental footprint, contributing to the global energy market and local community. We do this by:

- **Developing a long term resource base on the Ranger Project Area**
 - Ranger 3 Deeps Exploration
 - Ranger surface exploration
- **Continuing operational effectiveness**
 - Continue to work toward the goal of zero harm
 - Managing costs to economically produce uranium from stockpiled ore while integrating rehabilitation activities
 - Preserving cash from Rights Issue for Ranger 3D evaluation and development
- **Building and maintaining strong stakeholder relationships**
- **Excellence in rehabilitation practices**



Market outlook

- **Near term outlook continues to be driven by fall in reactor requirements**
 - Japanese units not expected to restart until late 2014
 - Competition from cheap natural gas has slowed nuclear plants in the US
 - Drawdown of inventories
- **Longer term fundamentals stronger**
- **Global long-term nuclear growth projections remain good**
 - China has 28 units under construction and more than 50 planned by 2025
 - Reactor growth still occurring in the US, Korea, UAE, France, Russia, Finland and India
 - Japanese Government has accepted new basic energy plan
- **The growth drivers are largely unchanged**
 - Economic growth in developing countries only sustainable through increased power generation
 - Global mandate to significantly reduce CO₂ emissions
 - Long-term security and affordability of energy supply is a concern for many countries
 - Current prices provide little incentive to invest in new production
 - Diversity of supply is important to uranium customers

