ERA Energy Resources of Australia Ltd

ACN 008 550 865

1995 Annual Report

Summary
1995 Performance

Finance

Profit after tax $12.4 million, reduced by $8.4 million after restatement of ERA's deferred tax liability following an increase in company tax rate. Special dividend of $2.50 per share declared during the year and final dividend of 2.5 cents per share. Page 4

(Annual accounts Page 19, Investor Information Page 22)

Development

Pre-production planning underway for Orebody #3, production expected to commence in mid-1997. North Ranger approvals continue to be pursued. Page 14

Marketing

Four new contracts bringing total forward sales over the next five years to 14 500 tonnes of uranium. Spot price for uranium sold in the US increased 29% over the year. Page 6

Employees & Community

Maximum 5-Star health and safety rating awarded to Ranger for second successive year. Enterprise agreement renewed, no lost time due to industrial action and Ranger Chair in Aboriginal studies appointed at the Northern Territory University. Page 12

Environment

Ranger's high level of environmental performance confirmed by two government reviews. Innovative water management system introduced. Page 10

Mining & Milling

Completion of mining at Ranger #1 with plans to recommence year round milling operations in 1996. Acid plant at Ranger recommissioned. Page 8

Looking Forward

Company Profile

Energy Resources of Australia Ltd (ERA) is a diversified uranium enterprise selling uranium from the Ranger mine in the Northern Territory and uranium concentrates sourced outside Australia to nuclear electricity utilities in Japan, South Korea, Europe and North America.

The Company has the capacity to improve its competitive position relative to other producers in the years ahead having two significant undeveloped uranium orebodies, Orebody #3 on the Ranger lease and North Ranger #2 on an adjoining lease. The Company also maintains a secure portfolio of medium and long term sales contracts.

ERA is a subsidiary of North Limited, a diversified resource company, and has strong shareholder - customer links with electric utilities in Japan, Germany, France and Sweden.

1995 Highlights

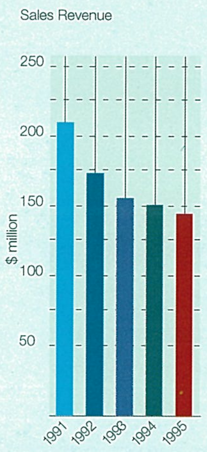
In pursuit of corporate and management objectives during the 1995 financial year ERA:

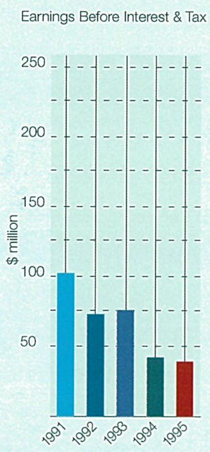
- earned a profit after tax of $12.4 million;
- restructured the capital of the Company in order to declare a special dividend of $2.50 per share to "A" and "B" class shareholders to liberate accumulated franking credits;
- reduced net debt to $49.8 million at year end;
- extended a major supply contract with the Company's Japanese shareholders for deliveries from 1997 to 2006;
- signed three further supply contracts, two with new customers in the United Kingdom and the United States;
- completed mining at the Ranger #1 pit on schedule;
- completed the third full cycle of campaign mining and milling operations;
- implemented new water management strategies at Ranger;
- achieved a high standard in environmental performance confirmed by two Government reviews;
- retained a maximum 5-Star health and safety rating; and
- renewed an Enterprise Agreement at the Ranger mine.

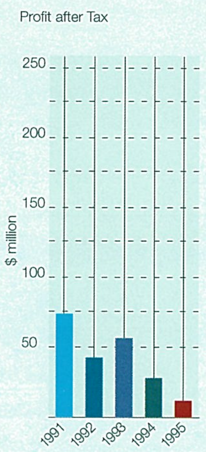
Corporate Objectives

ERA's fundamental objective is to increase the wealth of its shareholders through a commitment to:

- fulfilling the expectations of all stakeholders in the Company's business, with special emphasis on the needs of customers, safety of employees, the integrity of the environment and the well-being of the Aboriginal community;
- continuous improvement in management practice;
- realising the value of the Company's assets through development of its ore reserves;
- maximising growth in sales of uranium concentrates; and
- improving earnings and cash flow.







Management Strategy

1995 & 1996

As market prices recover to a level that reflects production costs, ERA's management will seek to:

- increase and diversify ERA's market share under contract terms it expects to apply in the late 1990s;
- source third party uranium to satisfy sales with spot market pricing terms;
- seek to remove political constraints preventing the optimum development of the Company's assets.

Beyond 1996

ERA's long term strategy is to grow substantially from its existing base by using the anticipated recovery in the uranium market to increase production and thereby reducing the unit costs of production through economies of scale.

Review

In 1995 ERA supplied 6 per cent of the Western world's uranium requirements. Although profit after tax was a disappointing $12.4 million, near record sales of uranium and a significant improvement in the spot market towards the end of the year signal a brighter future for the Company.

This year's profit was significantly affected by a restatement of ERA's deferred tax liability following an increase in Australia's corporate tax rate from 33 to 36 per cent. The restatement reduced the Company's 1995 profit by $8.4 million; profit was also affected by lower average prices for the sale of Ranger concentrates.

ERA was nonetheless able to reward shareholders during the year with the declaration of a fully franked special dividend of $2.50 per share to "A" and "B" class shareholders with "C" class shareholders receiving bonus shares in lieu of the dividend. The dividend, the first to be declared since 1992, was part of an innovative package of proposals put to shareholders at an Extraordinary General Meeting in May to allow ERA to distribute $230.6 million in accumulated franking credits.

As part of the proposals it was necessary to restructure ERA's issued capital first by a reduction in the par value of shares from $1.00 to $0.05 then with a consolidation of four shares into one share of a $0.20 par value. The reduction in issued capital was transferred to a capital reconstruction reserve.

The past year also saw the most sustained strengthening in the uranium spot market since the Company was formed in 1980. By year end the spot price in the US had risen 29 per cent to US$11.90/lb U_3O_8. The rise, although significant, occurred too late in the year to reverse a general downward trend in ERA's selling prices.

ERA continued to secure future market share by signing four contracts. New contracts were secured with utilities in the UK and US. ERA also extended its major contract with its Japanese equity holders to cover deliveries from 1997 to 2006 and concluded a contract for a once-off delivery to an existing customer in 1997.

With the signing of these contracts ERA has secured minimum sales of 14 500 tonnes U_3O_8 over the next five years providing confidence for the Company's commitment to develop its ore reseves further. Total sales in 1995 of 3431 tonnes U_3O_8 were marginally down (less than 1 per cent) on those recorded in 1994.

In 1994 a significant milestone for the Company was reached with the completion of mining at Ranger #1 Pit in December. ERA plans to bring Orebody #3 on-line by 1997. This follows the Australian Labor Party's decision not to change the Three Mine Policy at its September 1994 National Conference. Under a current interpretation of the policy export of uranium from ERA's North Ranger deposit is precluded.

In other operational areas Ranger continues to improve its performance. During 1995 the third full cycle of campaign operations was successfully completed producing 1548 tonnes U_3O_8. In May the National Safety Council of Australia audited all aspects of health and safety at Ranger and renewed the mine's maximum 5-Star rating.

In environmental areas, water management strategies at the mine were reviewed in 1995 in response to controversy over a proposed release of rainwater run-off collected in a retention pond at the mine. Although any such release was approved by supervising authorities, in recognition of concerns of Aboriginal groups downstream of Ranger ERA developed alternatives to the direct release of the water based on wetland filtration techniques. These were introduced in the 1995 dry season with the consent of supervising authorities and Aboriginal owners.

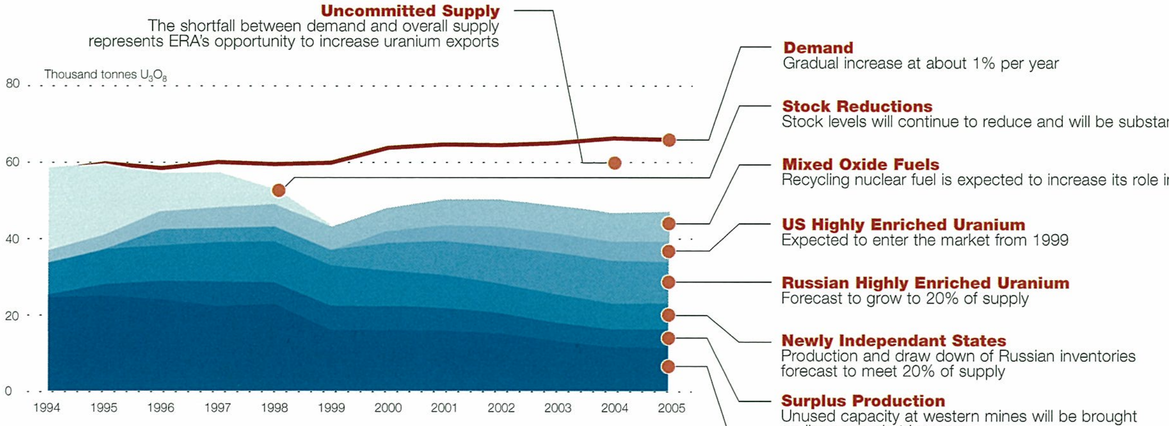
During the year ERA also had two environmental performance reviews by Territory and Commonwealth supervising authorities. Both reviews found ERA meeting or in some cases exceeding required environmental standards.

Outlook

ERA's analysis of supply and demand over the next five years continues to point to a strengthening in demand for uranium from 1997. Indeed the recovery in the market may already be under way as evidenced by a strengthening spot price.

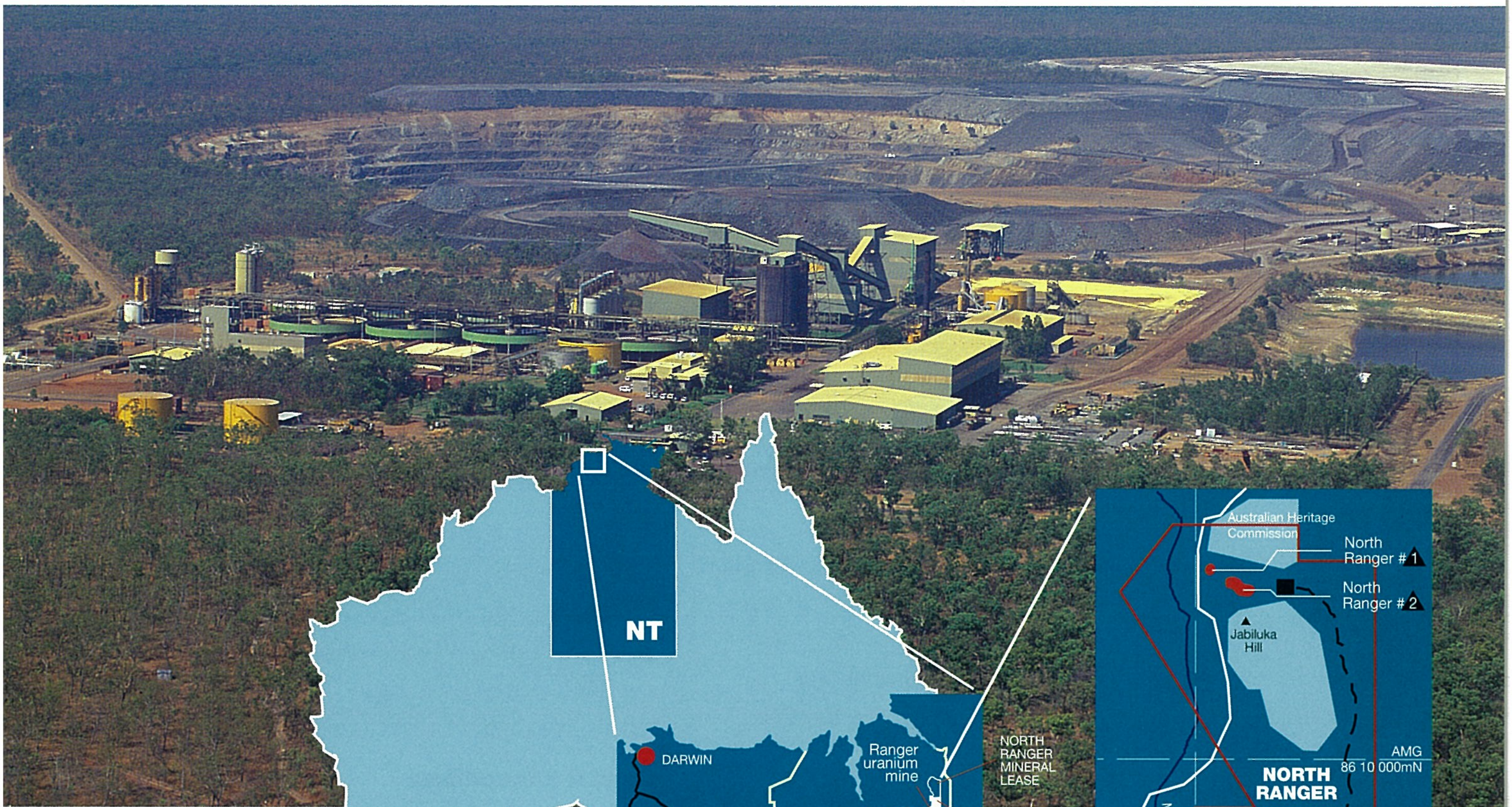
ERA retains a strong presence in all uranium markets and has sufficient forward sales to underwrite development of new ore reserves. With the prospect of increased demand for production from the mine in the near future, ERA plans to resume year-round milling in 1996.

In the medium term the Company's prospects for further growth are in the Asian and US markets where there is substantial uncommitted demand after the year 2000.



ERA Western World Supply and Demand Analysis

Below: The Ranger uranium mine with the mill in the foreground and the mined-out Ranger #1 pit behind.



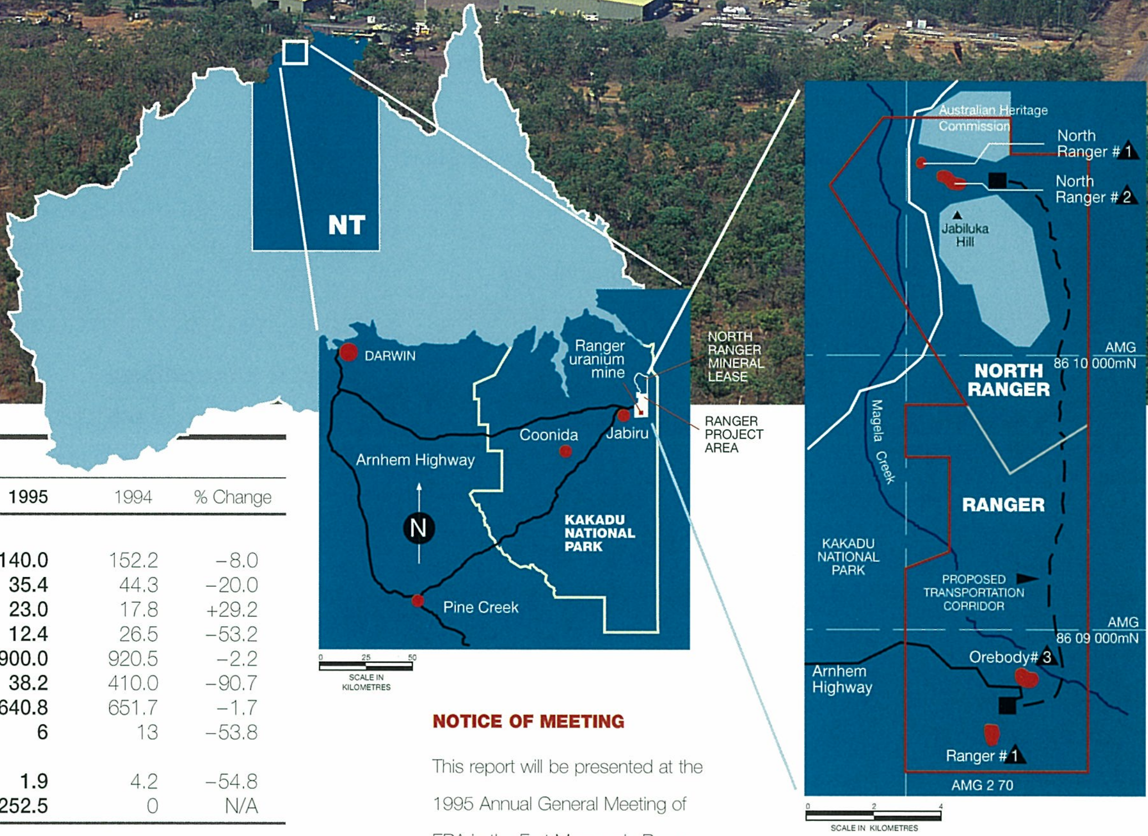


Table 1: **Highlights**

Year ended 30 June	1995	1994	% Change
Financial, $ million			
Sales revenue	**140.0**	152.2	−8.0
Profit before tax	**35.4**	44.3	−20.0
Income tax expense	**23.0**	17.8	+29.2
Profit after tax	**12.4**	26.5	−53.2
Total assets	**900.0**	920.5	−2.2
Issued capital	**38.2**	410.0	−90.7
Capital & reserves	**640.8**	651.7	−1.7
Earnings per share, cents	**6**	13	−53.8
Return on shareholders' equity, per cent	**1.9**	4.2	−54.8
Dividend per share, cents	**252.5**	0	N/A
Production			
Ore mined, million tonnes	**0.841**	0.712	+18.1
Ore milled, million tonnes	**0.578**	0.437	+32.3
Mill head grade, per cent U_3O_8	**0.345**	0.389	−11.3
Total production, tonnes U_3O_8	**1548.2**	1461.8	+5.9
Sales, tonnes U_3O_8			
Ranger concentrates	**2012.8**	1934.9	+4.0
Other concentrates	**1418.4**	1510.3	−6.1
Total sales	**3431.2**	3445.2	−0.4

NOTICE OF MEETING

This report will be presented at the 1995 Annual General Meeting of ERA in the Fort Macquarie Room of the Inter-Continental Hotel, 117 Macquarie Street, Sydney at 10.00 am on 12 October 1995.

Finance

ERA finds way for investors to share franking credits

By BARRY FitzGERALD
In Melbourne

The Ranger uranium miner Energy Resources of Australia is to clear out its franking credits in a move that enhances the ability of its major shareholder, North, to pay its own shareholders fully franked dividends.

Overlooked by the sharemarket because of its depressed earnings in the weak market for uranium, ERA shares shot 15c higher to $1.35 a share on the news yesterday.

Under a move that requires shareholder and court approval, ERA intends paying a special dividend of 62.5c a share to its A and B class of shareholders, with its C class shareholders to ge… bonus shares.

The A cl… 307.5 mil… repre…

various European power utilities, while the 41 million C class shares are owned by Japanese power utilities.

At first glance the dividend looks to require a payout of $230 million in cash, just short of the $235 million in franking credits

‘Plan does not affect company's financial position.’

($190 million … company tax … accumul…

counts. A and B class shareholders will get a 2.5 per cent discount rate (effectively 5.5 per cent if taken as bonus shares) while the C class will get their bonus shares at an effective discount rate of 8.5 per cent.

To ensure A class shares do not move beyond 75 per… ERA's issued capit… take 10 per cent … in cash.

It al…

The Sydney Morning Herald
19 April 1995

Earnings down

Profit after tax at $12.4 million (1994: $26.5 million) was adversely affected by a rise in Australia's corporate tax rate from 33 to 36 per cent on 30 June 1995. The consequent restatement of ERA's deferred (or future) tax liability reduced the 1995 profit after tax by $8.4 million.

Apart from the adverse impact of the restatement of deferred tax liability the 1995 profit was again heavily influenced by lower average prices for the sale of Ranger concentrates. Sales revenue was down by 8 per cent to $140.0 million in 1995. Earnings before interest and tax although a more accurate reflection of the year fell from $46.1 million in 1994 to $38.0 million in 1995.

A refund from the Ranger Rehabilitation Trust Fund contributed $5.6 million to profit after tax (1994: $ 8.0 million).

As in previous years ERA's net foreign exchange exposure on sales was fully protected. The A$/US$ market exchange rate averaged 0.7426 during the year compared with a protected rate of 0.6971.

