



Energy Resources of Australia Ltd (ERA)

Chris Salisbury
Chief Executive



Financial community site visit 13 June 2007



Acknowledge Traditional Owners

Energy Resources of Australia (Ltd) is located on Aboriginal land and is surrounded by, but separate from, Kakadu National Park.

ERA respectfully acknowledges the Mirarr Gundjeihmi, Traditional Owners of the land on which the Ranger Mine is situated.



Forward-looking statements

This presentation contains statements which may include predictions as to the future, and which may constitute forward-looking statements within the meaning of Australian or US securities laws. Such statements include, but are not limited to, statements with regard to capacity, future production and grades, projections for sales growth, estimated revenues and reserves, targets for cost savings, the construction cost of new projects, projected capital expenditures, the timing of new projects, future cash flow and debt levels, the outlook for minerals and metals prices, the outlook for economic recovery and trends in the trading environment and may be (but are not necessarily) identified by the use of phrases such as "will", "expect", "anticipate", "believe" and "envisage".

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and may be outside ERA's control. Actual results and developments may differ materially from those expressed or implied in such statements because of a number of factors, including levels of demand and market prices, the ability to produce and transport products profitably, the impact of foreign currency exchange rates on market prices and operating costs, operational problems, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, and activities by governmental authorities such as changes in taxation or regulation.

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Outline

- Background
- Market
- Current operations
- Exploration
- Summary

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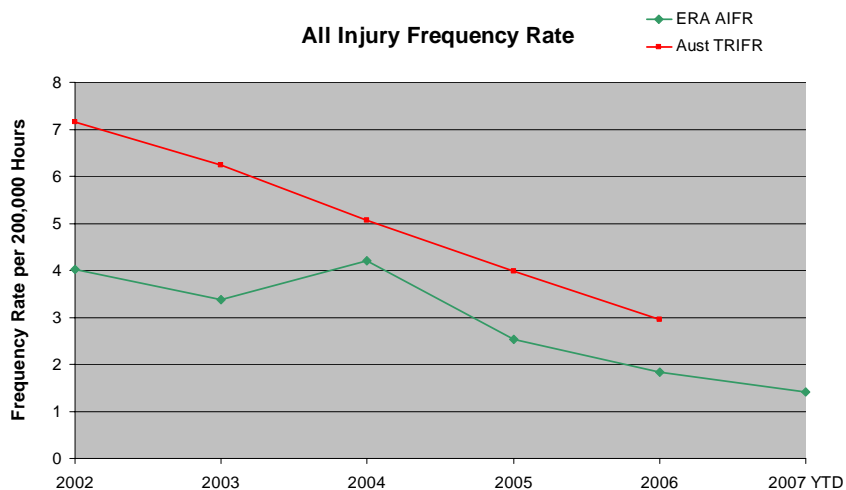
Background

- World's fourth largest uranium producer
- Operations based in the Northern Territory, Australia
- 380 employees
- In 2006 A\$43.6m (2005: \$40.7m) in net profit after tax and A\$74.9m (2005: \$33.4m) in operating cash flow
- Rio Tinto owns 68.4% of ERA