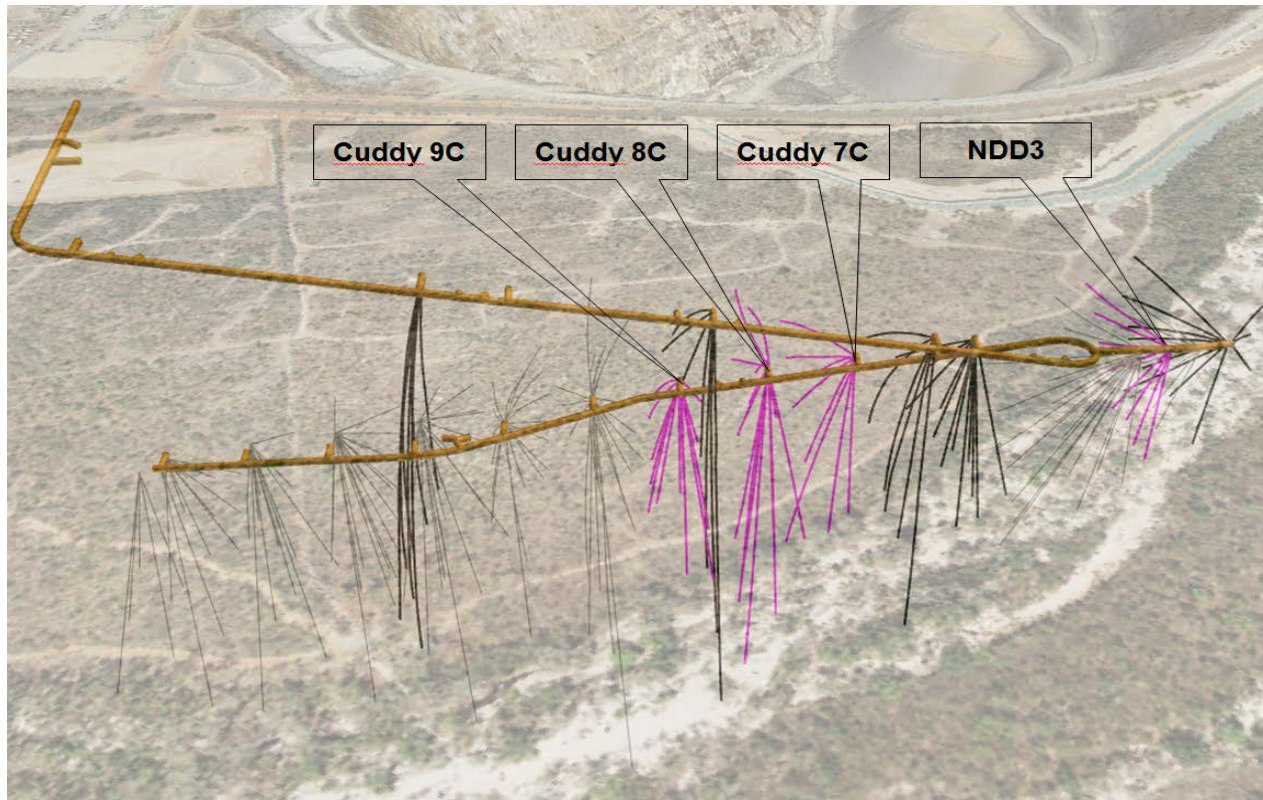


Financials

- As of 31 December 2013
 - \$357 million in cash
 - A total of \$127 million savings related to the 2011 Business Review programme has been achieved, on track to save \$150 million by end of 2014
- Continued strong focus on cash preservation and reducing costs in light of current business conditions with the implementation of an additional cash saving program
- Headcount reduced by approximately 20 per cent since December 2012
- As previously announced, the impact of non-cash costs on ERA's financial performance remains significant
- All major projects on schedule and budget

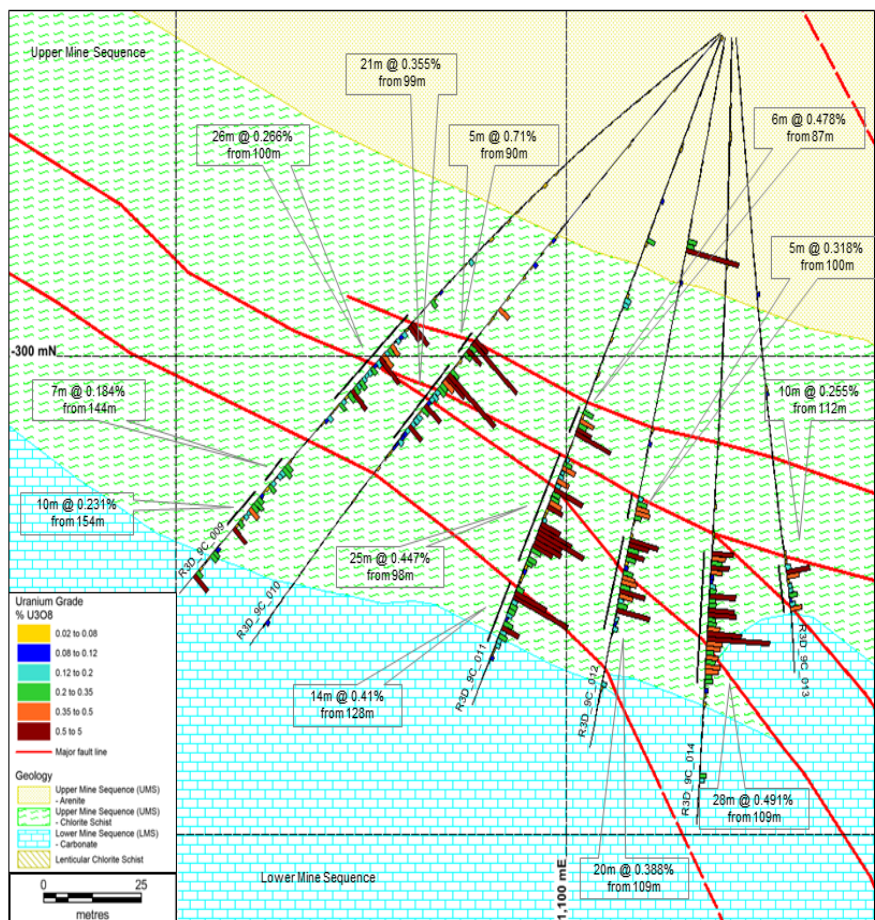
Development - Ranger 3 Deeps exploration decline

- Ranger 3 Deeps exploration decline on schedule
 - As at 30 April 2014, the face position of the decline was 2,147metres from the surface
 - Underground exploration drilling of resource continues with total 30,820 metres completed at 30 April 2014



Exploration drill holes - most recent (pink), previous (black) and planned (grey)

Recent underground drilling results



Interpreted cross section showing the drilling results from Cuddy 9C South.
(Includes gamma and chemical assay results)

• Eight additional cross sections completed Significant intercepts include:

- R3D_8C_007E 23m@0.494% U3O8 from 240 metres
- R3D_9C_006 26m@0.402% eU3O8 from 95 metres
- R3D_9C_007 27m@0.442% eU3O8 from 98 metres
- R3D_9C_011 25m@0.447% eU3O8 from 98 metres
- R3D_9C_014 28m@0.491% eU3O8 from 109 metres

• Results are in line with the current geological model and structural interpretation

The information relating to the Ranger 3 Deeps underground drilling results that are presented in this slide pack has been previously published by ERA in the ASX announcement "Ranger 3 Deeps further underground drilling results released" issued to the market on 16 May 2014 which can be found at http://www.energyres.com.au/media/38_media_releases.asp. The results were released in accordance with 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" with Competent Person signoff by Greg Rogers and Stephen Pevely, both full time employees of ERA. ERA confirms that it is not aware of any new information or data that materially affects the information included in this slide pack.

Ranger 3 Deeps prefeasibility study

- Ranger 3 Deeps mine Prefeasibility Study**

- \$57M underground mine Prefeasibility Study progressing in parallel to exploration decline construction
- Evaluation of key elements to determine:-
 - Economic viability
 - Resource size
 - Development path
 - Operating costs
 - Development costs

- Approvals process**

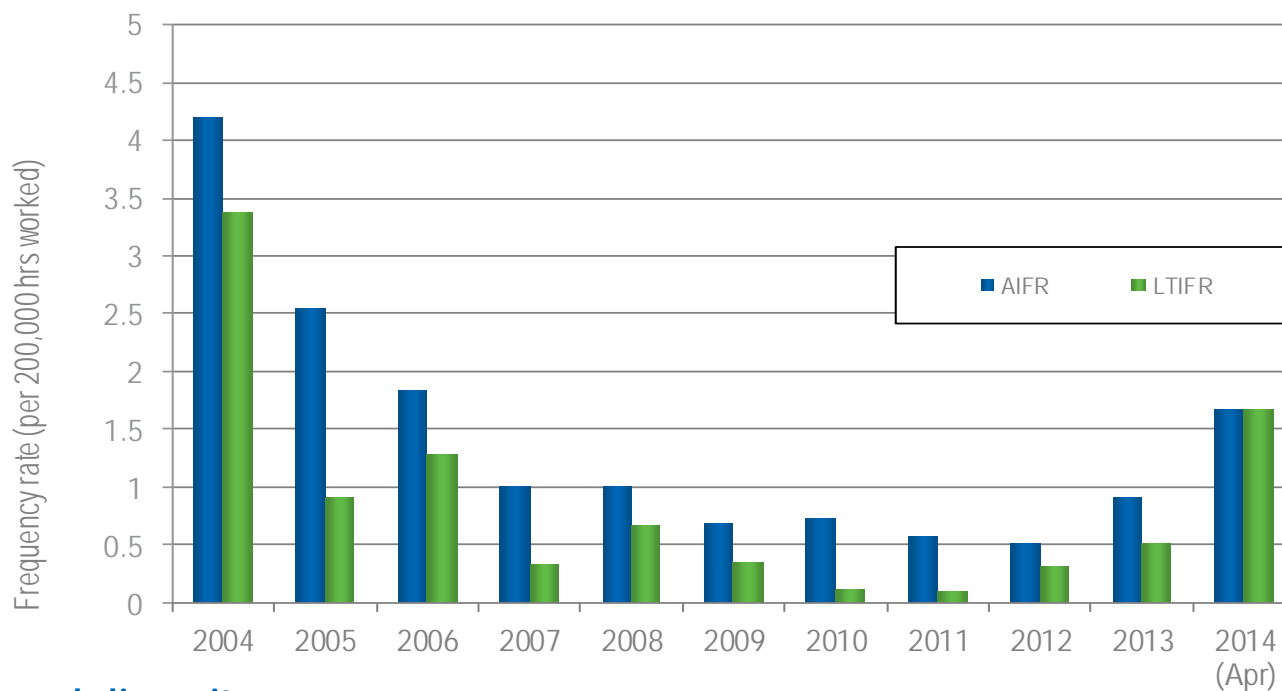
- EIS submission scheduled for second half 2014
- Targeting late 2015 for commencement of production, subject to regulatory and ERA Board approvals