Special Dividend for Shareholders

Despite a disappointing profit result ERA was able to reward shareholders by announcing in April an intention to declare a special dividend of 62.5 cents per existing share to "A" and "B" class shareholders with "C" class shareholders being eligible to receive bonus shares in lieu of the dividend. At an Extraordinary General Meeting and a General Meeting of "A" class shareholders in May shareholders approved the rules of a Dividend Reinvestment Plan and a Bonus Share Plan and the reconstruction of the Company's capital necessary to declare the special dividend.

The capital reconstruction, later approved by the Supreme Court, resulted in the par value of each share being reduced from $1.00 to $0.05 and every four shares being consolidated into one share with a $0.20 par value. The decrease in issued capital was transferred to a capital reconstruction reserve of the Company.

The special dividend was declared on 23 June 1995 at $2.50 per reconstructed "A" and "B" class share and was paid on 21 July 1995. Holders of 92 per cent of shares eligible for the dividend (including ERA's major shareholder, North Limited) elected to either reinvest their dividend or receive bonus shares. This resulted in a cash payment for the special dividend of only $18.5 million.

The special dividend was fully franked and distributed $230.6 million of the $234.9 million in franking credits accumulated by the Company as at 30 June 1995.

Borrowing Reduced

ERA's net debt at 30 June 1995 stood at $49.8 million which is 30 per cent below the net debt position at the previous balance date (debt increased however post balance date due to the dividend payment). The repayment of debt has been a key management objective since the purchase of the North Ranger orebody in 1992. Since the time of purchase net debt has reduced by 64 per cent.

Costs Reduced

ERA's other key management objective, the reduction of Ranger's unit cash costs of production, saw costs at the mine reduce by 10 per cent in 1995. ERA expects that further cost savings will be realised when Ranger returns to year-round milling in 1996 principally as a result of economies of scale but also from improved efficiencies from the proposed automation of the Ranger mill.

Capital Expenditure

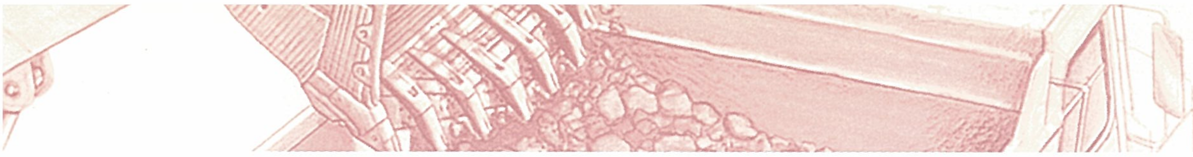
Capital expenditure in 1995 was $5.5 million (1994: $7.3 million) and was mainly associated with the upgrading of minor equipment at the Ranger mine and the capitalisation of interest on North Ranger. The capitalisation of interest on North Ranger ceased on 1 January 1995.

Audit Committee

An Audit Committee of the Board was established by the Company in November 1994 and met in February and May.

Final Dividend

ERA Directors declared a final dividend for the year of 2.5 cents per share. The dividend represents a recommencement of ordinary dividend payments and recognises that the Company's debt is now at an acceptable level. The dividend will be fully franked and is to be paid on 2 November 1995. The books closing date for the dividend is 19 October 1995.



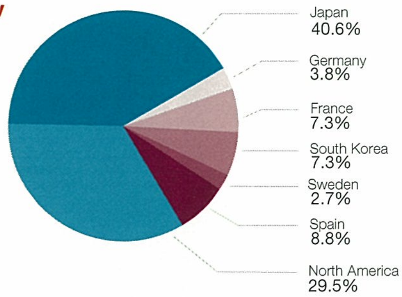
Highlights 1995

- **Profit after tax of $12.4 million**
- **Restructured the Company's capital to allow the declaration of a $2.50 per share special dividend**
- **Net debt at year end of $49.8 million**
- **Final dividend of 2.5 cents per share**

Objectives 1996

- **Improve earnings**
- **Maintain optimum debt level**
- **Reduce Ranger's cash costs of production**

ERA Sales Revenue by Country



View across the liquid/solids separation tanks at the Ranger mill. Unit cash costs of production were reduced by 10 per cent in 1995.

Table 2: **Shares**

YEAR	1995	1994	1993	1992	1991
Shareholders	12 095	12 688	13 768	14 647	15 519
Price, $ per share					
- year high	6.90*	1.92	1.38	1.37	1.68
- year low	1.20	1.25	1.05	1.09	1.20
- year end	2.92**	1.25	1.30	1.22	1.47

*Post reconstruction of ERA's capital (four shares into one) and cum-special dividend of $2.50 per share. **Post reconstruction and ex-special dividend (see also page 23).

Table 3: **Profit and Loss Summary**

$million

YEAR ENDED 30 JUNE	1995	1994	1993	1992	1991
Sales revenue	140.0	152.2	159.5	170.5	210.4
Net expenses	102.0	106.1	84.5	96.9	108.4
Abnormal items	–	–	–	(1.7)	–
Earnings before interest & tax	38.0	46.1	75.0	71.9	102.0
Net interest expense	2.6	1.8	2.5	2.8	0.4
Profit before tax	35.4	44.3	72.5	69.1	101.6
Income tax expense	23.0	17.8	14.8	30.4	27.6
Profit after tax	12.4	26.5	57.7	38.7	74.0
Extraordinary gain/(loss) after tax	–	–	–	–	47.3

Table 4: **Simplified Balance Sheet**

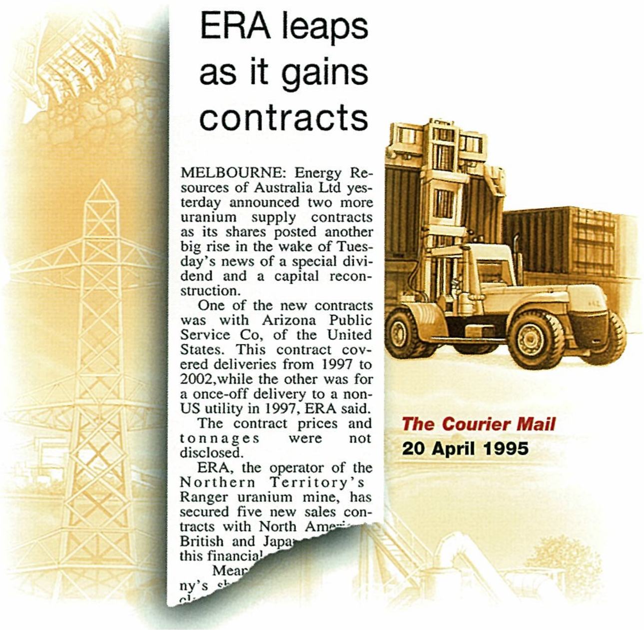
$million

AT 30 JUNE	1995	1994	1993	1992	1991
Shareholders' equity	640.8	651.7	625.1	567.5	545.2
Share capital	38.2	410.0	410.0	410.0	410.0
Reserves	565.9	–	–	–	–
Retained profits	36.7	241.7	215.1	157.5	135.2
Represented by:					
Non-current assets	728.7	739.9	757.5	733.4	617.3
- property, plant & equipment	698.5	709.6	717.3	725.0	617.3
- other	30.2	30.3	40.2	8.4	-
Non-current liabilities	179.2	189.3	239.3	287.1	188.6
- creditors and borrowings	72.7	90.4	136.0	177.8	83.4
- provisions	106.5	98.9	103.3	109.3	105.2
Working capital	91.3	101.1	106.9	121.2	116.5
- cash	39.4	58.0	69.5	46.2	7.0
- net receivables	48.8	17.8	36.8	(12.0)	62.0
- stock	82.5	85.2	88.1	128.1	115.2
- other	(79.4)	(59.9)	(87.5)	(41.1)	(67.7)
Net assets	640.8	651.7	625.1	567.5	545.2
Earnings per share, cents	6.4*	6.5	14.1	9.4	18.1
Return on shareholders' equity, per cent	1.9	4.2	9.7	7.0	14.7
Dividends per share, cents	252.5	0.0	0.0	4.0	10.0

*Based on reconstructed capital

Winning Market Share

Marketing


ERA leaps as it gains contracts

MELBOURNE: Energy Resources of Australia Ltd yesterday announced two more uranium supply contracts as its shares posted another big rise in the wake of Tuesday's news of a special dividend and a capital reconstruction.

One of the new contracts was with Arizona Public Service Co, of the United States. This contract covered deliveries from 1997 to 2002, while the other was for a once-off delivery to a non-US utility in 1997, ERA said.

The contract prices and tonnages were not disclosed.

ERA, the operator of the Northern Territory's Ranger uranium mine, has secured five new sales contracts with North Am... British and Japa... this financial...

Mean... ny's ...

The Courier Mail
20 April 1995

Sales Steady

Uranium sales in 1995 of 3431.2 tonnes U_3O_8 were marginally down on 1994 sales of 3445.2 tonnes U_3O_8 however sales of Ranger concentrates rose 4 per cent to 2012.8 tonnes U_3O_8 (1994:1934.9 tonnes U_3O_8). Sales of uranium sourced from third parties reached 1418.4 tonnes U_3O_8 (1994: 1510.3 tonnes U_3O_8).

The majority of third party sales were again supplied through the Company's contract with the Republic of Kazakhstan.

All sales were made under strict international and bilateral safeguard arrangements which ensure the uranium is used for peaceful purposes. This is overseen by the Federal Government's Australian Safeguards Office and the International Atomic Energy Agency.

Strengthening Spot Market

There was a significant strengthening of the uranium market during the year which saw the spot price rise in response to a general running down of excess inventories in the Western world exacerbated by the bankruptcy of Nuexco (a major trader in the uranium market).

The spot price commenced the year at US\$9.25/lb U_3O_8 in the restricted US market and US\$6.90/lb U_3O_8 in unrestricted markets but finished the year at US\$11.90/lb U_3O_8 and US\$7.90/lb U_3O_8 in the restricted and unrestricted markets respectively. The improved spot price however came too late in the year to reverse the downward trend in ERA's selling prices for the year.

NIS Supplies

The sustainability of a rising spot price remains largely dependent on current restrictions on uranium supplies from the Newly Independent States (NIS) remaining substantially in place. Under agreements signed in 1992 to suspend a US anti-dumping investigation into NIS origin uranium, NIS uranium supplies can only enter the US under certain pre-March 1992 contracts or under a quota system if the market price, as determined by the US Department of Commerce (DOC), exceeds US\$13.00/lb U_3O_8.

In 1995 under an amendment to the suspension agreement between the US and Russia, approximately 2 300 tonnes U_3O_8 from Russia was supplied to the US. Under the terms of the amendment these sales are to be 'matched' with equivalent new US production.

During the year Kazakhstan was also successful in amending its suspension agreement reducing the DOC trigger price for Kazakh imports from US\$13.00 to US\$12.00/lb U_3O_8. In April the DOC market price was determined at US\$12.06/lb U_3O_8 thereby allowing the potential additional sale of 230 tonnes U_3O_8 of Kazakh uranium to the US under the first tier of the quota system for the six months ending October 1995.

In a further development, several US utilities bought NIS uranium enriched in Europe which effectively bypassed the suspension agreements as, under the terms of the agreements, the uranium had undergone a 'substantial transformation'.

ERA estimates that in total approximately 8000 to 9000 tonnes U_3O_8 of NIS origin uranium entered the Western market in 1995.

The first delivery of diluted Russian Highly Enriched Uranium into the US occurred late in 1995. Technical problems had delayed the delivery for 18 months.

New Contracts

ERA was successful in signing four new contracts in 1995. In March ERA extended a major ten year supply contract with its Japanese equity holders represented by the Kansai, Kyushu and Shikoku Electric Power companies. The contract covers the delivery of 907 tonnes U_3O_8 per year from 1997 and was concluded at pricing terms in line with other similar long term contracts in Japan.

In October ERA announced a medium to long term contract with Nuclear Electric of the United Kingdom so achieving the Company's first contract with that country. In April ERA announced the signing of a contract with the Arizona Public Service Company in the United States (deliveries from 1997 to 2002) and a contract for a once off delivery to be made to an existing customer in 1997.

In total ERA has secured minimum sales of 14 500 tonnes U_3O_8 over a five year period from June 1995 which is sufficient to underwrite development of Orebody #3.

Highlights 1995

- Four new sales contracts including a 10 year extension of a major contract with Japanese shareholders
- Sales marginally down on 1994 levels
- A 29 per cent increase in the US uranium spot price in the year

Objectives 1996

- Expand market share through sales of Ranger and NIS uranium
- Secure new sales in the US as spot prices improve

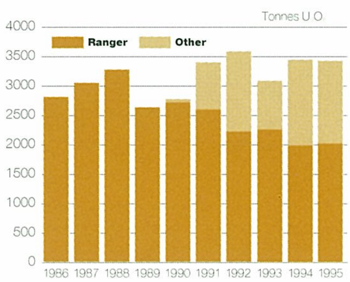
Below: Mill Training Supervisor Ray Anderson walks past the air receivers at the Ranger compressor house.

Immediately below: Trucking ore to the Ranger mill

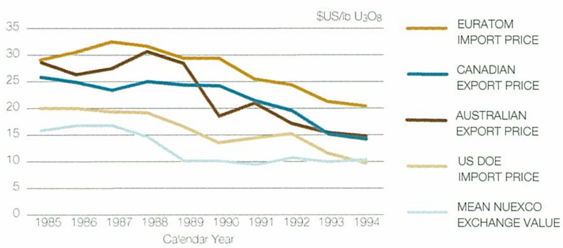
NUEXCO Exchange Value

(Spot Price)

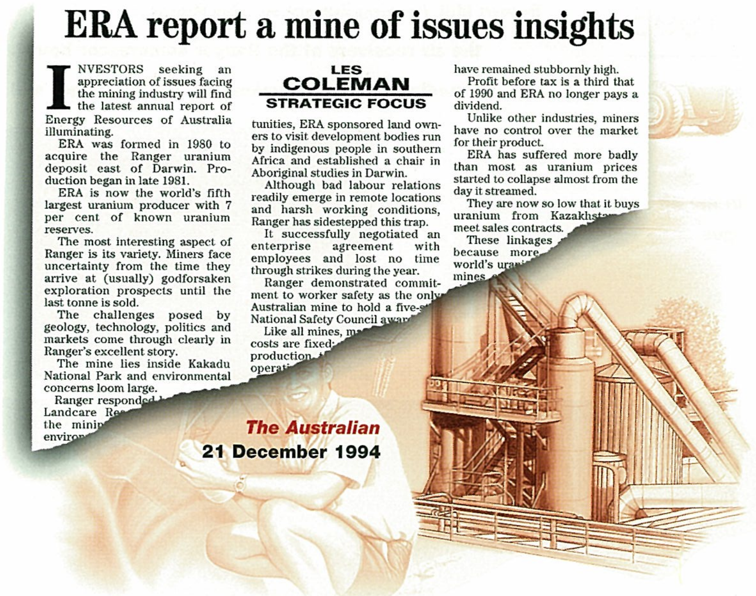
ERA Sales



Market Prices



Mining and Milling



ERA report a mine of issues insights

LES COLEMAN
STRATEGIC FOCUS

INVESTORS seeking an appreciation of issues facing the mining industry will find the latest annual report of Energy Resources of Australia illuminating.

ERA was formed in 1980 to acquire the Ranger uranium deposit east of Darwin. Production began in late 1981.

ERA is now the world's fifth largest uranium producer with 7 per cent of known uranium reserves.

The most interesting aspect of Ranger is its variety. Miners face uncertainty from the time they arrive at (usually) godforsaken exploration prospects until the last tonne is sold.

The challenges posed by geology, technology, politics and markets come through clearly in Ranger's excellent story.

The mine lies inside Kakadu National Park and environmental concerns loom large.

Ranger responded … Landcare … the … environ…

… tunities, ERA sponsored land owners to visit development bodies run by indigenous people in southern Africa and established a chair in Aboriginal studies in Darwin.

Although bad labour relations readily emerge in remote locations and harsh working conditions, Ranger has sidestepped this trap.

It successfully negotiated an enterprise agreement with employees and lost no time through strikes during the year.

Ranger demonstrated commitment to worker safety as the only Australian mine to hold a five-… National Safety Council …

Like all mines, … costs are fixed; … production … operat…

… have remained stubbornly high.

Profit before tax is a third that of 1990 and ERA no longer pays a dividend.

Unlike other industries, miners have no control over the market for their product.

ERA has suffered more badly than most as uranium prices started to collapse almost from the day it streamed.

They are now so low that it buys uranium from Kazakhs… meet sales contracts.

These linkages … because more … world's … mines …

The Australian
21 December 1994

Ranger Milestone

In December a significant milestone in the Company's history was achieved with the completion of mining of the Ranger #1 Pit. Surface stockpiles of Ranger #1 ore, which contain 17 200 tonnes U_3O_8, will be milled through to 1999 (refer Development page 14).

During the year the Ranger mine successfully completed its third full cycle of campaign mining and milling. The mining phase, from June 1994 to December 1994, recovered 0.841 million tonnes of ore from Ranger #1 at an average grade of 0.402 per cent U_3O_8.

Ranger employees had the mill fully operational by mid January despite minor startup problems associated with the solvent extraction circuit.

Mill Performance

Production at the Ranger mill was 1548.2 tonnes U_3O_8. The recovery of uranium was lower than in previous years because ore processed from the lower mine sequence, as expected, had lower yields from leaching.

Ranger was again successful at reducing its unit costs of production which were 10 per cent down on 1994 costs. Major savings were achieved in the cost of sulfuric acid which was produced on site from January following the recommissioning of the acid plant in December. Future cost savings were achieved through the negotiation of a favourable long term contract for quicklime which is another major consumable.

Feed to the mill was entirely reclaimed from stockpiles and comprised 0.500 million tonnes of ore at 0.336 per cent U_3O_8 blended with 0.078 million tonnes of lateritic ore at 0.362 per cent U_3O_8. The processing of laterite (ore with a high clay content) was made possible by pre-processing the ore through the laterite plant commissioned at Ranger in March 1994.

Reserves

At year end Ranger had 5.264 million tonnes of Ranger #1 ore at 0.33 per cent U_3O_8 in stockpiles. The ore reserve for Orebody #3 was not reassessed during the year having been updated in 1994 following a feasibility study.

Subsequent to an in-fill drilling program at North Ranger #2 in the 1993 dry season a full review of the North Ranger ore resource and reserve is under way. The review will examine from first principles the structural geology of the deposit to better understand the nature and distribution of uranium in the orebody.

Tailings Management

In December ERA lodged an application with the NT Department of Mines and Energy to convert the Ranger #1 Pit into a tailings repository. ERA expects to begin preparing the pit for tailings from September 1995 during the dry season mining campaign and to begin depositing tailings in July 1996.

Future Activities

To improve mill efficiency a program for upgrading the level of automation of the Ranger mill will commence in September 1995 to take advantage of the mill shutdown for the dry season. The first phase of the automation to be in effect from January 1996 will cost $2.2 million.