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Safety performance



Source: Minerals Council of Australia, ERA

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Location




Australia





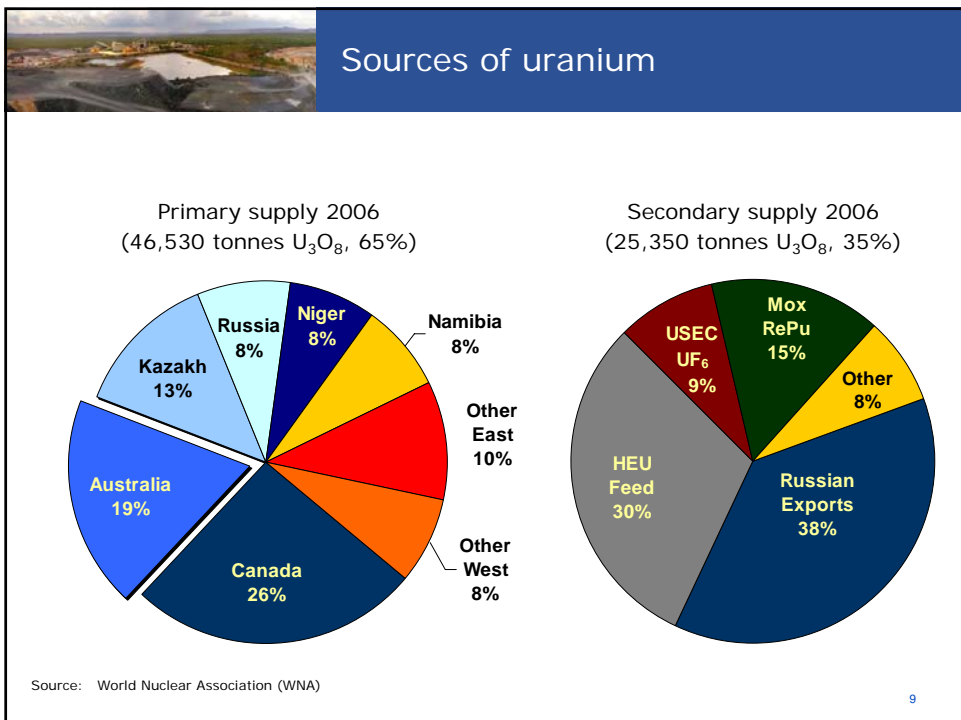
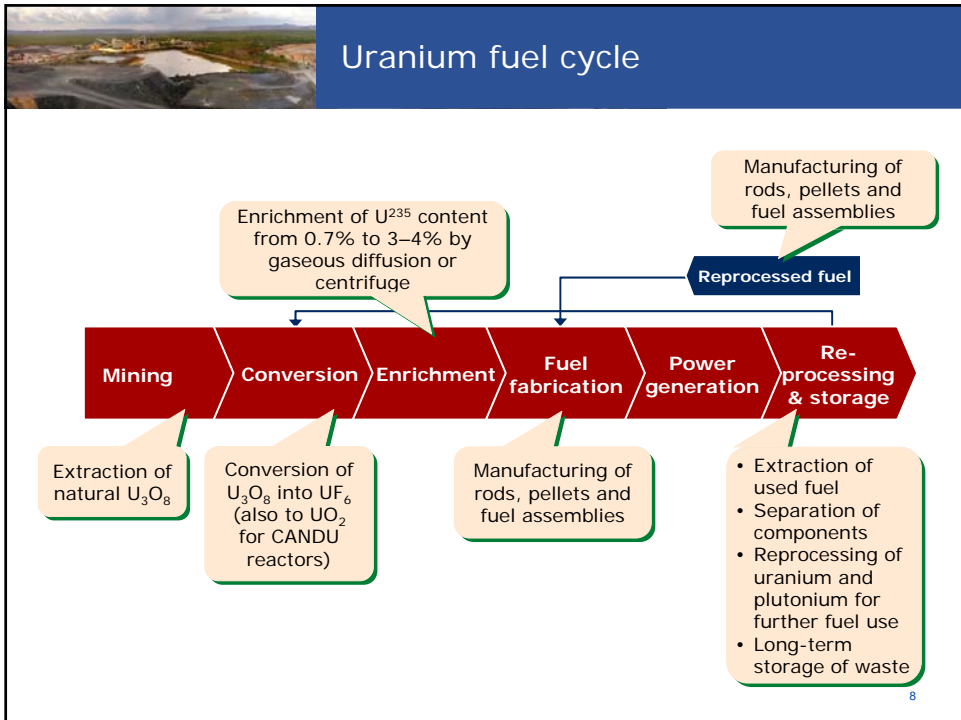
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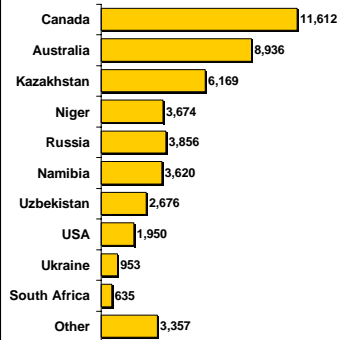




Concentration of supply

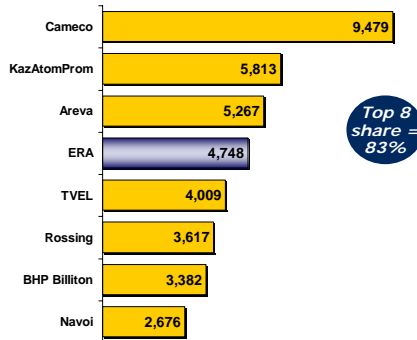
Uranium supply est. 2006 (tonnes U_3O_8)

Top 10 by country (2006)



Top 6 share = 80%

Top 7 by company (2006)