Ranger 3 Deeps Forecast milestones to production	Target	Status
Regulatory approval for exploration decline granted	August 2011	✓
Box cut excavation completed	October 2012	✓
Decline tunnel construction commences	November 2012	✓
Ranger 3 Deeps mine referral submitted to government	Jan 2013	✓
Exploration drilling starts	June 2013	✓
Exploration drilling completed	Mid 2014	
Resource drilling and completion PFS	End 2014	
Regulatory and ministerial approval	Mid 2015	
Underground mine production	Late 2015	



Core samples from Ranger 3 Deeps mineral resource

Safety and people



• People and diversity

- ERA is a major employer in the West Arnhem region
- As at end March 2014:
 - 519 employees and contractors
 - 16 per cent indigenous employees
 - 18 per cent female employees

• Safety

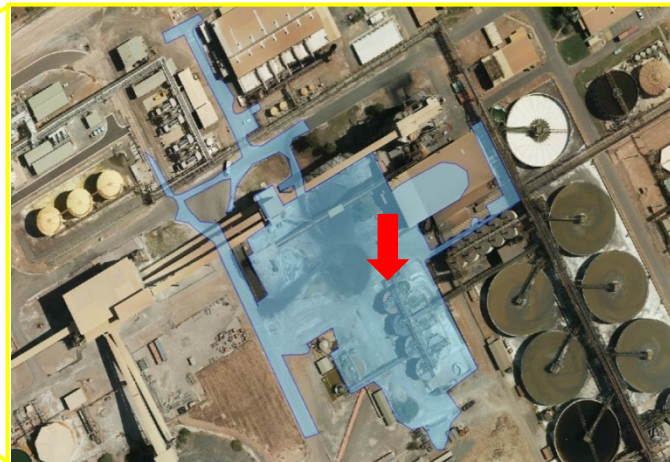
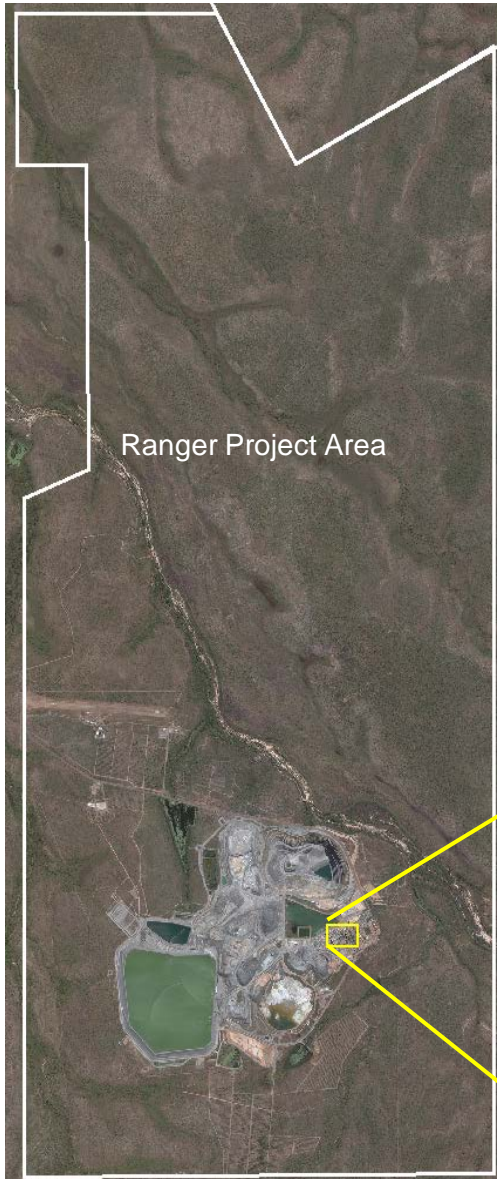
- Difficult start to the year:
 - 4 lost time injuries year-to-date
 - Year-to-date All Injury Frequency Rate of 1.67 (12 month rolling average, 1.34)
 - Continued focus on safety