Highlights 1995

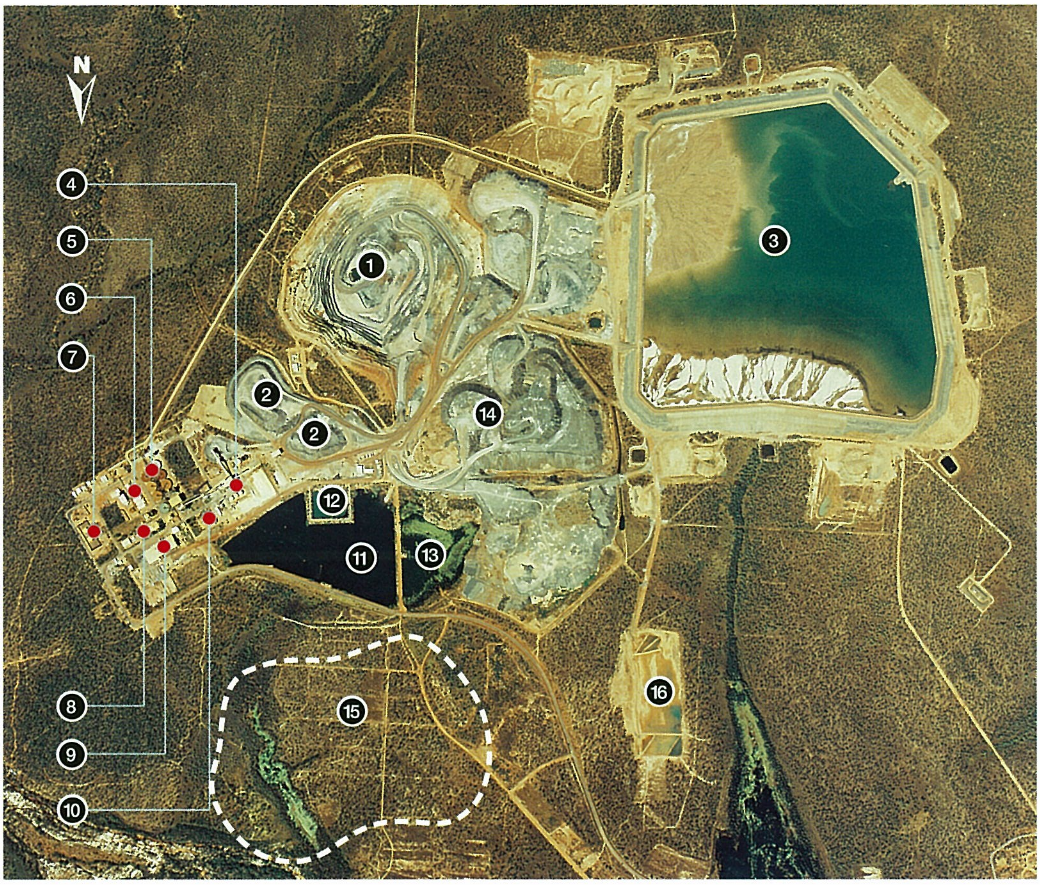
- **Mining completed at Ranger #1**
- **Completion of third full cycle of campaign operations**
- **Refurbishment of acid plant**

Objectives 1996

- **Prepare Ranger #1 as tailings repository**
- **Resume year round milling**
- **Prepare Orebody #3 for production**

Above: Conveyors leading from the Ranger crushing plant.

Left: Ranger, May 1995.



1. Ranger #1 Pit
2. Ore Stockpiles
3. Tailings Dam
4. Crushing Plant
5. Liquid/Solids Separation
6. Product Packing
7. Diesel Storage
8. Administration Building
9. Workshop & Stores
10. Power Station
11. Retention Pond 2
12. Retention Pond 3
13. Retention Pond 4
14. Low Grade Ore Stockpile
15. Ranger #3 Orebody
16. Wetland Filtration Area

metres
0 500 1000

Table 5: **Mining**

million tonnes

Year ended 30 June	**1995**	1994	1993	1992	1991
Ore mined, cut off grade 0.20% U_3O_8					
to process plant	–	–	0.004	0.098	0.222
to stockpile	0.841	0.712	0.826	0.337	0.439
total ore mined	0.841	0.712	0.830	0.435	0.661
Low grade mineralisation	1.324	1.771	1.942	0.792	0.569
Construction material	–	–	–	1.316	0.553
Waste rock	0.404	0.980	1.102	–	1.002
Total tonnes mined	2.569	3.463	3.874	2.543	2.785

Table 6: **Milling**

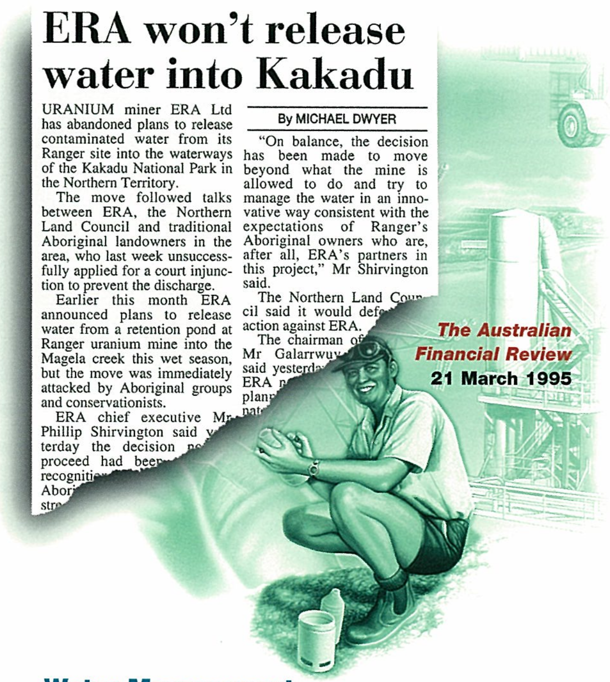
Ore milled, million tonnes					
from mine	–	–	0.004	0.098	0.222
from stockpile	0.578	0.437	0.422	0.888	0.868
total ore milled	0.578	0.437	0.426	0.986	1.090
Mill head grade, per cent U_3O_8	0.345	0.389	0.348	0.324	0.295
Milling rate, tonnes per hour	173.1	165.5	149.9	158.0	160.4
Mill recovery, per cent	82.90	85.69	90.56	89.83	90.78
Total production, tonnes U_3O_8	1548.2	1461.8	1335.1	2980.0	2908.3
Product grade, per cent U_3O_8	98.70	98.63	98.77	98.89	98.86

Note: Mining values for 1991 to 1992 are reported to a cut off grade of 0.10% U_3O_8.

Table 7: **Ranger Ore Reserves**

At 30 June	1995			1994		
	Ore, million tonnes	Grade, per cent U_3O_8	Contained U_3O_8, tonnes	Ore, million tonnes	Grade, per cent U_3O_8	Contained U_3O_8, tonnes
Ranger #1						
Stockpile	5.264	0.33	17 252	5.000	0.32	15 900
Proved, in pit	0.000	0.00	0	0.814	0.37	3 000
Total	5.264	0.33	17 252	5.814	0.32	18 900
Orebody #3						
Proved and Probable, in pit	18.477	0.31	56 615	18.477	0.31	56 615
North Ranger #2						
Proved and Probable, in pit	19.532	0.46	90 400	19.532	0.46	90 400

The ore reserves stated above lie within current mine designs and have been adjusted for dilution and mining losses. Cut off grades have been set using ERA's long term price forecast and either actual costs or those estimated in feasibility studies. Ranger #1 ore reserve figures declined between 1994 and 1995 through production. Orebody #3 ore reserve is based on an optimised 0.12 per cent U_3O_8 cut off grade. North Ranger #2 and Ranger #1 ore reserves are based on a cut off grade of 0.20 per cent U_3O_8. Ore reserves in the above table are reported in accordance with the Australasian Code for Reporting Identified Mineral Resources and Ore Reserves (1992). The table has been prepared by a competent person as defined under the Code.



ERA won't release water into Kakadu

By MICHAEL DWYER

URANIUM miner ERA Ltd has abandoned plans to release contaminated water from its Ranger site into the waterways of the Kakadu National Park in the Northern Territory.

The move followed talks between ERA, the Northern Land Council and traditional Aboriginal landowners in the area, who last week unsuccessfully applied for a court injunction to prevent the discharge.

Earlier this month ERA announced plans to release water from a retention pond at Ranger uranium mine into the Magela creek this wet season, but the move was immediately attacked by Aboriginal groups and conservationists.

ERA chief executive Mr Phillip Shirvington said y terday the decision no proceed had been recogniti Abori str

"On balance, the decision has been made to move beyond what the mine is allowed to do and try to manage the water in an innovative way consistent with the expectations of Ranger's Aboriginal owners who are, after all, ERA's partners in this project," Mr Shirvington said.

The Northern Land Coun cil said it would def action against ERA.

The chairman of Mr Galarrwuy said yesterd ERA n plan nat

The Australian Financial Review
21 March 1995

Water Management

The environmental focus at Ranger during the year was firmly on the issue of water management. Total rainfall for the year at 1747 mm was significantly above the average of 1458 mm. Extreme rainfall in January of 749 mm was more than twice the average for that month of 341 mm and far exceeded the previous maximum of 506 mm in 1980.

Routine overflow from retention pond 1 (RP1) began in mid-January. Approval for the release of water from RP4 was also granted and began in January.

The management of water held in RP2, which collects rainwater run-off from stockpiles and the Ranger mill area, was fully reviewed during the year in response to controversy over a proposed release of the water into nearby Magela Creek. In previous years the Ranger #1 Pit had been used as a buffer to store excess water from RP2 but faced with the need to prepare the pit for tailings and experiencing extreme rainfall, ERA applied and received approval in February to release the water.

The uranium content in the water once diluted with Magela Creek would have been significantly below Australian Drinking Water Standards.

The approval was met with an immediate application for an injunction against the release by the Northern Land Council. Although this was subsequently dismissed by the Supreme Court ERA agreed not to release the water due to the concerns of Aboriginal groups downstream. Alternative water management strategies based on successful trials of wetland filtration were subsequently implemented to dispose of the water during the 1995 dry season with the consent of supervising authorities and Aboriginal representatives.

Environmental Supervision

Under new supervisory arrangements implemented last year Ranger had two environmental performance reviews and inspections by the Office of the Supervising Scientist and the NT Department of Mines and Energy. The first review in July found that the environmental performance at Ranger had met or surpassed the required standards. The second review in December focussed on Ranger's water management systems and found that no area was judged to be operating in a manner unacceptable to good environmental practice.

In October in his 1993/94 Annual Report the Supervising Scientist of the Alligator Rivers Region reported that no significant impacts on the environment had been recorded as a result of operations at Ranger.

In a further improvement to arrangements for Federal supervision of operations at the mine the Uranium Concentrate Export Levy paid by ERA and earmarked for environmental monitoring and research in the Kakadu region was replaced with a flat fee of $1.5 million per year indexed for inflation. The new levy, introduced in November, will fund research by the Environmental Research Institute of the Supervising Scientist. In addition ERA has voluntarily agreed to spend another $1 million per year with various applied research institutes that will improve environmental practice at the mine. Prior to November ERA was levied at $1.30/kg of uranium exported from Ranger.

Rehabilitation Trust Fund

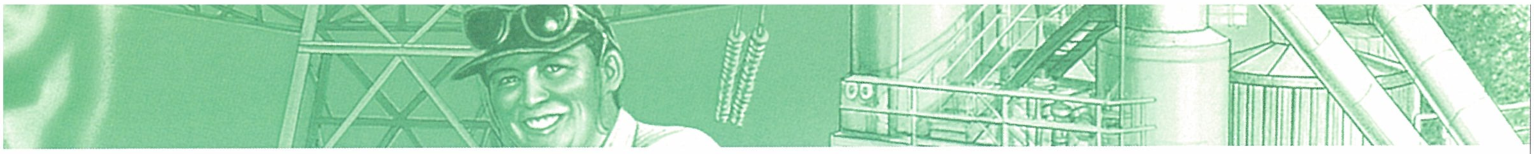
The cost of rehabilitating Ranger in the event of a premature cessation of mining, including a 10 per cent contingency was estimated at $33.2 million ($36.2 million in 1994). As a result, $8.4 million (includes interest) was refunded to ERA from the statutory trust funded by ERA and held by the Commonwealth Government.

Environmental Research

Major environmental research projects during the year focussed on a design for capping tailings, hydrology and seepage studies, methods of speeding up the establishment of ecosystems on disturbed land, fire management strategies and wetland filtration. Emu and sleepy cod breeding programs were also progressed with the potential that these projects will be later used by local Aboriginal land owners.

Environmental Services

ERA Environmental Services Pty Ltd was established as an independent subsidiary of ERA in July 1994. Projects completed by ERAES during 1995 were valued at $2.4 million and included $1.6 million in research and associated monitoring at Ranger.



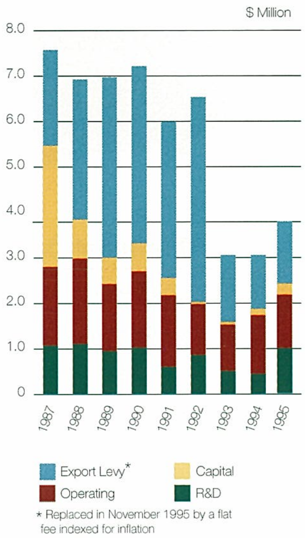
Highlights 1995

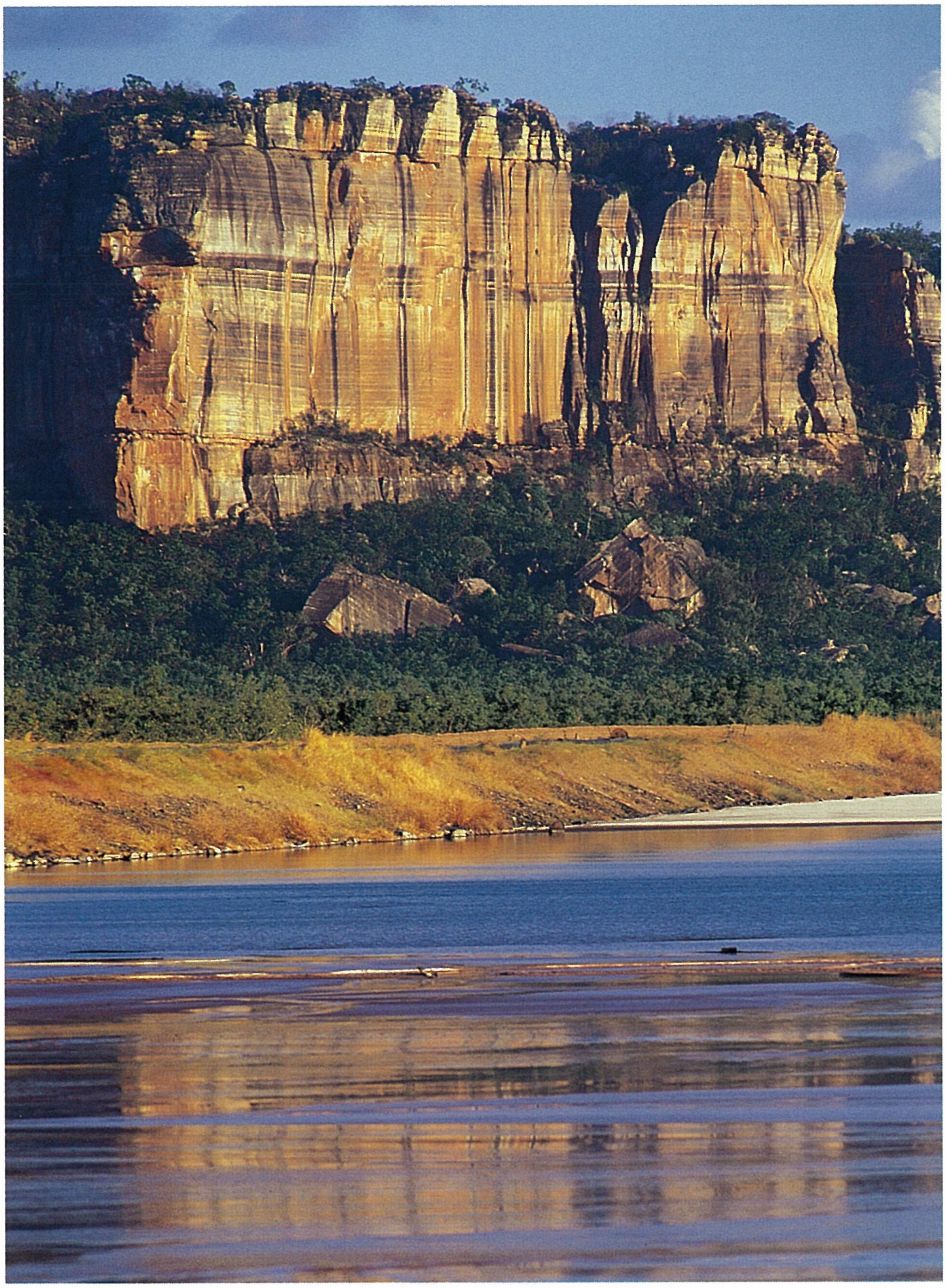
- **Improved management of water**
- **Replacement of Uranium Concentrate Export Levy**
- **Environmental performance confirmed by two Government reviews**

Objectives 1996

- **Maintain record of no impact on the environment outside the mine site**
- **Introduce wetland filtration for water management**

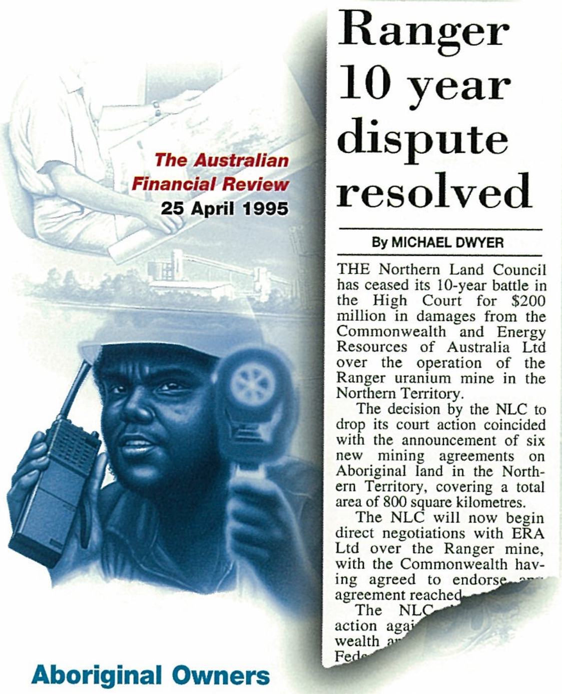
Environmental Expenditure





Above: The view across Ranger's tailings dam toward Mount Brockman. Environmental research at Ranger in 1995 focussed on a range of issues including a design for capping the tailings.
Right: Ranger's constructed wetland filter successfully trialled during the year.

Employees & Community



Ranger 10 year dispute resolved

By MICHAEL DWYER

THE Northern Land Council has ceased its 10-year battle in the High Court for $200 million in damages from the Commonwealth and Energy Resources of Australia Ltd over the operation of the Ranger uranium mine in the Northern Territory.

The decision by the NLC to drop its court action coincided with the announcement of six new mining agreements on Aboriginal land in the Northern Territory, covering a total area of 800 square kilometres.

The NLC will now begin direct negotiations with ERA Ltd over the Ranger mine, with the Commonwealth having agreed to endorse ... agreement reached...

The NLC ... action agai... wealth a... Fed...

Aboriginal Owners

The Aboriginal owners of the Ranger and North Ranger leases are members of the Gagudju and Djabulukgu Associations respectively.

A number of services were provided to the Ranger mine by the Associations during the year. The Gagudju contracting group cleared fire breaks for fire research and cleared land in a new water irrigation area adjacent to the mill. The Djabulukgu Association nursery was again used to supply stock seedlings for waste rock revegetation trials. The Association was also contracted to carry out soil conservation work at the North Ranger lease.

In conjunction with the Aboriginal community Ranger Aboriginal liaison staff helped secure funding for a community based alcohol management program in the region.

In April the Northern Land Council announced it was discontinuing long running litigation against the Commonwealth Government over the terms of the 1978 agreement between the parties to develop the Ranger mine. The discontinuance has yet to be confirmed by the Federal Court.

Sponsorships and Donations

1995 was the first full year of ERA's sponsorship of the Ranger Chair in Aboriginal Studies at the Northern Territory University. The funding, announced in May 1994, totals $500 000 over five years. In April Marcia Langton AM was appointed to the Chair by the NTU.

During 1995 ERA also made a $50 000 donation to each of the Northern Territory branches of the Country Liberal Party and the Australian Labor Party.

Community Involvement

In November Ranger held an open field day which was attended by over 50 people including Government authorities, representatives of other mining companies, employees from other North Limited operations and environment groups. Held over two days the purpose of the event was to display the environmental research programs at Ranger and to seek peer review of those programs. It is expected that the field days will be held annually.

Safety and Safeguards

The Ranger mine was visited by the National Safety Council of Australia in May for a full audit of the mine's safety systems. Following the audit the NSCA renewed Ranger's 5-Star health and safety rating. Ranger is the only mine to hold this rating in Australia.

Ranger's safety performance index in 1995 was 18 compared with 37 in 1994. The safety performance index is a measure of the severity and frequency of lost time injuries and is expressed as days lost/million hours worked.

The international limit for radiation doses to employees in the nuclear industry is 100 millisieverts (mSv) over five years (effectively 20 mSv per year) with a maximum dose of 50 mSv in any one year. The new international limit (set in 1991) was ratified by Australian authorities in May.