Top 8 share = 83%

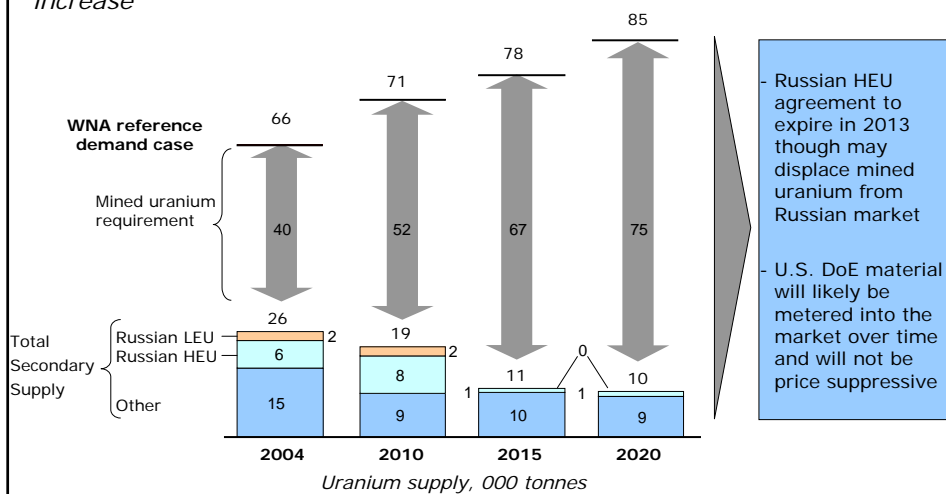
Source: WNA, Rio Tinto Uranium data book

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Primary/secondary supply

Secondary supplies are expected to decline, requiring mined supply to increase

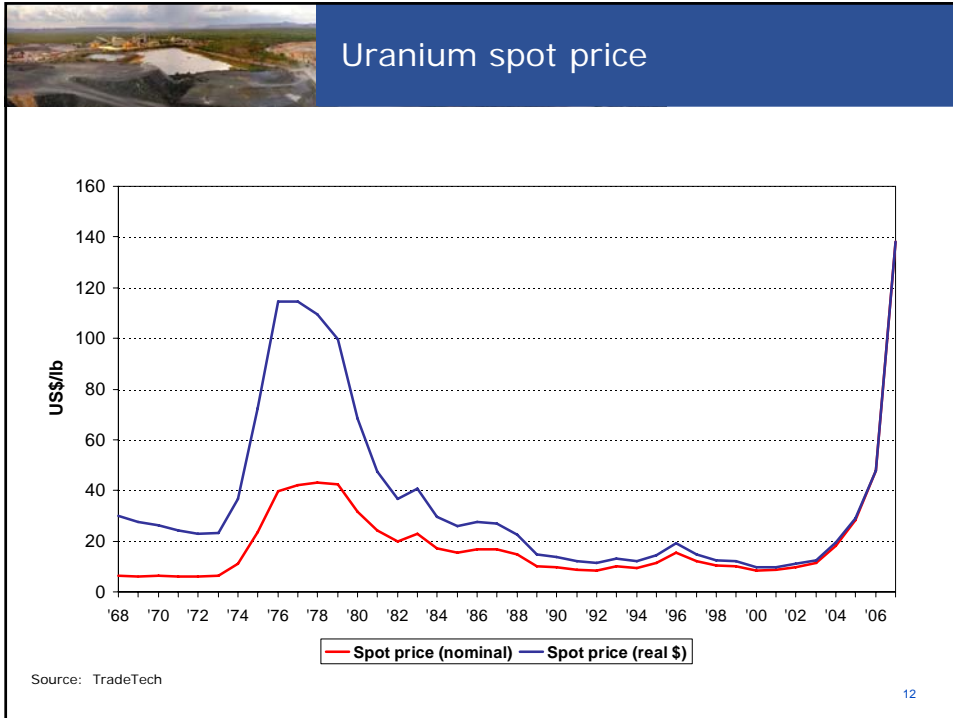


- Russian HEU agreement to expire in 2013 though may displace mined uranium from Russian market

- U.S. DoE material will likely be metered into the market over time and will not be price suppressive