ERA

Leach Tank No. 1 failure

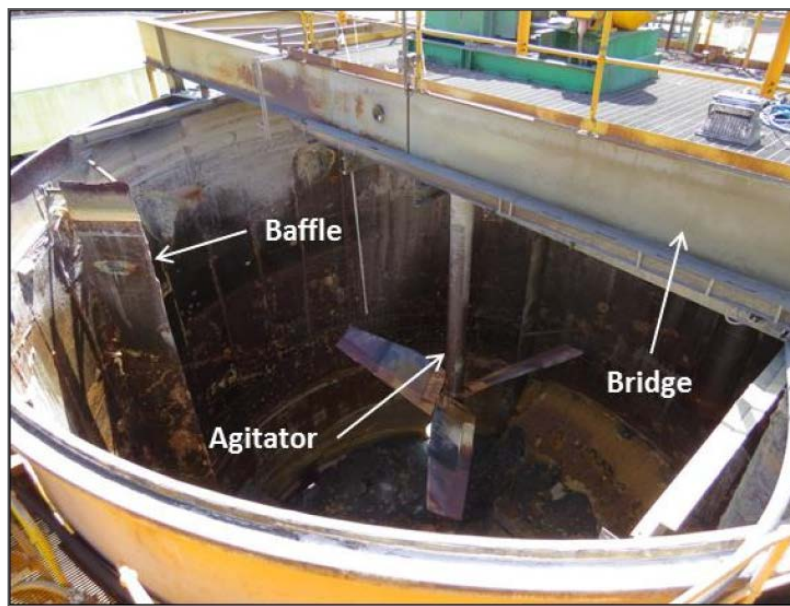
- Occurred 7 December 2013
 - No injured personnel
 - Spilled slurry contained within process area with no impact on environment
 - Independent root cause investigation and review of site processing infrastructure completed
 - Root cause - rubber lining damaged by baffle plate which allowed acidic slurry to contact steel wall leading to corrosion
 - Joint Northern Territory and Federal Government joint taskforce investigation and review
- **Supply Implications**
 - Large inventory of uranium oxide to meet sales commitments in first half
 - Depending on plant restart arrangements for supply in second half could include:
 - Spot market
 - Swaps
 - Loans
 - Timing of shipments



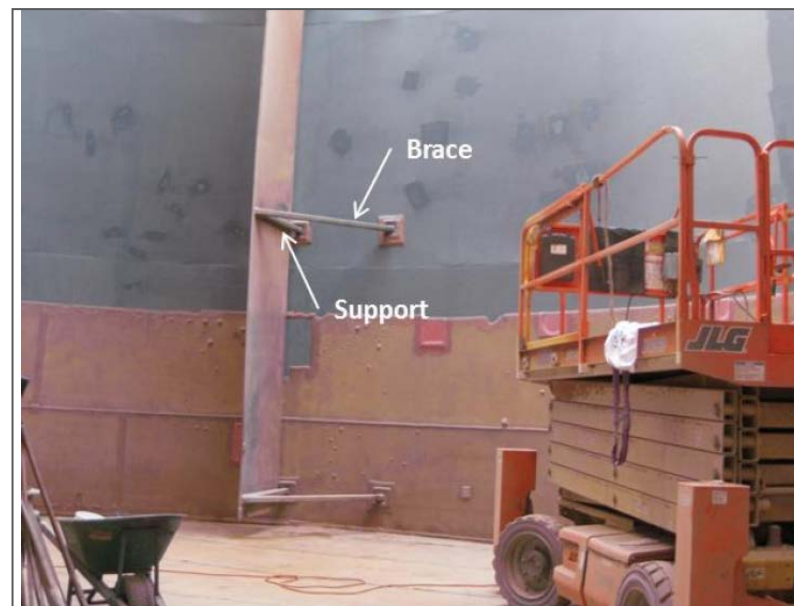
Leach Tank No. 1 (arrowed) and spill area (blue shading)

Plant readiness for restart

- ERA Board approved restart readiness plan in April
- Scope of work based on independent expert's recommendations on asset integrity and maintenance
- Restart readiness plan has progressed to schedule and allows for progressive ramp up of processing operations
- Restart remains subject to ERA Board, Ministerial and regulatory approvals



One of existing leach tanks showing baffle and agitator.