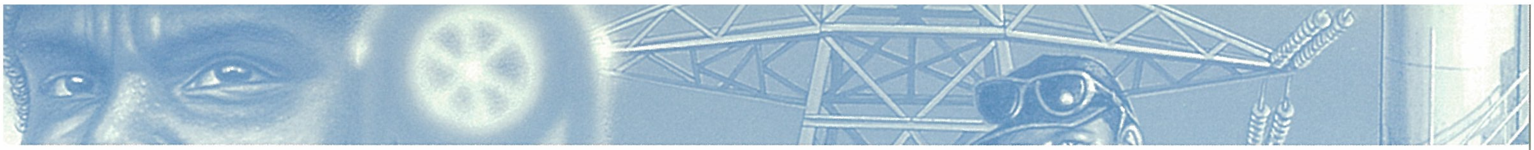
Radiation doses received by Ranger employees during calendar 1994 were all significantly below the new limits. Designated employees received a mean radiation dose of 4.9 mSv or 10 per cent of the 50 mSv limit. The mean radiation dose received by the most exposed group of non-designated employees as a result of operations at Ranger was 0.9 mSv which is well below the 5.0 mSv limit set for such employees.

The dose level from natural background radiation in the region is between 2 and 3 mSv. Residents in Jabiru (8 km from Ranger) received doses of less than 0.04 mSv above natural background as a result of the Ranger operation. The annual limit above background is 1.0 mSv.

During the year ERA continued its participation in an International Atomic Energy Agency project to develop an advisory service for the safe operation of uranium mining and milling facilities in developing nations. In March in association with the IAEA, the Ranger mine participated in a trial of new approaches to account for and track uranium under the international safeguards regime.

Employee Relations

ERA's Enterprise Agreement was endorsed by the Industrial Relations Commission in March. There was no time lost due to industrial action at Ranger during the year. Annual employee turnover was 13.5 per cent (1994: 11.6 per cent). At year end there were 179 people employed at the mine (1994:184 people).



Highlights 1995

- **Retaining a 5-Star health and safety rating**
- **No lost time due to industrial action**
- **Renewal of Enterprise Agreement**

Objectives 1996

- **Improve health and safety standards**
- **Continue participation in international safety projects**
- **Introduce target based incentive pay for all staff**

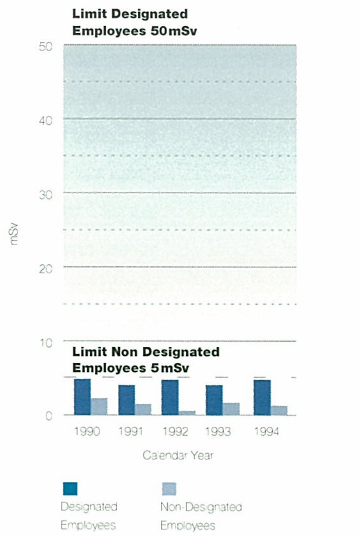
Part of the Ranger mining fleet. Employees at the mine were awarded the NSCA 5-Star health and safety rating for the second successive year. Above right: Mill employees Ray Anderson and Glen Cave (right) making changes to the grinding circuit.

Table 8: **Value Added** $ million

YEAR ENDED 30 JUNE	1995	1994	1993	1992	1991
Value Added					
Sales & other revenue	**149.3**	164.6	176.0	182.2	217.6
Less cost of materials & Services	**75.5**	84.8	65.4	51.7	53.2
Total Value Added (wealth created by ERA)	**73.8**	79.8	110.6	130.5	164.4
Distribution of Created Wealth					
Employees salary & wages	**7.5**	7.6	7.0	11.2	11.1
Government					
- company income tax	**23.1**	17.8	14.8	30.4	43.2
- export levy	**1.6**	1.2	1.5	4.5	3.4
- personal income tax	**2.9**	3.1	3.0	4.0	4.3
- royalties (Aboriginal Benefit Trust Account)	**4.0**	4.1	5.5	6.2	8.2
- royalties (NT Government)	**1.1**	1.2	1.6	1.8	2.4
- other	**2.2**	2.0	1.9	1.7	3.0
- total	**34.9**	29.4	28.3	48.6	64.5
Interest to lenders (net)	**2.6**	1.8	2.5	2.7	0.4
Dividends	**217.4***	-	-	16.4	41.0
Reinvested in the business					
- depreciation and amortisation	**16.4**	14.5	15.1	29.3	30.0
- retained profit from operations	**(205.0)**	26.5	57.7	22.3	17.4
- total	**(188.6)**	41.0	72.8	51.6	47.4
Total Value Distributed	**73.8**	79.8	110.6	130.5	164.4

* Represents the total amount distributed by the special dividend and the final ordinary dividend. $194.1 million of the special dividend was reinvested in the company. Both the special dividend and the final ordinary dividend were fully franked.

Average Annual Radiation Doses at Ranger



Designated employees generally work in the open pit, process plant and product packing

Development

Down but relief may be on way for ERA

By IAN HOWARTH
Resources Editor

ENERGY Resources of Australia Ltd is still bumping along the bottom of the weak uranium price cycle, with profit dropping 35 per cent in the first half year to just $6.03 million, down from $9.22 million a year earlier.

But relief could be on the horizon, with prices expected to begin recovering later this year as a predicted global shortage of uranium emerges in the world market.

In the first half, ERA's sales revenue declined from $89.3 million to $59.5 million, reflecting the weakness of prices in the period, ... pre-tax profit dec... lar amount... from $15...

Resources

ERA has two undeveloped uranium resources; Orebody #3 which lies adjacent to the Ranger mill on the Ranger lease and North Ranger #2 located 20 kilometres to the north of the Ranger mill on an adjoining lease.

ERA's undeveloped ore reserves are substantial with low production costs. Orebody #3 holds 34 per cent of the Company's remaining uranium reserves and North Ranger 55 per cent.

Development Plans

In October ERA announced its intention to proceed with development at Orebody #3 in preference to North Ranger #2. This follows the Australian Labor Party's decision not to change the Three Mine Policy at its September National Conference. The policy limits uranium exports to Ranger, Olympic Dam in South Australia and the mined-out Nabarlek orebody in the Northern Territory.

A proposal formulated at the Conference to replace the Three Mine Policy was referred to a Committee of the ALP National Executive who will make recommendations on the proposal to the 1997 ALP National Conference. The proposal would allow new uranium mines, initially in the NT, subject to those mines meeting certain environmental and safety criteria already achieved at Ranger. The Government would be advised on new mines by a council comprising Government, union and industry representatives.

The current Liberal Coalition policy on uranium is not to adopt any limit on the number of mines.

Orebody #3

Although the Company was disappointed by the ALP decision, ERA had built in the flexibility in its production plans to meet any political delay to development at North Ranger.

Pre-production planning for Orebody #3 began in November. Orebody #3 is now expected to commence production in mid-1997.

Pre-stripping of Orebody #3 is currently scheduled for mid-1996 while a pre-production drilling program is planned for the 1995 dry season. This drilling program will further define the fault boundary in the western pit limits and better define the ore grade in the upper benches. Orebody #3 is located approximately 1.5 kilometres north of Ranger #1.

For water management purposes a bund wall will be built between the new pit and the Magela Creek so that no water can flow from the pit area to the creek and vice versa. The construction material for the bund will be obtained from pre-strip material from the orebody. The bund will incorporate a new access road to the mine site.

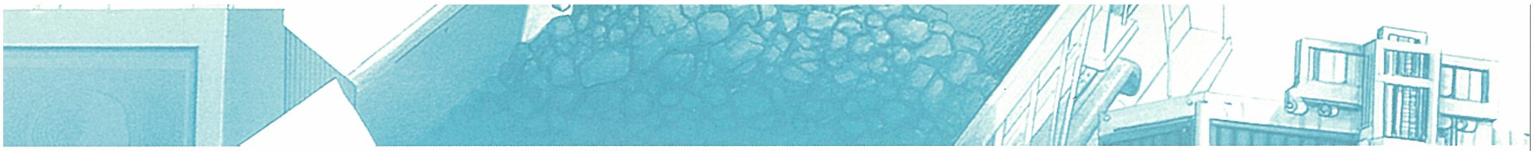
Pre-stripping in the 1996 dry season requires the removal of about 2 million tonnes of material. It is expected that the void will be used to store water during the 1996 wet season which will enable the effective use of the Ranger #1 Pit as a tailings repository.

The Orebody #3 Pit will be designed to be mined in three stages. Stage one of the pit is located on the high ground to the south of the Magela Creek which will defer the need to construct the bund wall until the 1999 dry season. Stages 2 and 3 will fully develop the orebody.

The mining operation will be similar to Ranger #1 with 12-metre benches and will require a similar loading and hauling fleet.

North Ranger

North Ranger #2 requires further in-fill drilling to permit additional mine planning which will be performed underground after the construction of a portal and a decline. Despite the outcome of the ALP National Conference, ERA will proceed with the next step in approvals for North Ranger and seek permission from Aboriginal Traditional Owners for underground exploration and development of the mine.



Highlights 1995

- **Pre-production planning for Orebody #3**
- **No change to ALP Three Mine Policy**
- **Orebody #3 production expected 1997**

Objectives 1996

- **Complete pre-production drilling of Orebody #3**
- **Finalise production plan for Orebody #3**

Above: Aerial photograph showing the proposed Orebody #3 pit at year 3 (1999/2000)

1. Proposed Orebody #3 pit shown three years into mining
2. Proposed relocation of access road to the Ranger mine
3. Retention Pond #1
4. New haul road to Ranger mill and stockpiles
5. Ranger #1 pit to be used as tailings repository
6. Final pit outline (stage 3)

Top right: Pre-production drilling at Orebody #3.
Right: The Ranger mill at dusk viewed across Retention Pond #2.

Directors' Outlook

ERA's Board of Directors (left to right) Richard Knight, Laurent Corbier (alternate for Yves Coupin), Malcolm Broomhead (Deputy Chairman), Alex Carmichael, Campbell Anderson (Chairman), Harumichi Umeda (alternate for Masuo Shibata), Phillip Shirvington (Chief Executive) and Sir Rupert Myers.

During 1995 the most sustained strengthening in the uranium spot market occurred since operations commenced at ERA's Ranger mine in 1980. The strengthening principally resulted from a large trader in uranium, Nuexco, leaving the marketplace. This in turn caused a realignment in perceptions by buyers about the uranium market.

Nuexco had for some time been purchasing uranium for on-sale into the market at below the purchase price and being a dominant player may have artificially lowered the spot price. Due to low prices, utilities reduced their inventories and producers cut back production. It can be expected therefore that market demand over the short term may be higher than previously expected. This will benefit ERA contract prices over the next year and especially those with spot market pricing terms.

Supply and Demand

ERA's medium term forecast remains for much improved trading conditions. In the past year 59 200 tonnes of U_3O_8 was required to fuel nuclear reactors in the Western world. This demand was supplied from five sources: western uranium mines, which met 44 per cent of utility requirements; production from the Newly Independent States (NIS) and drawdown of Russian inventories, which met 15 per cent; mixed oxide fuels from the reprocessing of spent nuclear fuel, 5 per cent; and inventory previously accumulated by Western utilities which met 36 per cent.

The significant uranium inventory held by Russia and the amount of that inventory which leaked into the Western markets is now the only major unknown in the marketplace.

ERA expects that the growth in uranium demand over the next five years will be gradual, at about 1 per cent per year, and constrained by a small number of new reactor start-ups and the possibility of the premature closures of some older reactors in the United States.

On the supply side ERA considers that the uranium market is very much in a stage of transition with inventories declining and the potential emergence of new sources of supply.

The reliance of Western utilities on inventories built up during the 1980s will diminish rapidly. ERA now expects that the bulk of excess and freely available Western world inventory will have been worked off during the next financial year.

Fuel grade uranium diluted from Russian Highly Enriched Uranium may however start to impact the market from late 1995 onwards which is some 18 months later than previously predicted. ERA forecasts that HEU will supply the equivalent of 7 per cent of Western world demand annually over the next five years increasing to 20 per cent thereafter. Under current agreements very little of the HEU would reach the US spot market and impact on spot prices for non-NIS uranium. However this issue is currently the subject of high level negotiations between the Russian and US administrations.

In a similar but new market development smaller releases are also expected from the US HEU stockpile from 2000. These are forecast at between 3000 and 5000 tonnes U_3O_8 per year from 2000. The role of mixed oxide fuels from the reprocessing of spent nuclear fuel is also predicted to increase slightly.

The main uncertainty in the supply forecast, however, rests with the Newly Independent States (NIS). ERA considers that supply from the NIS will continue to penetrate Western markets possibly to the extent of 8 000 to 9 000 tonnes U_3O_8 per year. This uranium could emanate from a variety of sources and channels including:

- new production;
- releases of uranium from the Russian stockpile;
- to a decreasing extent, matched sales and enrichment by-pass (refer Marketing, page 6);
- suspension agreement quotas in the US (refer Marketing, page 6);
- sales in Europe overseen by the uranium supply authority, Euratom; and
- direct sales into Asia where national policies allow.

As the uranium price increases, however, and imports under the US quota system for NIS uranium grow, ERA expects that matched sales and enrichment by-pass will be phased out in preference to higher priced quota sales supplied with fresh NIS production and Russian stockpile sales.

In the longer term the total impact of NIS uranium, Russian HEU and US HEU could see these sources meet 35 per cent of Western world demand beyond the year 2000. For strategic reasons, however, it is considered unlikely that Western world utilities in total will rely on imports from the NIS for much more than about one-third of their requirements.

Supply Opportunities

ERA expects therefore that in the longer term around two-thirds of Western world demand will be met from Western production sources once excess inventories have been worked off; and in the medium term Western production will continue to meet between 40 and 50 per cent of Western demand. Production capacity at Western mines, however, is currently significantly less than that required in the medium term and Western world producers such as ERA will thus have the opportunity to increase production.

Within Japan the next available window for new contracts is from 1997-98 and rests with two key utilities. Further opportunities are not expected until early next century when new nuclear units will come on line. Within Asia the Korean market remains the most competitive for the foreseeable future due to a substantial amount of annual requirements being met on the spot market from NIS origin uranium.

The available European market is largely limited to German, French and Scandinavian utilities.

The US utility market remains the key for new contracts with substantial uncommitted demand in the late 1990s and beyond. This is due to the US utility tendency to purchase uranium on an as-needed basis.

Strengths

With large, low-cost uranium reserves and low incremental costs of production ERA has the capacity to compete actively for any increase in demand for western uranium.

Recently negotiated fixed-price medium-term contracts have brought the Company to the point where it can return to year-round milling in 1996. The development of Orebody #3 (or North Ranger #2 given supportive government policy) has already been underwritten by contracts confirmed out to the year 2006. This will ensure profitability, even in the unlikely event of a depressed market, and will provide a firm base from which the Company can expand into the market recovery.

A vital component in the Company's ability to meet the challenges ahead rests with ERA's employees. Having demonstrated a willingness to weather out the difficult times without compromising high standards in health, safety and environment protection, ERA employees will now move to a system of rewarding the achievement of goals. The setting of targets, providing appropriate incentives and developing the untapped resources of employees will in the coming years be very much ERA's focus.

1994 Objectives listed in ERA's 1994 Annual Report and Outcomes

Objective:	Outcome:
Finance	
Increase cash flow through inventory reduction	Inventory reduced to normal working levels
Increase cash flow by maintaining tight cost control	Unit cash costs of production reduced by 10 per cent
Marketing	
Expand sales and market share without committing future Ranger production to low prices	Sales volume steady, share of Western world market staedy. Future market share expanded through four new contracts
Conclude negotiations with Japanese shareholders	Contract signed in March for deliveries from 1997 to 2006
Mining & Milling	
Maintain efficient campaign operations	Third full cycle of campaign operations successfully completed
Continue to reduce costs of production	Unit cash costs of production reduced by 10 per cent
Complete mining of Ranger #1 by December 1994	Mining completed December 1994
Environment	
Maintain record of no impact on the environment outside the mine site	No impact on environment outside mine acknowledged by supervising authorities
Employees & Community	
Assist the Djabulukgu and Gagudju associations with projects to gain additional benefit from mining and other activities in the region	Steady level of contracts let to the associations by the Ranger mine
Improve health and safety standards	5-Star health and safety rating retained (requires continuous improvement)
Implement work teams for operations at the mine	Work teams concept to be replaced with a target based incentive scheme

Industry Analysis **Calendar years only**

URANIUM PRODUCTION AND RESOURCES

	1990	1991	1992	1993	1994	WORLD PRODUCTION 1994, %[2]	WORLD URANIUM RESOURCES <US$80 PER Kg U [3]
	THOUSAND TONNES U_3O_8[1]						
Australia	4.17	4.43	2.75	2.67	2.69	7.1	462 000
Canada	10.28	9.70	11.07	10.82	11.43	30.1	277 000
France	3.32	2.91	2.51	2.01	1.21	3.2	19 850
Kazakhstan/ Kyrghystan[4]	-	-	3.30	3.18	2.64	7.0	417 000[5]
Namibia	3.79	2.89	2.00	1.96	2.26	5.9	80 620
Niger	3.34	3.50	3.50	3.44	3.51	9.3	159 170
Russia[4]	-	-	3.06	2.83	3.50	9.2	127 000[5]
South Africa	2.92	1.99	2.09	2.03	1.99	5.3	144 400
USA	3.99	3.58	2.13	1.53	1.63	4.3	114 000
Uzbekistan[4]	-	-	3.18	3.07	2.50	6.6	171 000[5]
Other[6]	23.92	19.97	6.45[7]	4.87[7]	4.53[4]	12.0	402 660[8]
Total	55.73	48.97	42.04	38.37	37.89	100.0	2 374 700[5]

1 Production data from the Uranium Institute.
2 Includes production from Eastern Europe, NIS and China.
3 Unless otherwise indicated, the figures quoted are for Reasonably Assured Resources (tonnes U) as at January 1993 (IAEA 1994).
4 No production data available 1990-1991. Estimated production from NIS included in 'Other'.
5 Uranium Institute data.
6 Unless otherwise indicated production data includes Argentina, Belgium, Hungary, Brazil, India, Portugal, Spain, Gabon and Germany; includes estimated production from Eastern Europe, NIS and China for 1990-1991.
7 Production data includes Argentina, Belgium, Hungary, Brazil, India, Spain, Gabon, Germany, Eastern Europe, China and Ukraine.
8 Derived total.