Source: WNA

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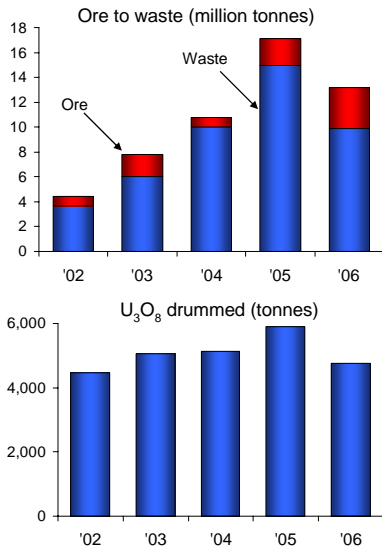
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ERA production



Source: ERA

- Process plant throughput capacity of 2.4 million tonnes per annum
- Acid Plant: all sulphuric acid will be imported commencing 3Q 2007
- Storage and management of water is one of the biggest environmental challenges; a water treatment plant was constructed in 2005
- Mining due to cease in 2009 (delayed due to rainfall event), processing to continue until 2020
- 11,100 tonnes of contained U₃O₈ added to reserves in October, 2006
- Currently constructing radiometric sorting plant and laterite plant – commissioning in early 2008

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Further opportunities

- If a cut-off of 0.02% were applied, ERA has up to 140 kt of identified contained uranium available at Ranger, of which approximately 50 kt are not included in reserves or resources
- Variety of projects to increase output;
 - Further expansion of Pit 3, and increase mining rate
 - Increase in current processing plant output
 - Crushing and grinding circuit expansion to match downstream circuit capacity
 - Consider further increase in downstream circuit capacity
 - Application of heap-leach technology to lower grade ores
- A project team has been assembled, led by a General Manager, to further develop the potential options

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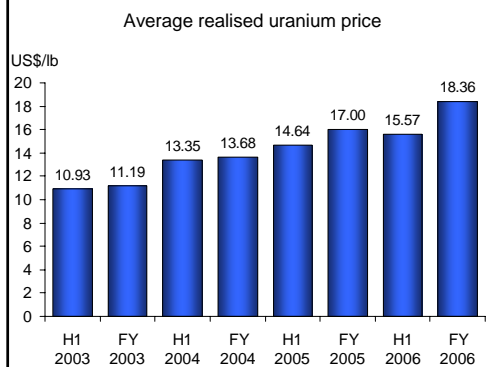
Force majeure update

- Declared as a result of heavy rains end of February/early March
- Production impacted by shutdown and high water levels in Pit 3 restricting access to grade
- Sales for 2007 expected to be in line with production. 2007 production is likely to be similar to 2006 production (~4700 tonnes)
- High water levels likely to impact 2008 production (25-35% lower than 2006 production)
- ERA is working on a number of mitigation strategies
 - Additional water disposal
 - Crushing and screening of low grade to upgrade ore
 - Other transport options
- In discussion with insurers over business interruption claim

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ERA's sales contract position



Source: ERA

- Contracts are generally:
 - 3 to 5 years in duration
 - First delivery 2 to 4 yrs after agreement
- Contracts contain a mixture of pricing mechanisms:
 - Fixed price/base escalated
 - Linked to market indicators
 - Negotiated prices
- Legacy contracts, containing large volume flexibilities and low ceiling prices, are being steadily replaced by higher-performing contracts
- Year on year realised pricing continues to rise, however, customers still have great flexibility in the timing of deliveries
- ERA is expecting lower realised pricing in the first half of 2007 compared with full year 2006, as experienced last year

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Uranium sales contracting

Contracting pre-2006

Ceilings and floors

Base escalated with some market price referencing

Volume / timing flexibilities (buyer)

Duration of contracts up to five years

Change in market conditions

Contracting post-2006

Floors but no ceilings

Some base escalated pricing

Volume / timing flexibilities (seller)

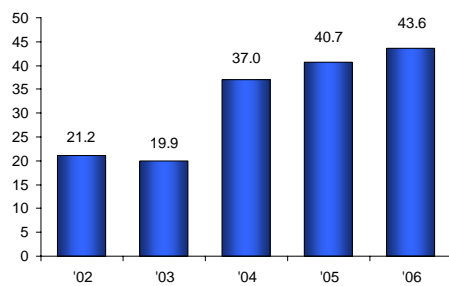
Renewed interest in longer term contracts (> five years)

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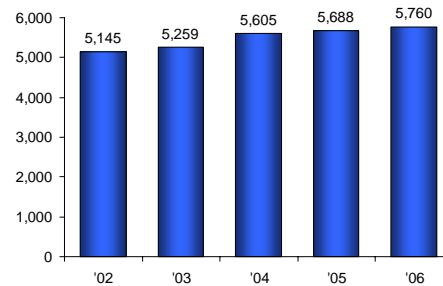