Baffles in Leach Tank No.4



Community relations

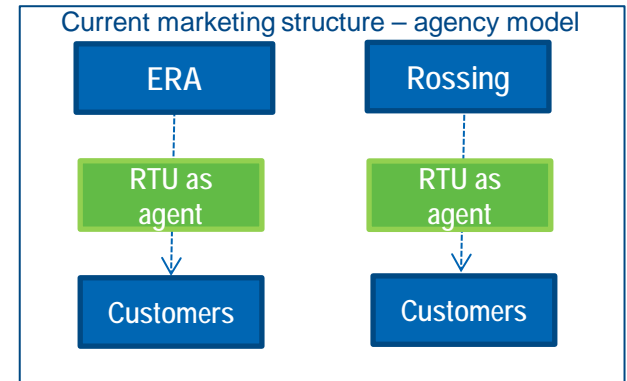
- Engagement with the Gundjeihmi Aboriginal Corporation, which represents the Mirarr Traditional Owners:
 - Kakadu West Arnhem Social Trust
 - Implementation of Independent Surface Water Study
 - Implementation of the Mining Agreement
 - Minesite Technical Committee
 - Ranger 3 Deeps exploration decline progress and future of Jabiru township
- West Arnhem College
 - Successful education partnership in its fifth year
 - Local skills development
 - Creating career pathways, apprentice and trainee opportunities for students from Jabiru and Gunbalanya schools



New sales and marketing agreement

- **Current**

- Rio Tinto Uranium acts as agent for fixed annual agency fee
- Sales contracts are between ERA and customer
- ERA responsible for own logistics

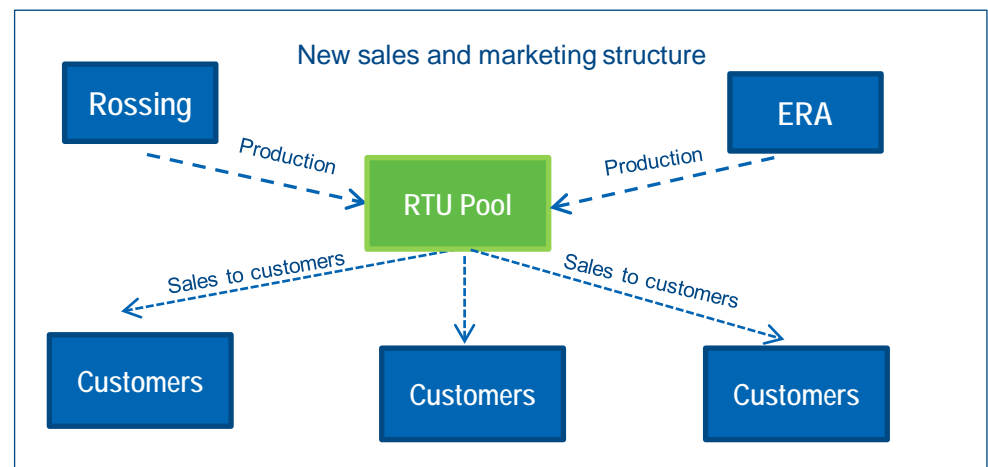


- **New sales and marketing agreement**

- Creation of single marketing pool with ERA and Rossing production managed by Rio Tinto Uranium
- Effective 1 July 2014, subject to conditions precedent
- ERA price reflects price received by Rio Tinto Uranium from customer, less arms-length marketing fee

- **Benefits**

- Better market position as part of multi-source pool
- Better pricing for ERA production versus stand-alone sales
- Logistics savings
- Working capital savings



Solid progress on rehabilitation

- Pit 3 initial backfill – 28.5 million tonnes moved out of a total of 30 million tonnes at end of April. To be completed in first half
- Pit 1 - initial capping of Pit 1 is 70% complete and scheduled for completion this year
- Jabiluka pond rehabilitation project well advanced – 3,500 seedlings planted
- Tailings management work progressing
- Brine Concentrator – operating near capacity



Pit 3 at completion of mining in November 2012



Pit 3 April 2014



Jabiluka Interim Water Management Pond



Rehabilitation as at January 2014

Summary

- Key development initiatives on budget and on schedule
 - Ranger 3 Deeps exploration decline
 - Ranger 3 Deeps Prefeasibility Study
- Ranger processing plant restart readiness
- Key rehabilitation projects, particularly Pit 3 initial backfill and Pit 1 initial capping, progressing well
- ERA will continue to adapt and position itself for stronger market in longer term



Ranger 3 Deeps exploration decline



Transporting stockpiled ore