CONVERSION FACTORS

FROM	TO	MULTIPLY BY
U	U_3O_8	1.1793
U_3O_8	U	0.8480
tonnes U	pounds U_3O_8	2599.8
pounds U_3O_8	kg U	0.3846
tonnes	pounds	2204.6
pounds	kg	0.4536
tonnes	kg	1000

TOP TEN URANIUM MINES - WESTERN WORLD 1994*

MINE	COUNTRY	OWNERSHIP	MINE TYPE	PRODUCTION, THOUSAND TONNES U_3O_8	WORLD PRODUCTION, PER CENT
Key Lake	Canada	Cameco/Uranerz	Open pit	5.98	15.8
Rabbit Lake	Canada	Cameco/Uranerz	Open pit/underground	3.38	8.9
Akouta	Niger	Cogema/Onarem	Underground	2.33	6.1
Rossing	Namibia	RTZ	Open pit	2.24	5.9
Ranger	**Australia**	**ERA**	**Open pit**	**1.46**	**3.9**
Cluff Lake	Canada	Cogema	Open pit/underground	1.25	3.3
Olympic Dam	Australia	WMC	By-product (copper)/underground	1.23	3.3
Vaal Reefs	South Africa	Anglo American	By-product (gold)/underground	1.22	3.2
Arlit	Niger	Cogema/Onarem	Open pit	1.18	3.1
Stanleigh	Canada	Rio Algom	Underground	0.82	2.2
Total				21.09	55.7

* Source: Uranium Institute

NUCLEAR POWER AROUND THE WORLD 1994

COUNTRY	REACTORS IN OPERATION	CAPACITY, MWe	REACTORS UNDER CONSTRUCTION	CAPACITY, MWe	OUTPUT, TWh	NUCLEAR, PER CENT	OPERATING EXPERIENCE, YEARS+MONTHS	URANIUM REQUIREMENTS, TONNES U_3O_8*
Argentina	2	935	1	692	7.7	13.8	32.7	173
Belgium	7	5527	-	-	38.2	55.8	128.7	1023
Brazil	1	626	1	1245	< 0.1	< 0.1	12.9	60
Bulgaria	6	3538	-	-	15.3	45.6	77.1	481
Canada	22	15755	-	-	101.7	19.1	328.11	2019
China	3	2100	-	-	13.5	1.5	6.4	389
Czech RP	4	1648	2	1824	12.1	28.2	34.8	862
Finland	4	2310	-	-	18.3	29.5	63.4	536
France	56	58490	4	5810	341.8	75.3	822.10	12859
Germany	21	22657	-	-	143.0	29.3	490.1	4535
Hungary	4	1729	-	-	13.2	43.7	38.2	409
India	9	1493	5	1010	4.3	1.4	119.3	282
Iran	-	-	2	2146	-	-	-	-
Japan	49	38875	5	4799	258.3	30.1	662.2	8783
Kazakhstan	1	70	-	-	0.4	0.6	21.6	8
Korea, South	10	8170	6	4820	55.9	35.5	90.4	2032
Lithuania	2	2370	-	-	6.6	76.4	18.6	384
Mexico	2	1308	-	-	4.3	3.2	5.11	547
Netherlands	2	504	-	-	3.7	4.9	47.9	128
Pakistan	1	125	1	300	0.5	1.0	23.3	14
Romania	-	-	5	3250	-	-	-	-
Russia	29	19843	4	3375	97.8	11.4	497.6	2771
South Africa	2	1842	-	-	9.7	5.7	20.3	282
Slovak RP	4	1632	4	1552	12.1	49.1	57.5	691
Slovenia	1	632	-	-	4.4	38.0	13.3	107
Spain	9	7105	-	-	52.8	35.0	138.2	1528
Sweden	12	10002	-	-	70.2	51.1	207.2	1763
Switzerland	5	2985	-	-	23.0	36.8	98.10	640
Taiwan	6	4890	-	-	33.5	31.7	80.1	1072
UK	34	11720	1	1188	79.4	25.8	1028.5	3092
Ukraine	15	12679	6	5700	68.9	34.2	158.11	2053
USA	109	98784	1	1165	639.4	22.0	1919.8	19948
Total 1994	432	340347	48	38878	2130.1	n/a	7230.8[1]	69565
Total 1993	430	337820	55	44369	2093.4	n/a	6902.2[1]	66109

Source: IAEA * Projected (Source: Uranium Institute.)
Connected to the grid during 1994: China (1), Japan (1), South Korea (1) Mexico (1) Disconnected from grid during 1993: France (1) United Kingdom (1)
(1) Includes Italy 81.0, Armenia 21.7.

Statutory Information for the year ended 30 June 1995

Financial Statements

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Directors' Report

for the year ended 30 June 1995

The directors of Energy Resources of Australia Ltd (ERA) present the financial statements of the Company and its controlled entities for the year ended 30 June 1995.

DIRECTORS

The following persons hold office as directors of ERA at the date of this report:

C McC Anderson, Chairman

M W Broomhead

A Carmichael

Y Coupin, representing holders of B Class shares (Alternate L Corbier)

R Knight

Sir Rupert Myers

P J Shirvington, Chief Executive

M Shibata, representing holders of C Class shares (Alternates H Ohkawa, M Yoshida, H Katsura, H Umeda)

The number of directors' and audit committee meetings and the number of meetings attended by each of the directors during the financial year are shown below.

Director	Directors' Meetings		Audit Committee	
	No. Attended	No. Held *	No. Attended	No. Held *
C McC Anderson	7	7	2	2
M W Broomhead	7	7	–	–
A Carmichael	5	7	2	2
Y Coupin	1	1	–	–
L Corbier (alternate for Y Coupin)	6	6	2	2
R Knight	6	7	–	–
Sir Rupert Myers	7	7	2	2
M Shibata	2	2	–	–
H Katsura (alternate for M Shibata)	2	2	–	–
H Umeda (alternate for M Shibata)	1	1	–	–
M Yoshida (alternate for M Shibata)	1	1	–	–
I Kosaka (alternate for M Shibata)	1	1	–	–
P J Shirvington	7	7	–	–

* Reflects the number of meetings held during the time the director held office in the 1995 financial year.

Note: On the occasions that Messrs Y Coupin and M Shibata could not attend a meeting their alternates attended as required by the Articles of Association.

PRINCIPAL ACTIVITIES

The principal activities of ERA and its controlled entities in the course of the financial year consisted of:

(i) mining, processing and the sale of uranium
(ii) from 1 July 1994 ERA Environmental Services Pty Ltd commenced trading providing environmental consulting services.

DIVIDENDS

Dividends paid or declared by the Company since the end of the previous financial year were:

(i) A fully franked special dividend of $2.50 per reconstructed share to A and B Class shareholders was declared on 23 June 1995 and payable on 21 July 1995. C Class shareholders received bonus shares in lieu of the dividend.

(ii) A fully franked final dividend of $0.025 per issue share was declared on 18 August 1995 and payable on 2 November 1995. The Company's Dividend Reinvestment Plan and Bonus Share Plan will not operate in respect of the final ordinary dividend.

REVIEW OF OPERATIONS

The operating profit after tax for ERA for the year ended 30 June 1995 was $12.366 million (1994: $26.507 million). Sales revenue for the year ended 30 June 1995 was $140.034 million (1994: $152.178 million).

A full review of the operations of ERA during the year ended 30 June 1995 is shown in this Annual Report in the sections entitled Finance (page 4), Marketing (page 6), Mining & Milling (page 8), Environment (page 10), Employees and Community (page 12).

STATE OF AFFAIRS

The declaration of a fully franked dividend on 23 June 1995 of $2.50 per share to A and B Class shareholders with C Class shareholders receiving bonus shares in lieu of the dividend was the first to be declared since 1992. This special dividend was part of a package of proposals put to shareholders at an Extraordinary General Meeting in May 1995 to allow ERA to distribute $230.6 million in accumulated franking credits.

As part of the proposals it was necessary to restructure the capital of the Company first by reduction in the par value of the shares from $1.00 to $0.05 then with a consolidation of four shares into one share of a $0.20 par value. Shareholders also approved the rules of a Dividend Reinvestment Plan and Bonus Share Plan as part of the restructure.

Debt was reduced during the year through the repayment of US$27 million of Transferable Loan Certificates under the Company's Multiple Option Facility.

Mining was completed at Ranger #1 Pit in December 1994. ERA plans to bring Orebody #3 on-line by 1997. This follows the Australian Labor Party's decision not to change the Three Mine Policy at its 1994 National Conference. Under a current interpretation of the policy export of uranium from ERA's North Ranger deposit is precluded. Surface stockpiles of Ranger #1 ore will continue to be milled through to 1999.

INFORMATION ON DIRECTORS

Directors' Qualifications and Experience

C McC Anderson, Chairman, BEc, age 53, was appointed Chairman of ERA in January 1994. He is also Managing Director of North Limited and previously held the position of Managing Director and Chief Executive of Renison Goldfields Consolidated Limited. Mr Anderson is a past President of the Minerals Council of Australia, a Director of the Business Council of Australia and Chairman of Ampolex Ltd.

M W Broomhead, BE, MBA, age 42, was appointed to the Board in January 1992 and as Deputy Chairman in February 1994. Mr Broomhead is also Executive Director - Operations for North Limited and a Director of the National Association of Forest Industries. His background includes experience in mining, construction and finance.

A Carmichael, AO, CBE, BSc, age 58, appointed to the ERA Board in February 1993 and a Director of North Limited since March 1988. Mr Carmichael is also a Director of Sydney Aquarium Ltd, the Australian National Railways Commission and the Price Waterhouse Australasian Partnership.

Y Coupin, age 52, appointed to the Board in February 1992 at the nomination of the B Class shareholders. Mr Coupin, a mining engineer, is Vice-President – Uranium Division of Compagnie Générale des Matières Nucléaires (Cogema) and Chairman of Cogema Australia Pty Ltd.

R Knight, MSc(Eng), DIC, ARSM, C Eng, age 54, a mining engineer and Executive General Manager – Development for North Limited. Chief Executive of ERA from 1989 to 1994 and a Group Executive of Peko Wallsend Ltd, Mr Knight was appointed to the ERA Board in May 1989.

Sir Rupert Myers, KBE, AO, MSc, PhD, DSc(Hon), DEng(Hon), LLD(Hon), DLitt(Hon), FTS, age 74, a metallurgist and a Director of ERA since September 1981. Sir Rupert Myers is a former Vice-Chancellor of the University of New South Wales. Until recently he was President of the Australian Academy of Technological Sciences and Engineering and a member of the Prime Minister's Science and Engineering Council.

Mr M Shibata, age 65, appointed to the ERA Board in February 1991 at the nomination of holders of C Class shares. Mr Shibata is Executive Vice-President and Director of Kansai Electric Power Co Inc and President of Japan Uranium Resources Development Co Ltd (JAURD).

P J Shirvington, MSc, age 54, was appointed Chief Executive and a Director of ERA in March 1994. He previously held the position of General Manager – Marketing and other management positions within ERA since inception. He has a background in nuclear science and research.

The interests of each Director in the share capital of the Company or in a related body corporate as at the date of this report are shown below.

Director	ERA*	North**
C McC Anderson	2,500	27,106 110,000 Options
M W Broomhead	–	6,000 95,000 Options
A Carmichael	–	2,000
R Knight	–	154,804 60,000 Options
Sir Rupert Myers	500	–
P J Shirvington	243	18,917 40,000 Options

Key: * ERA Energy Resources of Australia Ltd - shares of 20c each fully paid.

** North North Limited - shares of 50c each fully paid (Options to subscribe for shares of 50c each fully paid under the North Limited Share Option Incentive Plan).

POST BALANCE DATE MATTERS

The Company repaid US$10 million of Transferable Loan Certificates on 27 July 1995. The directors are not aware of any other matter or circumstance that has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the economic entity, the results of those operations or the state of affairs of the economic entity in subsequent financial years.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Regulation 3.6.05(6) of the Corporations Regulations and amounts in the Financial Statements and pages 1 to 17 of this Annual Report are rounded off to the nearest one thousand dollars in accordance with Section 311 of the Corporations Law and Regulation 3.6.05.

LIKELY DEVELOPMENTS

In the opinion of the directors, likely developments in the operations of the economic entity known at the date of this report have been covered within the Annual Report, the Balance Sheet and Profit and Loss Account and notes thereto.

A review of developments and the outlook for ERA is presented in the sections entitled Development (page 14) and Directors' Outlook (page 16) in this Annual Report.

DIRECTORS' BENEFITS

No director of ERA, since 30 June 1994, has received or become entitled to receive a benefit other than directors' remuneration included in note 25 (page 33) forming part of the Financial Statements.

AUDIT COMMITTEE

The Company formed an Audit Committee of the Board of Directors in November 1994.The Audit Committee met in February, May and August 1995.

SHARE OPTIONS

No options on shares in ERA or in any controlled entity have been granted during the financial year and up to the date of this report nor are any such options outstanding.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

Indemnification
Clauses 179 and 180 of the Company's Articles of Association provide that every Director, Officer or Auditor of the Company be indemnified out of the funds of the Company against all liability incurred by them in defending any proceedings in which judgement is given in their favour, except where the liability arises out of negligence, default, breach of duty or breach of trust.

Insurance
Since the end of the previous year the Company has paid insurance premiums of $30,722 in respect of Directors' and Officers' Liability.

The policy indemnifies all Directors and Officers of ERA and controlled entities against loss arising from any claim made against them during the period of insurance by reason of any wrongful act committed in their capacity as Directors and Officers.

The policy does not cover Directors and Officers for wilful breach of duty or improper use of information or position to gain a personal advantage.

INFORMATION ON AUDITORS

KPMG continues in office in accordance with Section 327 of the Corporations Law.

Signed at Melbourne this 18th day of August 1995 in accordance with a resolution of the directors.

Campbell Anderson

C McC Anderson

Director

P. Shirvington

P J Shirvington

Director

Investor Information

CORPORATE GOVERNANCE PRACTICES

ERA supports the objectives of the recent Australian Stock Exchange initiative to require companies to disclose the main corporate governance practices they have put in place.

Composition of the Board

The roles of Chairman and Chief Executive are separated on the Board of ERA.

The Board is comprised of eight Directors of which, Sir Rupert Myers represents the A Class minorities, Mr Yves Coupin the B Class shareholders, Mr M Shibata the C Class shareholders, and Messrs C McC Anderson, M W Broomhead, R Knight and A Carmichael, North Limited's investment in ERA. Mr P Shirvington is the only executive Director on the Board.

Messrs C McC Anderson, M W Broomhead and R Knight are all executives of North Limited.

Appointment and Retirement of Directors

Under the Company's Articles, B and C Class shareholders, who represent ERA's major customers, have special director appointing powers, entitiling each class to appoint one director to the Board.

The Company's Articles require that Directors, other than B and C Class Directors, submit themselves for re-election by shareholders at the first general meeting following their appointment. Furthermore, approximately one third of all Directors, other than B and C Class Directors, retire by rotation each year and must be re-elected by shareholders in order to remain on the Board.

Directors' Entitlement to Professional advice at the Company's Expense

The Company's Articles entitle Directors (and officers) of the Company to be indemnified out of the funds of the Company for costs and expenses incurred in sucessfully defending legal proceedings.

There is no formal Board procedure laid down for Directors wishing to seek independent professional advice at the Company's expense, in the furtherance of their duties. Any such request would be a matter for the Board to consider at the time, in the light of the specific circumstances, and having in mind the Article referred to above.

Consideration will be given to whether defining a procedure would be useful.

Remuneration Arrangements

ERA does not have a separate Remuneration Committee. However, this function is performed by the North Remuneration Committee which reviews remuneration of Directors (non-executive and executive), senior managers and general remuneration levels and practices across the Group. The Committee met twice during the year.

Audit

ERA's Board has an Audit Committee of non-executive Directors which was formed in November 1994. The Committee is chaired by Mr C McC Anderson and also comprises Messrs A Carmichael, L Corbier and Sir Rupert Myers. The Chief Executive and Chief Financial Officer also attend the Audit Committee meetings. The Company's external auditors attend all meetings other than those held at Ranger.

Among the Committees' responsibilities is the review of the adequacy of existing external audit arrangements, accounting policies and financial reporting and procedures. The appointment of external auditors is a function of the full Board, on the recommendation of the Audit Committee and senior management, and subject to the approval of shareholders.

The Committee receives regular reports from management on the Company's taxation and insurance affairs. It will maintain regular direct contact with the internal and external auditors, and meet separately with the external auditors once per year and on other occasions, where circumstances require it. The Committee reports to the Board after each meeting.

Management of Risks

The Board has put in place a number of arrangements to identify and manage areas of significant risk. The consideration and approval by the Board each year of the budget and five year plan put forward by management assist the Board and senior management to identify significant risks and put in place strategies to deal with them.

Other specific arrangements include:

- guidelines for ensuring that capital expenditure and revenue commitments exceeding certain approved limits are placed before the Board for approval;
- guidelines for all financial exposures including the use of derivatives;
- a specfic environmental policy which ensures the maintenance of high standards of environmental management in all of the Group's activities by minimising the impact of those activities on employees, the community and the environment; and
- a comprehensive annual insurance program, which will be reviewed by the Audit committee.

Management is required to provide regular reports to the Board on all these matters.

Ethical Standards

The ERA Board supports the objectives of the 'Corporate Practices and Conduct' paper issued by the leading Australian Professional Business organisations and endorses the need for Directors and management of public companies to apply the highest standards in behaviour and accountabilty to the manner in which their business is conducted.

Other Key Procedures

The Board holds a Board Meeting at Jabiru each year to enable Directors to inspect the operations and meet a wide range of employees.

ANNUAL GENERAL MEETING

ERA holds its Annual General Meeting in October. The 1995 AGM will be held at 10.00am on 12 October 1995 at the Inter-Continental Hotel, 117 Macquarie Street, Sydney.

TYPES OF SHARES

ERA has three classes of shares; A, B and C. The different classes have equal voting rights. However, B and C Class shareholders have special director appointing powers. The publicly listed shares are limited to A Class shares.

INFORMATION ON SHAREHOLDING

Shareholders who require information about their shareholding or dividend payments should contact ERA's principal registry.

C/- KPMG Registrars Pty Ltd
Level 17, 44 Market Street
(GPO Box 1486) Sydney NSW 2001
Ph (02) 299 3988, Fax (02) 299 6204

TRANSFER OF SHARES

Since September 1994 the Australian Stock Exchange has used CHESS (Clearing House Electronic Subregister System) for the settlement of share trades. The system eliminates paper transfers and share certificates replacing them with an electronic subregister system. The majority of ERA shareholders however will not be affected in any way by CHESS and will continue to remain certificated shareholders. Shareholders who wish to sell certificated holdings can continue to do so but will need to ensure that the relevant share certificates are received by their stockbroker soon after a sell order has been given. Uncertificated shareholders will receive periodic statements detailing their shareholding. As the uncertificated shareholders' details are contained on an electronic subregister the settlement of a transfer of shares is considerably faster. Further information on CHESS can be supplied by your stockbroker.

DIVIDEND REINVESTMENT PLAN AND BONUS SHARE PLAN

On 12 May 1995 ERA shareholders voted to adopt the rules of a Dividend Reinvestment Plan and Bonus Share Plan. Copies of the plan are available from ERA's Sydney office or from ERA's registry, KPMG Registrars Pty Ltd, Sydney. Notices of Election or Variation forms to alter a shareholder's election under either the Dividend Reinvestment Plan or Bonus Share Plan can be supplied on request to ERA's Sydney office or KPMG Registrars.

TAX FILE NUMBERS

Tax File Numbers or Exemption details are recorded from shareholders who wish to advise the information. Dividend advice statements when issued to shareholders indicate whether or not a shareholder's Tax File Number has been recorded. ERA normally pays fully franked dividends. In the event of an unfranked dividend being paid, ERA will be required to deduct tax at the top marginal rate from the dividend paid to shareholders resident in Australia who have not supplied a Tax File Number or Exemption form.

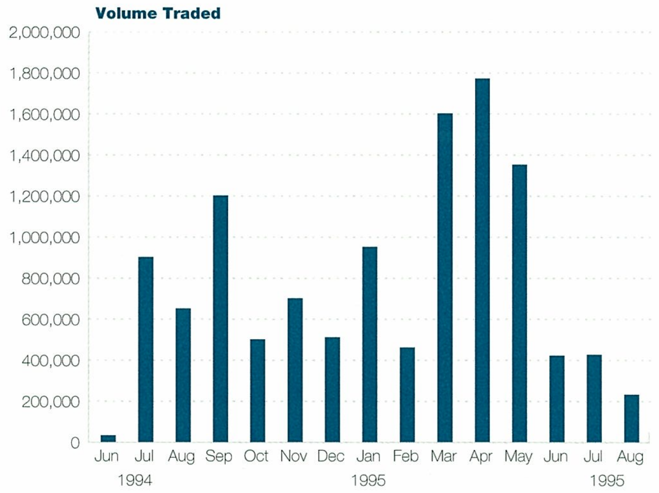
CHANGE OF ADDRESS

Shareholders who have changed their address should advise the change in writing to:

ERA Share Registry
C/-KPMG Registrars Pty Ltd
Level 17, 44 Market Street
(GPO Box 1486) Sydney NSW 2001
Ph (02) 299 3988, Fax (02) 299 6204

ERA SHARE PRICE

ERA VOLUME OF SHARES TRADED



1. **18 April 1995** – ERA announces intention to declare special dividend of $2.50/share (62.5 cents per unreconstructed share).
2. **8 June 1995** – ASX recognises changes in ERA's capital and consolidation of four shares into one. As the number of shares on issue reduced four-fold there was approximately a four-fold increase in the value of each share. The peak also reflects the anticipated $2.50 special dividend component of the shares.
3. **29 June 1995** – ERA shares go ex-dividend (for $2.50 special dividend).