Earnings and sales volumes

Net profit after tax, A\$m




Sales, tonnes U₃O₈



Source: ERA

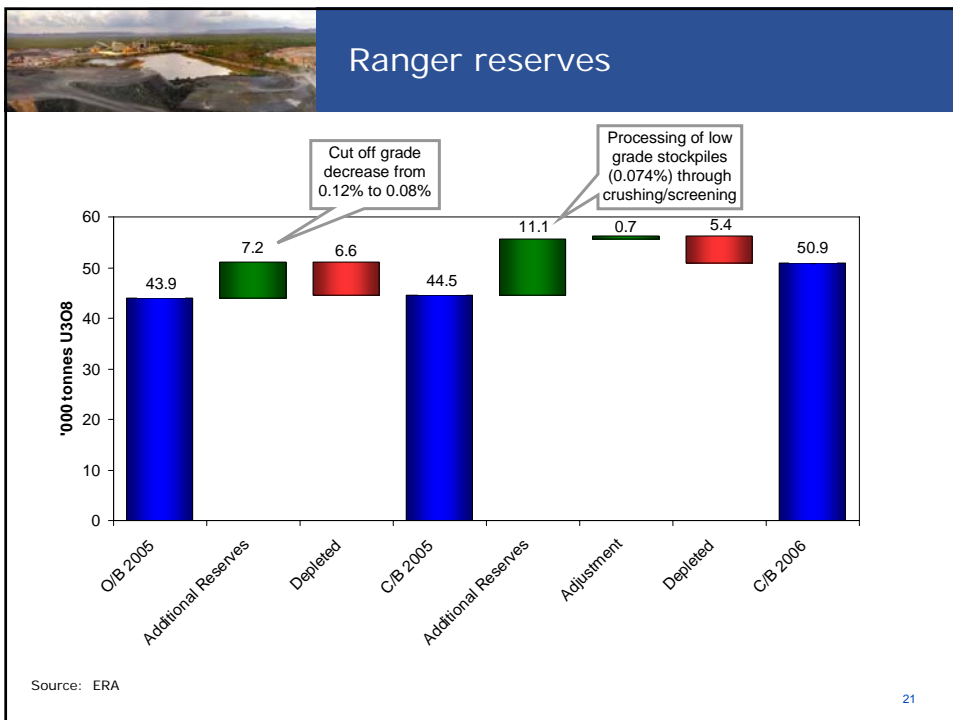
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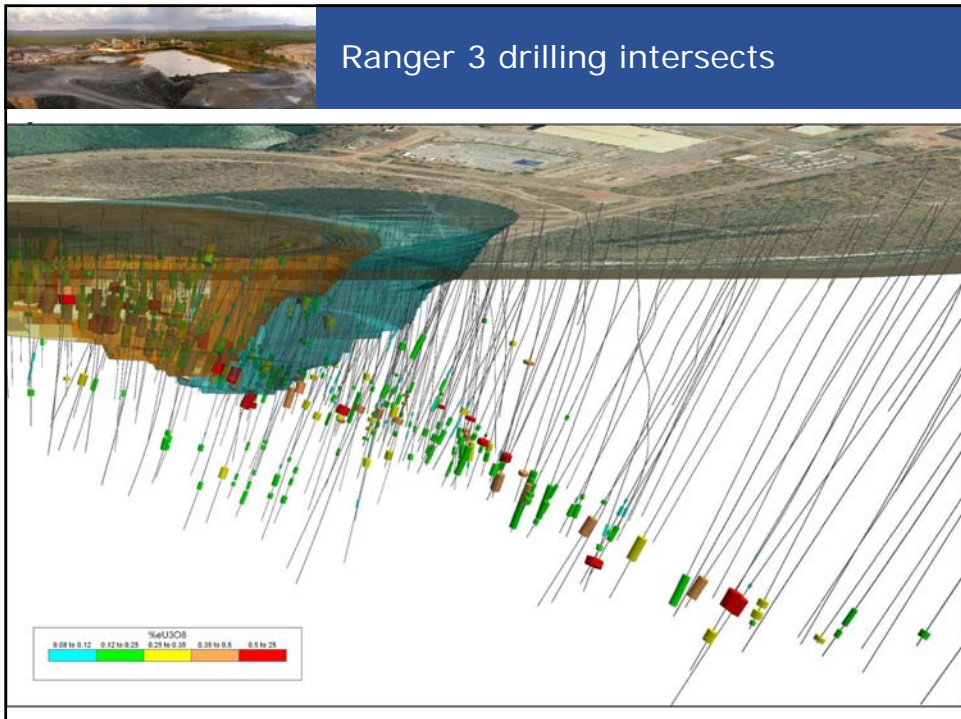
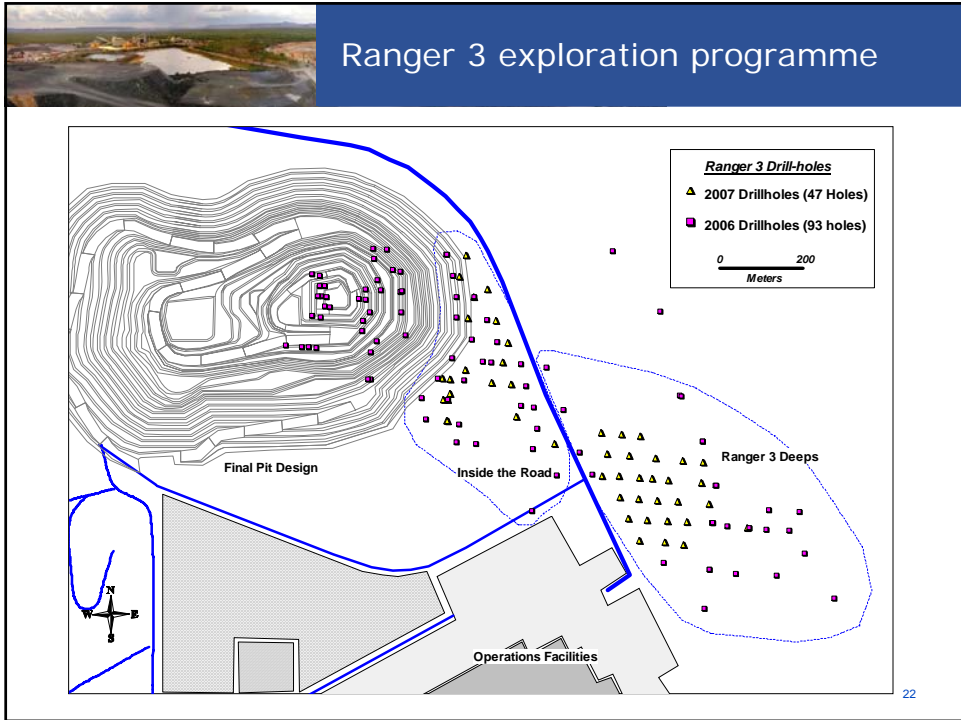