SHARE REGISTRIES

New South Wales

C/-KPMG Registrars Pty Ltd
Level 17, 44 Market street
Postal Address: GPO Box 1486
Sydney NSW 2001
Telephone: (02) 299 3988
Facsimile: (02) 299 6204

Victoria

C/-KPMG Registrars Pty Ltd
Level 1, 161 Collins Street
Postal Address: GPO Box 2975EE
Melbourne VIC 3001
Telephone: (03) 9288 5533
Facsimile: (03) 9288 6237

Australian Capital Territory

C/-KPMG
80 Northbourne Avenue
Postal Address: GPO Box 799
Canberra City ACT 2601
Telephone: (06) 249 1877
Facsimile: (06) 247 6190

Profit & Loss Accounts

for the year ended 30 June 1995

	Note	CONSOLIDATED 1995 $000	CONSOLIDATED 1994 $000	THE COMPANY 1995 $000	THE COMPANY 1994 $000
Operating profit before abnormal items and income tax	2,3	**35,424**	44,281	**35,315**	44,281
Abnormal items	4	**–**	–	**–**	–
Operating profit before income tax		**35,424**	44,281	**35,315**	44,281
Income tax attributable to operating profit	5	**23,058**	17,774	**23,029**	17,774
Operating profit after income tax		**12,366**	26,507	**12,286**	26,507
Retained profits at the beginning of the financial year		**241,652**	215,145	**241,652**	215,145
Total available for appropriation		**254,018**	241,652	**253,938**	241,652
Dividend provided for or paid	7	**217,351**	–	**217,351**	–
Retained profits at the end of the financial year		**36,667**	241,652	**36,587**	241,652

The above Profit and Loss Accounts should be read in conjunction with the accompanying notes.

Balance Sheets

as at 30 June 1995

	Note	CONSOLIDATED 1995 $000	CONSOLIDATED 1994 $000	THE COMPANY 1995 $000	THE COMPANY 1994 $000
Current Assets					
Cash	8	**16,927**	11,592	**16,670**	11,592
Receivables	9	**67,103**	78,510	**66,926**	78,510
Inventories	10	**82,484**	85,193	**82,479**	85,193
Other	11	**4,807**	5,288	**4,807**	5,288
Total Current Assets		**171,321**	180,583	**170,882**	180,583
Non-Current Assets					
Investments	27	**–**	–	**100**	–
Inventories	12	**27,453**	28,605	**27,453**	28,605
Property, plant and equipment	13	**698,455**	709,616	**698,445**	709,616
Other	14	**2,755**	1,685	**2,755**	1,685
Total Non-Current Assets		**728,663**	739,906	**728,753**	739,906
Total Assets		**899,984**	920,489	**899,635**	920,489
Current Liabilities					
Creditors and borrowings	15	**38,146**	55,426	**38,097**	55,426
Provisions	16	**41,525**	24,098	**41,284**	24,098
Other	17	**352**	–	**352**	–
Total Current Liabilities		**80,023**	79,524	**79,733**	79,524
Non-Current Liabilities					
Creditors and borrowings	18	**72,707**	90,396	**72,707**	90,396
Provisions	19	**106,502**	98,917	**106,523**	98,917
Total Non-Current Liabilities		**179,209**	189,313	**179,230**	189,313
Total Liabilities		**259,232**	268,837	**258,963**	268,837
Net Assets		**640,752**	651,652	**640,672**	651,652
Shareholders' Equity					
Share capital	20	**38,148**	410,000	**38,148**	410,000
Reserves	21	**565,937**	–	**565,937**	–
Retained profits		**36,667**	241,652	**36,587**	241,652
Total Shareholders' Equity		**640,752**	651,652	**640,672**	651,652

The above Balance Sheets should be read in conjunction with the accompanying notes

Statements of Cash Flows

for the year ended 30 June 1995

	Note	CONSOLIDATED 1995 $000	CONSOLIDATED 1994 $000	THE COMPANY 1995 $000	THE COMPANY 1994 $000
		Inflows (Outflows)	Inflows (Outflows)	**Inflows (Outflows)**	Inflows (Outflows)
Cash flows from operating activities					
Receipts from customers		**135,614**	153,542	**135,023**	153,542
Payments to suppliers and employees		**(85,665)**	(93,787)	**(85,232)**	(93,787)
		49,949	59,755	**49,791**	59,755
Income taxes paid		**(21,759)**	(21,175)	**(21,759)**	(21,175)
Rehabilitation Trust Fund refunds		–	23,000	–	23,000
Net cash inflow from operating activities	29	**28,190**	61,580	**28,032**	61,580
Cash flows from investing activities					
Payments for property, plant and equipment		**(3,986)**	(1,688)	**(3,976)**	(1,688)
Proceeds from sale of property, plant and equipment		**702**	293	**702**	293
Interest received		**2,343**	1,745	**2,334**	1,745
Interest paid and capitalised		**(2,293)**	(4,575)	**(2,293)**	(4,575)
North Ranger study costs paid and capitalised		**–**	(1,233)	**–**	(1,233)
Investment in subsidiary		**–**	–	**(100)**	–
Net cash outflow from investing activities		**(3,234)**	(5,458)	**(3,333)**	(5,458)
Cash flows from financing activities					
Proceeds from borrowings		**6,493**	19,167	**6,493**	19,167
Repayment of borrowings		**(46,591)**	(82,270)	**(46,591)**	(82,270)
Interest and other costs of finance paid		**(4,495)**	(3,566)	**(4,495)**	(3,566)
Dividends paid	7	**–**	–	**–**	–
Net cash outflow from financing activities		**(44,593)**	(66,669)	**(44,593)**	(66,669)
Net increase/(decrease) in cash held		**(19,637)**	(10,547)	**(19,894)**	(10,547)
Cash at the beginning of the financial year		**57,970**	69,545	**57,970**	69,545
Effects of exchange rate changes on cash		**378**	(1,028)	**378**	(1,028)
Cash at the end of the financial year	8	**38,711**	57,970	**38,454**	57,970

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

1 SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Financial Statements have been prepared in accordance with applicable Australian Accounting Standards, the Corporations Law and Schedule 5 to the Corporations Regulations.

These accounts are based on the historical cost accounting convention as practised in Australia and the accounting policies adopted are consistent with those of the previous year, except as otherwise stated.

Principles of Consolidation

The consolidated financial accounts give a view of the economic entity as a whole. A list of controlled entities appears in note 27. All inter-company transactions are eliminated.

Depreciation and Amortisation

Depreciation and amortisation of plant and equipment is provided for as follows:

(i) individual assets that have a life equal to or longer than the estimated remaining life of the mine are depreciated over a period not longer than the estimated mine life in proportion to ore reserve utilisation;

(ii) each other asset is depreciated over its estimated operating life on a straight line basis.

Sales

Sales are accounted for when product has been delivered in accordance with a sales contract.

Ranger Project Rights

Ranger Project Rights are amortised over actual production as a proportion of the estimated recoverable reserves.

Inventories

Inventories are stated at the lower of cost and net realisable value using the average cost method. Cost includes both fixed and variable production costs. No accounting value is attributed to ore in situ or broken ore within the mine.

Interest Expense

Interest is expensed as incurred except where it relates to specific borrowings for the financing of major projects where it is capitalised up to the date when the asset is substantially completed and ready for its intended use (note 13).

Cash

For purposes of the Statements of Cash Flows, cash includes deposits at call and short term deposits which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

North Ranger Uranium Resource

The cost of the North Ranger uranium resource and related development costs are carried forward as exploration and evaluation expenditure to the extent that they are expected to be recouped through successful development and economic exploitation of the resource. Upon commencement of development such costs will be transferred to mine properties and subsequently amortised against production from that area.

Non-Current Assets

The carrying amounts of all non-current assets are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower amount. In assessing recoverable amounts the relevant cash flows have been discounted to their present value.

Employee Entitlements

Wages and Salaries, Annual Leave and Sick Leave
The provisions for employee entitlements to wages, salaries, annual leave and sick leave represent the amount which the economic entity has a present obligation to pay resulting from employees' services provided up to the balance date. The provisions have been calculated at nominal amounts based on current wage and salary rates and include related on-costs.

Long Service Leave
The liability for employee entitlements to long service leave represents the present value of the estimate future cash outflows to be made by the employer resulting from employee's services provided up to the balance date. In assessing the liability for employee entitlements which are not expected to be settled within twelve months, the relevant cash flows have been discounted.

In determining the liability for employee entitlements, consideration has been given to future increases in wage and salary rates, and the economic entity's experience with the staff departures. Related on-costs have also been included in the liability.

Contributions to Superannuation Funds
Any contributions made by the economic entity to existing employee contributory superannuation funds (to provide benefits for employees and their dependants on retirement, disability or death) are charged to the Profit and Loss Account.

Income Tax

Income tax expense for the year is based on pre-tax accounting profit adjusted for items which, as a result of treatment under income tax legislation, create permanent differences between pre-tax accounting profit and taxable income.

To arrive at tax payable, adjustments to income tax expense are made for items which have been included in time periods for accounting purposes which differ from those specified by income tax legislation.

The extent to which timing differences give rise to income tax becoming payable in a different year, as indicated by accounting treatment, is recorded in the Balance Sheet as provision for deferred income tax using the applicable tax rate of 36 per cent.

Foreign Currency

Foreign currency transactions are converted to Australian dollars at exchange rates ruling at the dates of those transactions. Amounts payable and receivable in foreign currency at balance date are converted to Australian dollars at the exchange rate ruling on that date.

Exchange differences arising from the conversion of amounts payable and receivable in foreign currencies are treated as operating revenue and expenses in the period in which they arise. Exchange differences on the specific hedging of revenue and expense items are deferred until the date of purchase or sale at which time they are included in the measurement of the transactions to which they relate.

Costs or gains arising at the time of entering into hedge transactions are accounted for separately and are charged to the Profit and Loss Account over the lives of the hedge transactions.

Derivatives

The Company is exposed to changes in interest rates and foreign exchange rates from its activities. It is Company policy to use derivative financial instruments to hedge these risks.

The Company uses forwards, options and interest rate swaps to hedge these risks.

Derivative financial instruments that are designated as hedges and are effective as hedges of underlying exposures are accounted for on the same basis as the underlying exposure. Gains and losses relating to hedges of specific purchase and sale commitments are deferred and recognised as adjustments to the hedged transactions.

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incident to ownership of the leased property, and operating leases under which the lessor effectively retains all such risks and benefits. Where non-current assets are acquired by means of finance leases, the present value of minimum lease payments is established as a non-current asset at the beginning of the lease term and amortised on a straight line basis over its expected economic life. A corresponding liability is also established and each lease payment is allocated between such liability and interest expense.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and accordingly are charged to the Profit and Loss Account in the periods in which they are incurred.

Change in Accounting Policy

Employee entitlements have been calculated in accordance with AASB 1028 Accounting for Employee Entitlements for the first time which has resulted in a change in the method of calculating the economic entity's provisions for employee entitlements. In prior years in determining the provision for long service leave which was not expected to be settled within twelve months, the relevant cash flows were not discounted and did not have regard to the probability of employees remaining in the employment of the economic entity for the period of time necessary to qualify for long service leave.
The financial effect of this change is immaterial.

Comparative Figures for 1994

Where necessary, comparative figures for 1994 have been adjusted to conform with changes in presentation in 1995.

	CONSOLIDATED		THE COMPANY	
	1995 $000	1994 $000	**1995 $000**	1994 $000
2 REVENUE				
Sales revenue	**140,034**	152,178	**139,264**	152,178
Other revenue				
Rehabilitation refund	**8,382**	11,969	**8,382**	11,969
Interest received/receivable	**2,464**	1,731	**2,455**	1,731
Proceeds on sale of non-current assets	**702**	305	**702**	305
Management fees and commissions	**170**	187	**170**	187
	151,752	166,370	**150,973**	166,370

3 OPERATING PROFIT

The operating profit before abnormal items and income tax is arrived at after charging and crediting the following specific items:

	CONSOLIDATED 1995 $000	CONSOLIDATED 1994 $000	THE COMPANY 1995 $000	THE COMPANY 1994 $000
Charges:				
Amortisation of Ranger Project Rights	**7,613**	6,864	**7,613**	6,864
Depreciation of non-current assets	**8,831**	7,597	**8,831**	7,597
Royalty type expense	**1,107**	1,154	**1,107**	1,154
Payments for Aboriginal interests	**3,963**	4,123	**3,963**	4,123
Rehabilitation fund costs	**24**	24	**24**	24
Auditors' remuneration				
audit of parent and controlled entities	**90**	95	**90**	95
other services	**156**	99	**156**	99
Rent expense on operating leases	**878**	981	**878**	981
Contributions to employee retirement funds	**–**	4	**–**	4
Interest paid/payable to				
other corporations	**6,629**	7,715	**6,629**	7,715
interest capitalised (note 13)	**(1,582)**	(4,210)	**(1,582)**	(4,210)
Provision for employee entitlements	**2,276**	2,170	**2,119**	2,170
Provision for stores obsolescence	**115**	60	**115**	60
Provision for doubtful debts	**163**	1,045	**162**	1,045
Exploration expenditure	**–**	108	**–**	108
Research and development expenditure	**998**	601	**998**	601
Loss on disposal of non-current assets	**–**	203	**–**	203
Credits:				
Interest received/receivable from other corporations	**2,464**	1,731	**2,455**	1,731
Profit on disposal of non-current assets	**488**	–	**488**	–

	CONSOLIDATED 1995 $000	CONSOLIDATED 1994 $000	THE COMPANY 1995 $000	THE COMPANY 1994 $000
4 ABNORMAL ITEM				
The operating profit after income tax is arrived at after charging the following abnormal item:				
Restatement of deferred tax balances resulting from a change in the income tax rate from 33% to 36% (note 5)	**8,380**	–	**8,387**	–
5 INCOME TAX				
Income tax is calculated as follows:				
Operating profit before income tax	**35,424**	44,281	**35,315**	44,281
Tax calculated at 33%	**11,690**	14,613	**11,654**	14,613
Tax effect of permanent differences:				
Amortisation of Ranger Project Rights and other non-allowable items	**3,003**	3,189	**3,003**	3,189
Prima facie tax adjusted for permanent differences	**14,693**	17,802	**14,657**	17,802
Income tax overprovided in prior year	**(15)**	(28)	**(15)**	(28)
Abnormal item:				
Restatement of deferred tax balances resulting from a change in the income tax rate (note 4)	**8,380**	–	**8,387**	–
Income tax expense on operating profit	**23,058**	17,774	**23,029**	17,774

6 FOREIGN CURRENCY

Foreign currency options and hedge contracts which matured during the year in respect of sales proceeds received in United States dollars increased revenue for the year by A$4,848,000 (1994: increased A$2,113,000).

The net exchange gain included in the Profit and Loss Account for the year on the holding of net foreign monetary assets was A$50,000 (1994: Loss A$4,301,000).

	CONSOLIDATED 1995 $000	CONSOLIDATED 1994 $000	THE COMPANY 1995 $000	THE COMPANY 1994 $000
7 DIVIDENDS				
Franked dividends provided/paid during the period	**217,351**	–	**217,351**	–
Unappropriated profits which could be distributed as franked dividends using franking credits already in existence or which are expected to arise from income tax payments in the following period	**35,639**	234,431	**35,503**	234,431
8 CASH				
Cash at banks and on hand	**13,727**	1,792	**13,470**	1,792
Short-term deposits (at call)	**3,200**	9,800	**3,200**	9,800
	16,927	11,592	**16,670**	11,592
The above figures are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:				
Balance as above	**16,927**	11,592	**16,670**	11,592
Add: Short-term deposits (note 9)	**22,500**	46,500	**22,500**	46,500
Less: Bank overdrafts (note 15)	**716**	122	**716**	122
Balance per Statement of Cash Flows	**38,711**	57,970	**38,454**	57,970
9 CURRENT ASSETS – RECEIVABLES				
Short-term deposits	**22,500**	46,500	**22,500**	46,500
Loans to directors	**34**	14	**25**	14
Trade debtors	**32,242**	28,575	**32,161**	28,575
Less provision for doubtful debts[a]	**1,208**	1,045	**1,207**	1,045
Other debtors	**13,540**	4,496	**13,477**	4,496
Less provision for doubtful debts[b]	**30**	30	**30**	30
Amount receivable from ultimate parent entity	**25**	–	**–**	–
	67,103	78,510	**66,926**	78,510

[a] Bad debts written off against provisions: $Nil (1994: $Nil) [b] Bad debts written off against provisions: $Nil (1994: $Nil)

	CONSOLIDATED		THE COMPANY	
	1995	1994	**1995**	1994
	$000	$000	**$000**	$000

10 CURRENT ASSETS – INVENTORIES

Stores	**11,842**	8,034	**11,837**	8,034
Less provision for obsolescence	**1,378**	1,347	**1,378**	1,347
	10,464	6,687	**10,459**	6,687
Ore stockpile	**5,820**	3,860	**5,820**	3,860
Work in progress	**1,514**	173	**1,514**	173
Finished product U_3O_8	**64,686**	74,473	**64,686**	74,473
At cost	**82,484**	85,193	**82,479**	85,193

11 CURRENT ASSETS – OTHER

Prepayments	**4,174**	4,464	**4,174**	4,464
Foreign exchange hedge asset on borrowings	**633**	824	**633**	824
	4,807	5,288	**4,807**	5,288

12 NON-CURRENT ASSETS – INVENTORIES

Ore stockpile	**27,453**	28,605	**27,453**	28,605

13 NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

Land – cost	**1**	1	**1**	1
Buildings – cost	**91,647**	91,658	**91,647**	91,658
Less provision for depreciation	**34,462**	32,958	**34,462**	32,958
	57,185	58,700	**57,185**	58,700
Plant and equipment – cost	**341,165**	339,463	**341,154**	339,463
Less provision for depreciation	**141,547**	136,229	**141,546**	136,229
	199,618	203,234	**199,608**	203,234
Mine properties				
Ranger Project Rights – cost	**407,000**	407,000	**407,000**	407,000
Less accumulated amortisation	**117,380**	109,768	**117,380**	109,768
	289,620	297,232	**289,620**	297,232
Exploration and evaluation expenditure				
North Ranger Uranium Resource – cost	**125,000**	125,000	**125,000**	125,000
Interest capitalised	**23,438**	21,856	**23,438**	21,856
North Ranger costs capitalised	**3,593**	3,593	**3,593**	3,593
	152,031	150,449	**152,031**	150,449
Total property, plant and equipment	**698,455**	709,616	**698,445**	709,616

The directors believe that based on their expectation of future foreign exchange and interest rates, sale prices of uranium and government approval to sell such uranium, the recoverable amount of non-current assets is in excess of the carrying value of the non-current assets. In determining this recoverable amount, future cash flows have been discounted to their present values.

On 1 January 1995 the Company ceased to capitalise interest on the North Ranger Uranium Resource as the exploration and evaluation phase is substantially complete. The project is now ready for development and is being put on hold pending regulatory approval to commence development.

In accordance with clause 32(2) of schedule 5 of the Corporations Regulations, the directors believe the above values assigned to land and buildings appropriately reflect current values based on their existing use.

The Ranger Project Rights were acquired from the former Ranger joint venturers. These included rights to receive and sell the concentrates produced from the Ranger Project Area and the benefits of long-term sales contracts previously arranged by certain former venturers.

	CONSOLIDATED 1995 $000	CONSOLIDATED 1994 $000	THE COMPANY 1995 $000	THE COMPANY 1994 $000
14 NON-CURRENT ASSETS – OTHER				
Foreign exchange hedge asset on borrowings	**2,755**	1,685	**2,755**	1,685
15 CURRENT LIABILITIES – CREDITORS AND BORROWINGS				
Unsecured:				
Bank overdraft	**716**	122	**716**	122
Bank loan	**3,800**	3,900	**3,800**	3,900
Transferable loan certificates and bankers' acceptances	**15,380**	37,022	**15,380**	37,022
	19,896	41,044	**19,896**	41,044
Amount owing to related bodies corporate	**9**	67	**14**	67
Amount owing to ultimate parent entity	**1,010**	83	**1,010**	83
Trade creditors	**13,343**	10,356	**13,289**	10,356
Other creditors	**3,888**	3,876	**3,888**	3,876
	18,250	14,382	**18,201**	14,382
	38,146	55,426	**38,097**	55,426
16 CURRENT LIABILITIES – PROVISIONS				
Employee entitlements	**2,780**	2,172	**2,619**	2,172
Maintenance	**–**	191	**–**	191
Warranty	**13**	–	**–**	–
Dividend	**23,266**	–	**23,266**	–
Income tax	**15,466**	21,735	**15,399**	21,735
	41,525	24,098	**41,284**	24,098

The current provision for dividend of $23,266,000 represents the final ordinary dividend of $4,768,000 and the cash component ($18,498,000) of the special devidend declared on 23 June 1995 of $212,583,000. The balance of the special dividend of $194,085,000 was reinvested through the Dividend Reinvestment Plan and Bonus Share Plan (note 20).

	CONSOLIDATED 1995 $000	CONSOLIDATED 1994 $000	THE COMPANY 1995 $000	THE COMPANY 1994 $000
17 CURRENT LIABILITIES – OTHER				
Foreign exchange hedge liability on debtors	**352**	–	**352**	–
18 NON-CURRENT LIABILITIES – CREDITORS AND BORROWINGS				
Unsecured:				
Bank loan	**–**	3,800	**–**	3,800
Transferable loan certificates and bankers' acceptances	**72,707**	86,384	**72,707**	86,384
Term creditors	**–**	212	**–**	212
	72,707	90,396	**72,707**	90,396
19 NON-CURRENT LIABILITIES – PROVISIONS				
Employee entitlements	**847**	843	**782**	843
Deferred income tax	**105,655**	98,074	**105,741**	98,074
	106,502	98,917	**106,523**	98,917

The provision for deferred income tax arises from certain costs being allowable for income tax purposes earlier than the time when the corresponding charge is made against book profits. Deductions under Division 10 and Section 51 of the **Income Tax Assessment Act 1936** are the main factors.

	CONSOLIDATED 1995 $000	1994 $000	THE COMPANY 1995 $000	1994 $000
20 SHARE CAPITAL				
Authorised capital comprises:				
750,000,000 shares of $0.20 each (1994: $1.00 each)	**150,000**	750,000	**150,000**	750,000
Issued and paid up capital comprises:				
142,865,446 A Class shares of $0.20 each fully paid				
(1994: 307,500,000 A Class shares of $1.00 each fully paid)	**28,573**	307,500	**28,573**	307,500
27,573,468 B Class shares of $0.20 each fully paid				
(1994: 61,500,000 B Class shares of $1.00 each fully paid)	**5,515**	61,500	**5,515**	61,500
20,299,020 C Class shares of $0.20 each fully paid				
(1994: 41,000,000 C Class shares of $1.00 each fully paid)	**4,060**	41,000	**4,060**	41,000
	38,148	410,000	**38,148**	410,000

The B and C Class shares rank pari passu with the A Class shares except that the B and C Class shares have limitations, restrictions and special rights as to conversion, quotation and disposal of shares and voting in specified matters.

The par value of each issued and unissued share in ERA's share capital was reduced from $1.00 to $0.05 following approval by the Supreme Court on 2 June 1995 and shareholders at an Extraordinary General Meeting and a General Meeting of A Class shareholders on 12 May 1995. The amount of capital cancelled in respect of each issued share ($0.95) were credited to a Capital Reconstruction Reserve of the Company. Every four shares of $0.05 par value was then immediately consolidated into one share of $0.20 par value as part of the reconstruction. The reconstruction was part of a series of resolutions passed by shareholders enabling Directors to declare a special $2.50 dividend per reconstructed share to A and B Class shareholders. C Class shareholders received Bonus shares in lieu of the $2.50 dividend. Shareholders could elect to reinvest their dividend through the Dividend Reinvestment Plan and Bonus Share Plan. Elections were received post 30 June 1995 and the Share Capital above reflects those elections to reinvest and the subsequent issue of new shares.

21 RESERVES				
Share Premium	**176,437**	–	**176,437**	–
Capital Reconstruction	**389,500**	–	**389,500**	–
	565,937	–	**565,937**	–
Movements during the year				
Share Premium				
Balance at the beginning of the year	**–**	–	**–**	–
Add: Premium on A & B Class shares issued	**179,814**	–	**179,814**	–
Less: A Class shares issued	**105**	–	**105**	–
Less: B Class shares issued	**1,262**	–	**1,262**	–
Less: C Class shares issued	**2,010**	–	**2,010**	–
Balance at the end of the year	**176,437**	–	**176,437**	–

A dividend was declared on 23 June 1995 of $2.50 per reconstructed share and shareholders could elect to reinvest their dividend through the Dividend Reinvestment Plan and Bonus Share Plan. Elections were received post 30 June 1995 and the above Share Premium Reserve reflects those elections to reinvest together with the issue of new shares.

Capital Reconstruction				
Balance at the beginning of the year	**–**	–	**–**	–
Add: Reduction of par value of shares from $1.00 to $0.05	**389,500**	–	**389,500**	–
Balance at the end of the year	**389,500**	–	**389,500**	–

22 CONTINGENT LIABILITIES

Energy Resources of Australia Ltd

ERA has given to the Commonwealth Government an undertaking to rehabilitate the Ranger Project Area after cessation of mining operations. The latest estimated cost of rehabilitation (including a 10% contingency), should ERA have been required to cease mining, was $33,185,000 at 31 March 1995 whilst the balance of the Ranger Rehabilitation Trust Fund at that date was $44,317,000.

The difference of $11,132,000 represents the refund recognised in the Financial Statements at 30 June 1995 of $8,382,000 (note 2) and $2,750,000 of the 30 June 1994 refund yet to be received. The $11,132,000 is included in Receivables at balance date. Whilst the liability for rehabilitation and restoration is fully provided for at 30 June 1995, it is likely that the liability in the future will increase as other orebodies are developed.

22 CONTINGENT LIABILITIES (CONTINUED)

Under certain conditions, when the minimum price as approved by the Minister for Primary Industries and Energy of the Commonwealth of Australia exceeded the contract price as set out in the sale agreements with certain customers, the customer became entitled to a credit and/or sacrifice which will reduce the contract price when the contract price exceeds the minimum price of U_3O_8. In the unlikely event that the spot price does not reach US$16 per pound U_3O_8 by June 2005 in the case of one contract, an amount of A$10,138,000 is payable at that time.

A dispute with the Australian Taxation Office in relation to the assessability/deductibility of realised foreign exchange gains/losses on certain borrowings resulted in the issue of amended assessments to the Company for the 1987 and 1988 years. The amended assessments were contested by the Company in the Federal Court and the decision was that relevant amounts were incorrectly included by the ATO in the Company's assessable incomes for the 1987 and 1988 years. An appeal by the ATO was heard in the Federal Court in September 1994 and the decision was again in favour of ERA. On 14 August 1995 the High Court granted the ATO leave to appeal from the full Federal Court's decision. The period over which the gains/losses have arisen is 1986 to 1991. The effect of applying the ATO's basis of calculation to all of the relevant years results in a claim against the Company for a further $870,000 of tax. This amount has not been recognised in the Financial Statements.

Other Persons

ERA has given a guarantee to a bank in respect of a term loan of $250,000 for the Jabiru Golf Club.

At the balance date there were no contingent liabilities of the Company or its controlled entities for termination benefits under service agreements with directors or persons who take part in the management of the Company.

No material losses are anticipated in respect of any of the above contingent liabilities.

	CONSOLIDATED		THE COMPANY	
	1995 $000	1994 $000	**1995 $000**	1994 $000
23 COMMITMENTS				
(a) Commitments for capital expenditure				
Aggregate capital expenditure contracted for, but not provided for in the accounts				
Not later than one year	**51**	692	**51**	692
(b) Lease commitments				
(i) Operating Leases				
Aggregate of amounts contracted but not provided for in the accounts	**3,685**	4,762	**3,685**	4,762
Due within 1 year	**863**	967	**863**	967
Due between 1–2 years	**806**	891	**806**	891
Due between 2–5 years	**2,015**	2,489	**2,015**	2,489
Due after 5 years	**–**	415	**–**	415
	3,684	4,762	**3,684**	4,762

(ii) Mineral Tenement Leases
In order to maintain current rights of tenure to mining tenements the economic entity will be required to outlay in the year ending 30 June 1996 an amount of approximately $73,000 in respect of tenement lease rentals.

(c) ERA is liable to make payments to the Commonwealth as listed below:

(i) an amount equal to the sum payable by the Commonwealth to the Northern Land Council pursuant to the Section 44 Agreement **(Aboriginal Land Rights (N.T.) Act 1976)**. This amounts to $200,000 per annum during the currency of the Agreement;

(ii) amounts equal to the sums payable by the Commonwealth to the Aboriginals Benefit Trust Account pursuant to Section 63(5) of the **Aboriginal Land Rights (N.T.) Act 1976**. These amounts are calculated as though they were royalties payable pursuant to the Mining Act 1980 of the Northern Territory and represent 4.25% of Ranger net sales revenue (1995: $3,763,000 / 1994: $3,923,000);

(iii) amounts equal to sums payable by the Commonwealth to the Northern Territory pursuant to an understanding in respect of financial arrangements between the Commonwealth and the Government of the Northern Territory. These amounts are also calculated as though they were royalties and the relevant rate is 1.25% of Ranger net sales revenue (1995: $1,107,000 / 1994: $1,154,000);

(iv) amounts equal to 2% (or such other rate as the Minister of State for the time being administering Section 41 of the **Atomic Energy Act 1953** may determine) of the payments received by the Company in respect of sales of Ranger uranium concentrates. These amounts are credited to the Ranger Rehabilitation Trust Fund to provide for rehabilitation of the mine site when the fund is in deficit.

24 EMPLOYEE ENTITLEMENTS

Aggregate employee entitlements, including on-costs					
- Current	Note 16	**2,780**	2,172	**2,619**	2,172
- Non-Current	Note 19	**847**	843	**782**	843
		3,627	3,015	**3,401**	3,015

24 EMPLOYEE ENTITLEMENTS (CONTINUED)

Directors' Retirement Allowance

The ERA Directors' Retirement Allowance was approved by shareholders on 18 October 1990 to provide certain benefits to non-executive directors who have served for; three years or less an amount equal to the fees; and longer than three years an amount equal to the statutory three years emoluments plus for each year or part of a year of service exceeding three, an additional amount equal to 5 per cent of the statutory three years emoluments.

The Company's liability for directors' retirement benefits, which is based on the number of years service provided at the balance date, has been included in employee entitlements.

Superannuation

The superannuation plans provide benefits on retirement, disablement, death, retrenchment or withdrawal from service, the principal types of benefits being lump sum defined benefits and lump sum accumulation benefits. Contributions are made by employees and the Company as percentages of salary or wages or specified dollar amounts as required by the relevant trust deeds. The contribution obligations are legally enforceable up to the date upon which any such obligation is terminated by appropriate action pursuant to the relevant trust deed.

An actuarial assessment of the plans was last made as at 5 November 1993 by W E Walker FIAA of William M Mercer Pty Ltd. According to the assessment, at the time of the assessment, funds were available to satisfy all benefits that would have vested under each plan in the event of the termination of the plan, or the voluntary or compulsory termination of employment of each employee member.

The funds have employee accrued benefits and assets as follows:

	CONSOLIDATED **$000**	THE COMPANY $000
North Superannuation Fund		
Present value of employees' accrued benefits at 5 November 1993	9,528	9,528
The Directors believe that at 5 November 1993 the net market value of net assets held by the fund were sufficient to meet the present value of employee's accrued benefits.		
Employer Contributions to the Fund during the 1995 financial year	Nil	Nil
Vested benefits at 30 June 1994	11,500	11,500
The last actuarial review of the North Superannuation Fund was at 5 November 1993. Upon the recommendation of the actuary, as from 1 July 1990 the employer contribution to the North Superannuation Fund was reduced to a nominal level.		

25 DIRECTORS' AND EXECUTIVES' REMUNERATION

(i) Remuneration of Directors

The number of directors of the Company, including alternate and executive directors, who received income or in respect of whom income is due and receivable, from the Company and related bodies corporate (including North Limited), within the following bands are:

	THE COMPANY **1995**	 1994
$ 20 000 to $29 999	**3**	3
$ 80 000 to $89 999	**1**	1
$ 160 000 to $169 999	**–**	1
$ 170 000 to $179 999	**–**	1
$ 280 000 to $289 999	**1**	1
$ 350 000 to $359 999	**–**	1
$ 380 000 to $389 999	**1**	–
$ 410 000 to $419 999	**–**	1
$ 420 000 to $429 999	**1**	–
$ 720 000 to $729 999	**–**	1
$ 770 000 to $779 999	**1**	–

	THE COMPANY **1995** **$000**	 1994 $000
(i) Remuneration of Directors (continued)		
Total remuneration received or due and receivable by all the directors of the Company from the Company or related bodies corporate:		
the Company	**420***	574
related bodies corporate (including North Limited)	**1,595**	1,649
	2,015	2,223

* Included in this amount is $180,000 (1994: $175,000) of Directors' fees. The balance of $240,000 (1994: $399,000) represents executive remuneration paid to Directors.

	CONSOLIDATED 1995 $000	CONSOLIDATED 1994 $000	THE COMPANY 1995 $000	THE COMPANY 1994 $000
25 DIRECTORS' AND EXECUTIVES' REMUNERATION (CONTINUED)				
Total remuneration received, or due and receivable by all Directors of each entity in the economic entity from the Company, related bodies corporate or controlled entities.				
the Company	**420**	574		
related bodies corporate (including North Limited)	**1,595**	1,649		
	2,015	2,223		

(ii) Remuneration of Executives

The number of executive officers and executive directors who received income, or in respect of whom income is due and receivable, which equals or exceeds $100,000, from the Company and related bodies corporate, within the following bands are:

	CONSOLIDATED 1995	CONSOLIDATED 1994	THE COMPANY 1995	THE COMPANY 1994
$ 100 000 to $109 999	**2**	4	**2**	4
$ 110 000 to $119 999	**1**	2	**1**	2
$ 120 000 to $129 999	**–**	2	**–**	2
$ 130 000 to $139 999	**1**	2	**1**	2
$ 150 000 to $159 999	**–**	1	**–**	1
$ 170 000 to $179 999	**–**	1	**–**	1
$ 180 000 to $189 999	**2**	–	**1**	–
$ 200 000 to $209 999	**1**	–	**1**	–
$ 210 000 to $219 999	**1**	–	**1**	–
$ 230 000 to $239 999	**1**	–	**1**	–
$ 240 000 to $249 999	**–**	2	**–**	2
$ 280 000 to $289 999	**1**	2	**1**	2

	CONSOLIDATED 1995 $000	CONSOLIDATED 1994 $000	THE COMPANY 1995 $000	THE COMPANY 1994 $000
Total remuneration received or due and receivable by these executives from:				
the Company	**1,347**	2,424	**1,193**	2,424
related bodies corporate (including North Limited)	**426**	155	**393**	155
	1,773	2,579	**1,586**	2,579

The above amounts (including the comparatives) are disclosed in accordance with ASC Class Order 94/1529 dated 13 October 1994.

26 RELATED PARTIES

Related parties of Energy Resources of Australia Ltd fall into the following categories:

Controlled Entities

Information relating to controlled entities is set out in note 27.

Ultimate Parent Entity

The ultimate parent entity is North Limited (incorporated in Victoria, Australia) which owns 68.4% of the issued ordinary shares of the Company.

Directors

The names of persons who were directors of Energy Resources of Australia Ltd at any time during the financial year are as follows:

C McC Anderson, M W Broomhead, A Carmichael, Y Coupin (L Corbier, Alternate), R Knight, Sir Rupert Myers, M Shibata (H Katsura / M Yoshida / H Umeda / I Kosaka / H Ohkawa / S Sato, Alternates), P J Shirvington.

Information relating to directors' remuneration and retirement benefits is set out in note 25.

Information relating to directors' shareholdings is set out in the Directors' Report.

Loans to Directors

Loans to directors disclosed in note 9 are in respect of employee share schemes for shares in North Limited. These loans were made by Energy Resources of Australia Ltd to P J Shirvington, R A Cleary, W A Davies, K W Lonie, S G O'Sullivan and P E McNally.

	CONSOLIDATED 1995 $000	CONSOLIDATED 1994 $000	THE COMPANY 1995 $000	THE COMPANY 1994 $000
26 RELATED PARTIES (CONTINUED)				
Aggregate Movements in Loan Balances				
Aggregate loans at the beginning of the financial year	**14**	16	**14**	16
Aggregate loans at the beginning of the financial year for new directors	**5**	8	**5**	8
Add loans advanced during the financial year	**14**	14	**10**	14
Add/(Less) loans transferred in/(out) from related corporations	**5**	–	**(1)**	–
Less loan instalments repaid during the financial year	**4**	24	**3**	24
Aggregate loans at the end of the financial year	**34**	14	**25**	14

The loans are interest free and the principal is repaid in equal instalments over a period of not more than 10 years.The loans are secured by retention of the relative share certificates until such time as the loans are fully repaid.

Director-Related Entities

Two directors of ERA, Mr M Shibata and Mr Y Coupin, are also directors of Japan Australia Uranium Resources Development Co Ltd (JAURD) and Cogema Australia Pty Ltd respectively. Both JAURD directly, and entities related to Cogema Australia Pty Ltd, purchased drummed U_3O_8 during the year. All purchases were conducted on commercial terms and conditions. Total revenue derived from these director-related entities is set out in note 28. Amounts receivable from these director-related entities at 30 June 1995 totalled $15,940,000 (1994: $18,713,000).

Superannuation Fund

Information relating to the economic entity's superannuation fund is set out in note 24.

Other Related Parties

Aggregate amounts included in the determination of operating profit before income tax that resulted from transactions with each class of other related parties were as follows:

	CONSOLIDATED 1995 $000	CONSOLIDATED 1994 $000	THE COMPANY 1995 $000	THE COMPANY 1994 $000
Consulting Fees paid to				
Controlled Entities	**–**	–	**1,632**	–
Marketing Fees received from				
Ultimate Parent Entity	**423**	–	**423**	–
Consulting Fees received from				
Related Corporations	**112**	–	**–**	–
Aggregate amounts brought to account in relation to other transactions with each class of other related parties:				
Dividends paid/payable to				
Ultimate Parent Entity	**86,355**	–	**86,355**	–
Related Corporations	**86,841**	–	**86,841**	–
Aggregate amounts receivable from and payable to each class of other related parties at balance date were as follows:				
Current Asset - Receivables				
Ultimate Parent Entity	**25**	–	**–**	–
Current Liabilities - Creditors and Borrowings				
Ultimate Parent Entity	**1,010**	83	**1,010**	83
Related Corporations	**9**	67	**14**	67

	CLASS OF SHARE	INTEREST HELD 1995	INTEREST HELD 1994	PLACE OF INCORPORATION	PARENT INVESTMENT AT COST $ 1995	PARENT INVESTMENT AT COST $ 1994	CONTRIBUTION TO CONSOLIDATED PROFIT $000 1995	CONTRIBUTION TO CONSOLIDATED PROFIT $000 1994
27 INVESTMENTS IN CONTROLLED ENTITIES								
(a) Shares in controlled entities								
E.R.A. (Canberra) Limited	Ordinary	**100%**	100%	ACT	**5**	5	**–**	–
ERA Environmental Services Pty Ltd	Ordinary	**100%**	100%	NSW	**100,000**	20	**80**	–
Ranger Uranium Mines Pty Ltd	Ordinary	**100%**	100%	NSW	**20**	20	**–**	–
					100,025	45	**80**	**–**

The above controlled entities are wholly owned and no dividends were paid to the parent entity.

(b) Loan to controlled entity

Unsecured subordinated loan to E.R.A. (Canberra) Limited $nil (1994: $548).

	CONSOLIDATED 1995 $000	CONSOLIDATED 1994 $000	THE COMPANY 1995 $000	THE COMPANY 1994 $000
28 FINANCIAL REPORTING BY SEGMENTS				
Geographical Regions				
Sales revenue is derived from customers in the following geographical areas:				
Australia	**770**	–	**–**	–
United States	**41,161**	44,869	**41,161**	44,869
Japan	**56,597**	67,887	**56,597**	67,887
Korea	**10,119**	7,787	**10,119**	7,787
Europe	**31,387**	31,635	**31,387**	31,635
	140,034	152,178	**139,264**	152,178
Sales revenue included above from direct shareholder-customers	**59,370**	68,995	**59,370**	68,995

Industries

	URANIUM 1995 $000	URANIUM 1994 $000	CONSULTING 1995 $000	CONSULTING 1994 $000	ELIMINATIONS 1995 $000	ELIMINATIONS 1994 $000	CONSOLIDATED 1995 $000	CONSOLIDATED 1994 $000
Sales Revenue outside the economic entity	**139,264**	152,178	**770**	–	**–**	–	**140,034**	152,178
Intersegment Revenue	**–**	–	**1,632**	–	**(1,632)**	–	**–**	–
Total Sales Revenue	**139,264**	152,178	**2,402**	–	**(1,632)**	–	**140,034**	152,178
Operating Profit before Tax	**35,315**	44,281	**109**	–	**–**	–	**35,424**	44,281
Total Assets	**899,635**	920,489	**540**	–	**(191)**	–	**899,984**	920,489

The group operates predominantly in two industries:

(i) mining, processing and sale of uranium

(ii) and through its wholly owned subsidiary, ERA Environmental Services Pty Ltd, environmental consulting.