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Exploration potential



Ranger 18 East
Electromagnetic target, drill tested in 2006 - Mineralised

Ranger 4.1 - Small lateritic deposit identified


Ranger 3 Deeps - R3 ore body extension

Radiometric Anomaly U channel anomaly - Untested

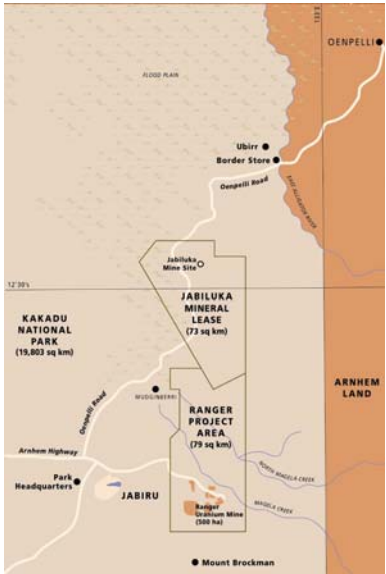
Ranger 1 Deeps - Conceptual target similar to Ranger 3 - Untested

Anomaly 5 - Previous mineralisation identified

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Jabiluka deposit



- One of the largest undeveloped uranium ore-bodies in the world
- Accessed by a shallow underground mine
- Long term care and maintenance agreement signed in early 2005
- Will only be developed with consent of Traditional Owners

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Summary

- 26 years of uranium mining experience in the Northern Territory
- World's second largest uranium mine
- Ownership of one of the world's largest undeveloped uranium resources
- Additional on-site exploration activity currently underway - encouraging results to date
- Various expansion opportunities at Ranger
- Highly regulated operating environment
- Water management (exposed to high intensity rainfall events)
- Remote location – workforce retention, logistics
- Culturally sensitive region

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