All operating expenditure is incurred in one geographical area and the assets are based in Australia.

ERA Environmental Services Pty Ltd is a legal entity separate and distinct from Energy Resources of Australia Ltd.

ERA makes no representations, warranties or guarantees in relation to ERA Environmental Services Pty Ltd.

	CONSOLIDATED 1995 $000	CONSOLIDATED 1994 $000	THE COMPANY 1995 $000	THE COMPANY 1994 $000
29 RECONCILIATION OF OPERATING PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES				
Operating profit after income tax	**12,366**	26,507	**12,286**	26,507
Add/(less) items classified as investing/financing activities:				
(Profit)/loss on sale of non-current assets	**(488)**	203	**(488)**	203
Interest paid	**4,495**	3,566	**4,495**	3,566
Interest received	**(2,585)**	(1,745)	**(2,576)**	(1,745)
Add/(less) non-cash items				
Depreciation and amortisation	**16,455**	14,461	**16,455**	14,461
Net exchange differences	**294**	1,463	**294**	1,463
Change in operating assets and liabilities				
(Increase)/Decrease in trade debtors	**(3,315)**	4,787	**(3,234)**	4,787
(Increase)/Decrease in other debtors	**(9,208)**	11,028	**(9,110)**	11,028
(Increase)/Decrease in inventories	**3,830**	63	**3,838**	63
(Increase)/Decrease in prepayments	**356**	2,416	**356**	2,416
(Decrease)/Increase in trade and other creditors	**4,050**	1,160	**3,995**	1,160
(Decrease)/Increase in provision for income taxes payable	**(6,269)**	1,074	**(6,336)**	1,074
(Decrease)/Increase in provision for deferred income tax	**7,581**	(4,409)	**7,668**	(4,409)
(Decrease)/Increase in other provisions	**628**	1,006	**389**	1,006
Net cash inflow from operating activities	**28,190**	61,580	**28,032**	61,580

	CONSOLIDATED 1995 $000	1994 $000	THE COMPANY 1995 $000	1994 $000

30 FINANCING ARRANGEMENTS

The economic entity has access at balance date to the following committed and uncommitted drawn down financing facilities:

	CONSOLIDATED 1995 $000	1994 $000	THE COMPANY 1995 $000	1994 $000
Total facilities				
Bank overdrafts	**1,500**	3,000	**1,500**	3,000
Multiple option facility and bankers' acceptances	**121,644**	201,965	**121,644**	201,965
Bank loan	**3,800**	7,700	**3,800**	7,700
	126,944	212,665	**126,944**	212,665
Used at balance date				
Bank overdrafts	**716**	122	**716**	122
Multiple option facility and bankers' acceptances	**88,087**	123,406	**88,087**	123,406
Bank loan	**3,800**	7,700	**3,800**	7,700
	92,603	131,228	**92,603**	131,228
Unused at balance date				
Bank overdrafts	**784**	2,878	**784**	2,878
Multiple option facility and bankers' acceptances	**33,557**	78,559	**33,557**	78,559
Bank loan	**–**	–	**–**	–
	34,341	81,437	**34,341**	81,437

Interest rates on all facilities are variable.

Bank Overdrafts

The bank overdrafts are unsecured and may be drawn at any time. The bank overdrafts are payable on demand and are subject to annual review.

Multiple Option Facility and Bankers' Acceptances

Both facilities are subject to a negative pledge agreement.

The Multiple Option Facility is unsecured and amounts can be drawn down at any time by the issue of transferable loan certificates and/or notes over the next two years.

Bank Loan

The loan is subject to a negative pledge agreement.

The loan is unsecured and repayable on 30 June 1996.

31 RECEIVABLES AND PAYABLES DENOMINATED IN FOREIGN CURRENCIES

The Australian dollar equivalents of unhedged amounts payable or receivable in foreign currencies, calculated at year end exchange rates are as follows:

	CONSOLIDATED 1995 $000	1994 $000	THE COMPANY 1995 $000	1994 $000
United States dollars				
Current – Receivables				
Trade debtors	**7,728**	5,059	**7,728**	5,059
Other debtors	**237**	225	**237**	225
Current – Creditors & Borrowings				
Trade creditors	**10,078**	6,897	**10,078**	6,897
Non-Current – Creditors & Borrowings				
Term creditors	**–**	212	**–**	212

32 EARNINGS PER SHARE

Basic earnings per share: **1995 $0.06;** 1994 $0.13*

Diluted earnings per share: **1995 $0.06;** 1994 $0.13*

Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share: 1995: 190,728,767 shares; 1994: 190,728,767 shares.

Weighted average number of shares on issue during the year includes new shares issued post 30 June 1995 in respect of the special dividend declared on 23 June 1995. The new shares issued are also reflected in share capital of the Company at 30 June 1995.

* The 1994 earnings per share calculations have been restated to reflect the capital reconstruction.

33 POST BALANCE DATE EVENTS

On 27 July 1995, ERA repaid US$10,000,000 of Transferable Loan Certificates under the Company's Multiple Option Facility.

Statutory Statements

STATEMENT BY DIRECTORS

1. In the opinion of the Directors of Energy Resources of Australia Ltd:

   (a) The Financial Statements set out on pages 24 to 37 are drawn up so as to give a true and fair view of the results and cash flows for the financial year ended 30 June 1995, and the state of affairs at 30 June 1995, of the Company and the economic entity;

   (b) the consolidated accounts have been made out in accordance with Divisions 4A and 4B of Part 3.6 of the Corporations Law; and

   (c) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. The Financial Statements have been made out in accordance with applicable Accounting Standards.

Signed at Melbourne this 18th day of August 1995 in accordance with a resolution of the directors.

C McC Anderson

Director

P J Shirvington

Director

AUDITORS' REPORT

Auditors' Report to the Members of Energy Resources of Australia Ltd

Scope

We have audited the Financial Statements of Energy Resources of Australia Ltd for the financial year ended 30 June 1995 consisting of the Profit and Loss Accounts, Balance Sheets, Statements of Cash Flows, accompanying notes, and the statement by directors set out on pages 24 to 38. The Financial Statements comprise the accounts of the Company and the consolidated accounts of the economic entity, being the Company and its controlled entities. The Company's directors are responsible for the preparation and presentation of the Financial Statements and the information they contain. We have conducted an independent audit of these Financial Statements in order to express an opinion on them to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the Financial Statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the Financial Statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the Financial Statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and statutory requirements so as to present a view which is consistent with our understanding of the Company's and the economic entity's financial position and the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the Financial Statements of Energy Resources of Australia Ltd are properly drawn up:

(a) so as to give a true and fair view of:

   (i) the state of affairs of the Company and the economic entity at 30 June 1995 and the results and cash flows of the Company and the economic entity for the financial year ended on that date; and

   (ii) the other matters required by Divisions 4, 4A and 4B of part 3.6 of the Corporations Law to be dealt with in the Financial Statements;

(b) in accordance with the provisions of the Corporations Law; and

(c) in accordance with applicable Accounting Standards and other mandatory professional reporting requirements.

KPMG
Chartered Accountants

C M Jackson
Partner
Sydney, 18th August 1995

Shareholder Information

TWENTY LARGEST SHAREHOLDERS

of A Class Ordinary Shares as at 17 August 1995

SHAREHOLDERS	NUMBER OF SHARES HELD
Peko Wallsend Ltd	65,407,896
North Limited	65,042,208
National Nominees Limited	2,826,495
Permanent Trustee Company Limited	2,284,305
Pendal Nominees Pty Limited	1,473,237
Westpac Custodian Nominees Limited	511,895
Chase Manhattan Nominees Limited	261,025
Australian Mutual Provident Society	220,356
NRMA Investments Pty Limited	170,275
Bankers Trust Life Limited	125,729
BT Custodians Limited	124,100
Clipper Investments Ltd	93,725
QBE Securities Pty Limited	89,911
ANZ Nominees Limited	72,432
Icianz Pension Fund Sec Pty Ltd	70,600
MLC Life Limited	62,286
Perpetual Trustee Company Limited	57,574
Sydney Reinsurance Company Limited	57,456
Argo Investments Ltd	50,000
Whitefield Ltd	50,000
Total of top twenty holdings	139,051,505

The proportion of A Class Ordinary Shares held by the twenty largest shareholders is 97.33%.

REGISTER OF SUBSTANTIAL SHAREHOLDERS

Shares held as at 17 August 1995

A CLASS ORDINARY SHAREHOLDERS	NUMBER OF SHARES HELD
Peko Wallsend Ltd	65,407,896
North Limited*	130,450,104
B CLASS ORDINARY SHAREHOLDERS	**NUMBER OF SHARES HELD**
Rheinbraun Australia Pty Limited	12,294,348
UG Australia Developments Pty Ltd	7,982,576
Interuranium Australia Pty Ltd	3,776,989
Cogema Australia Pty Ltd **	2,494,555
C CLASS ORDINARY SHAREHOLDERS	**NUMBER OF SHARES HELD**
Japan Australia Uranium Resources Development Co Limited	20,299,020

* By a notice of change in interest of substantial shareholders dated 29 May 1992 received from North Limited, ERA was informed that North Limited has a relevant interest in all A Class ordinary shares held by Peko Wallsend Ltd and all the B Class shares and C Class shares on issue. The relevant interest is said to have arisen under an agreement and a series of instruments entered into by ERA with its shareholders between September 1980 and December 1981.

** By a notice of change in interest of substantial shareholders dated 20 January 1992 received from Compagnie Générale Des Matières Nucléaires (Cogema), ERA was informed that Cogema has a relevant interest in all shares held by UG Australia Developments Pty Ltd, Interuranium Australia Pty Ltd and Cogema Australia Pty Ltd.

Entitlement to Votes

Subject to any rights or restrictions for the time being attached to any shares on a show of hands, every member present in person or by proxy or by attorney or by representative and entitled to vote shall have one vote.

On a poll, every member present in person or by proxy or by attorney or by representative shall have one vote for each share held by him/her.

Stock Exchange Listing

ERA shares are listed on the exchanges of the Australian Stock Exchange Ltd.

The home exchange is Sydney.

DISTRIBUTION OF SHAREHOLDERS as at 17 August 1995

(a) A Class Ordinary Shareholders — Equal to 74.90% of the issued capital

	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1 – 99	3,875	37.58	154,518	0.11
100 – 1,000	5,770	55.95	1,557,119	1.09
1,001 – 5,000	569	5.52	1,154,441	0.81
5,001 – 10,000	42	0.41	310,451	0.22
over 10,000	56	0.54	139,688,917	97.78
	10,312	100.00	142,865,446	100.00

There were 3,875 holders of less than a marketable parcel of ordinary shares.

(b) B Class Ordinary Shareholders

Equal to 14.46% of the issued capital

	NUMBER OF SHARES	%
Rheinbraun Australia Pty Limited	12,294,348	44.59
UG Australia Developments Pty Ltd	7,982,576	28.95
Interuranium Australia Pty Ltd	3,776,989	13.70
Cogema Australia Pty Ltd	2,494,555	9.05
OKG Aktiebolag	1,025,000	3.72
	27,573,468	100.00

(c) C Class Ordinary Shareholders

Equal to 10.64% of the issued capital

	NUMBER OF SHARES	%
Japan Australia Uranium Resources Development Co Limited	20,299,020	100

Total Issued Capital:	**190,737,934**	**100**

Ten Year Performance

YEAR ENDED 30 JUNE	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986
Sales Revenue ($000)	**140,034**	152,178	159,505	170,459	210,407	206,898	177,516	251,300	234,263	222,513
Profit Before Tax ($000)	**35,424**	44 ,281	72,528	69,089	101,604	125,830	80,630	131,055	108,085	98,415
Income Tax Expense ($000)	**23,058**	17,774	14,838	30,403	27,554	68,328	42,876	67,985	49,197	47,991
Profit After Tax ($000)	**12,366**	26,507	57,690	38,686	74,050	57,502	37,754	63,070	58,888	50,424
Total Assets ($000)	**899,984**	920,489	975,560	945,406	827,756	847,491	882, 081	914,622	953,479	883,608
S'holders' Equity ($000)	**640,752**	651,652	625,145	567,455	545,169	464,793	448,291	546,939	500,164	489,469
Long Term Debt ($000)	**69,952**	88,499	120,127	174,491	52,107	39,566	102,821	82,953	125,302	179,036
Current Ratio	**2.14**	2.27	1.96	2.33	2.24	0.98	1.10	1.41	1.43	1.68
Liquid Ratio	**1.06**	1.13	1.09	0.84	0.96	0.49	0.56	0.91	0.94	1.13
Gearing Ratio (%)	**9.8**	12.0	16.3	23.9	13.3	12.1	22.2	15.1	20.5	26.8
Interest Cover (times)	**7.5**	13.1	18.2	15.5	19.6	12.6	5.2	6.6	4.5	3.3
Return on S'holders' Equity (%)	**1.9**	4.2	9.7	7.0	14.7	12.6	7.6	12.0	11.9	10.4
Earnings per Share (cents)	**6.4***	6.5	14.1	9.4	18.1	14.0	9.2	15.4	14.4	12.3
Dividends per Share (cents)	**252.5**	0	0	4.0	10.0	10.0	15.0	10.0	10.0	10.0
Payout Ratio (%)	**1,757.7****	0	0	42.4	55.4	71.3	162.9	65.0	69.6	81.3
Share Price ($)	**2.92**	1.25	1.30	1.22	1.47	2.00	2.32	2.80	2.70	1.50
Price–Earnings Ratio	**45.6**	19.2	9.2	12.9	8.1	14.3	25.2	18.2	18.8	12.2
Dividend Yield (%)	**86.5**	0	0	3.3	6.8	5.0	6.5	3.6	3.7	6.7
Net Tangible Assets per Share ($)	**3.36**	1.59	1.52	1.38	1.33	1.13	1.09	1.33	1.22	1.19
Number of Employees	**198**	193	198	191	339	340	354	374	414	409
Profit After Tax per Employee ($000)	**62.4**	137.3	291.4	202.5	218.4	169.1	106.6	168.6	142.2	123.3
Ore Mined (million tonnes)	**0.841**	0.712	0.830	0.435	0.661	1.085	2.400	2.130	1.714	1.480
Ore Milled (million tonnes)	**0.578**	0.437	0.426	0.986	1.090	1.089	0.975	0.782	0.869	0.968
Mill Head Grade (% U_3O_8)	**0.345**	0.389	0.348	0.324	0.295	0.314	0.408	0.423	0.379	0.350
Mill Recovery (%)	**82.90**	85.69	90.56	89.83	90.78	90.10	91.06	91.95	93.05	92.00
Production (tonnes U_3O_8)	**1,548.2**	1,461.8	1,335.1	2,980.0	2,908.3	3,084.0	3,595.5	3,041.5	3,123.8	3,067.0
Sales – Ranger Concentrates (tonnes U_3O_8)	**2,012.8**	1,934.9	2,250.3	2,230.1	2,598.5	2,716.1	2,633.4	3,274.0	3,048.0	2,810.2
Sales – Other Concentrates (tonnes U_3O_8)	**1,418.4**	1,510.3	848.0	1,328.4	802.3	47.6	–	–	–	–
Sales – Total (tonnes U_3O_8)	**3,431.2**	3,445.2	3,098.3	3,558.5	3,400.8	2,763.7	2,633.4	3,274.0	3,048.0	2,810.2

* Based on reconstructed capital

** Includes special dividend

DEFINITIONS OF STATISTICAL RATIOS

Current Ratio = current assets/current liabilities

Liquid Ratio = (current assets – inventory – prepayments – foreign exchange hedge asset)/(current liabilities – bank overdraft)

Interest Cover = earnings before interest and tax/interest expense

Return on Shareholders' Equity = profit after tax/average shareholders' equity

Earnings per Share = profit after tax/weighted average number of shares issued

Dividends per Share = dividends paid/number of shares issued

Payout Ratio = dividends paid/profit after tax

Price–Earnings Ratio = share price/earnings per share

Dividend Yield = dividend per share/share price

Net Tangible Assets per Share = net assets/number of shares issued

Gearing Ratio = (long term debt + term creditors)/(shareholders' equity + long term debt + term creditors)

Stock Exchange Announcements
from June 1994

15 July 1994	Quarterly Report to 30 June 1994
4 July 1994	Resignation of Company Secretary
31 August 1994	Preliminary Final Statement and Dividend Announcement
31 August 1994	ERA Achieves $26.5 Million Profit
18 October 1994	Quarterly Report to 30 September 1994
16 January 1995	Quarterly Report to 31 December 1994
10 February 1995	Renewal of a Contract to Supply Uranium Concentrates
16 February 1995	Half Year Report and Dividend Announcement
10 March 1995	Uranium Miner to Work within the Rules for Water Release
16 March 1995	ERA Accepts Water Release Decision
17 March 1995	Japanese Sign Ten Year Uranium Contract
20 March 1995	Ranger Uranium Mine not to Release Water
18 April 1995	ERA Announces Intention to Declare Special Dividend
19 April 1995	ERA Signs Two Further Uranium Contracts
19 April 1995	Quarterly Report to 31 March 1995
26 April 1995	ERA Welcomes Discontinuance of Aboriginal Litigation
12 May 1995	Results of EGM and General Meeting of "A" Class Shareholders
2 June 1995	ERA Capital Reduction Confirmed by Supreme Court
23 June 1995	ERA Announces Special Dividend
28 June 1995	ERA Special Dividend-Franking Credits
18 July 1995	Quarterly Report to 30 June 1995
21 July 1995	Distribution of Franking Credits Completed

Calendar for 1996 Financial Year

18 July 1995	Quarterly Report to 30 June 1995
18 August 1995	Preliminary Final Statement and Dividend Announcement
18 October 1995	Quarterly Report to 30 September 1995
12 October 1995	ERA Annual General Meeting
17 January 1996	Quarterly Report to 31 December 1995
15 February 1996	Half Yearly Report and Dividend Announcement
17 April 1996	Quarterly Report to 31 March 1996
30 June 1996	End of 1996 ERA Financial Year

Directors

C Anderson	Chairman
M Broomhead	Deputy Chairman
A Carmichael	
Y Coupin	
R Knight	
Sir Rupert Myers	
M Shibata	
P Shirvington	Chief Executive

Secretaries

S O'Sullivan

R Kemp

Management

P Shirvington	Chief Executive
K. Lonie	General Manager - Operations
S O'Sullivan	Chief Financial Officer
W Davies	General Manager - Marketing
P McNally	General Manager - Environmental Services

Auditors

KPMG

Bankers

Commonwealth Bank of Australia

Westpac Banking Corporation

Banque Nationale de Paris

Energy Resources of Australia Ltd

Principal Office

Level 18, Gateway
1 Macquarie Place
Sydney NSW 2000

(GPO Box 4039 Sydney NSW 2001)

Telephone (02) 256 8900
Facsimile (02) 251 1817

ERA Darwin Office

482 Stuart Highway, Winnellie NT 0820

(PO Box 39443
Winnellie NT 0821)

Telephone (089) 84 3255
Facsimile (089) 84 4161

ERA Ranger Mine

Locked Bag No.1
Jabiru NT 0886

Telephone (089) 381 211
Facsimile (089) 381 203

Registered Office

C/– Mallesons Stephen Jaques

Advance Bank Centre
60 Marcus Clarke Street
Canberra City
ACT 2601

Telephone (06) 268 3900

Publications Available from ERA

Nuclear Issues – Briefing Papers (1995)

Aboriginal People and Ranger (1993)

Rehabilitation at Ranger (1992)

Kakadu and Ranger (1992)

The Efficient Use of Energy (1992)

The Ranger Operation (1992)

Training at Ranger (1991)

Health and Safety at Ranger (1991)

Managing Water at Ranger (1990)

Milling Operations (1990)

Geology and Mining (1990)

Ranger and the Environment (1988)

Why Nuclear? (1987)

Towards Safe Disposal of Spent Ranger Uranium Fuel (1986)

ERA Newsletter (quarterly)

For copies of the publications listed above or further information, please contact the Manager – Public Affairs (02) 256 8900.