
CHAIRMAN'S ADDRESS

ANNUAL GENERAL MEETING

22 APRIL 2009

Good morning and welcome to you all. I am pleased to see the turn out here this morning at this, our second Annual General Meeting held in Darwin.

INTRODUCTION

Firstly, I would like to acknowledge the Traditional Owners of the land on which we meet today – the Larrakia people. I would also like to acknowledge the Traditional Owners of the land on which ERA operates, the Mirarr people.

I would like to introduce ERA's new Chief Executive, Rob Atkinson. Rob has been in the role for 6 months, having succeeded Chris Salisbury who I would like to thank for his time as Chief Executive. We have been fortunate to retain Chris as a Director of ERA and so will continue to benefit from his experience. Rob will shortly report on ERA's operational performance in 2008.

ECONOMIC ENVIRONMENT AND RESULTS

ERA had an exceptional year in 2008 with its best profit in its 30 year history, near record production, significant exploration success, a major increase in reserves and resources, several projects to expand and prolong production, and award winning export performance.

Despite the global recession, the outlook for the uranium industry remains positive with conditions in the market place remaining more robust than they are for most other mineral commodities.

Net profit after tax was a record \$222 million and underlying earnings, after deducting the insurance payout we received for weather and operational events we experienced in 2006 and 2007, were also a record \$119 million.

ERA Directors declared a final dividend of 20 cents per share fully franked at 30 per cent. This was in addition to the interim dividend paid on 9 September 2008 of 8 cents per share. The total dividend paid to shareholders for the year was therefore a record 28 cents per share, fully franked.

PRODUCTION

Production in 2008 of 5,339 tonnes of uranium oxide was in line with 2007 production of 5,412 tonnes and was the third highest on record. Sales of 5,272 tonnes were also in line with 2007 sales of 5,324 tonnes.

ERA is the third biggest producer of uranium in the world, producing 11 per cent of the world's produced uranium in 2008. All of ERA's uranium is used in power generation with our customers being located around the world in North America, Europe and Asia. These customers are focused on stability of supply, often well into the future. Very significant growth in demand for uranium in the next decade will come from China.

In an effort to establish a strong presence in that important market, and following on from the Australian Government's implementation of a nuclear cooperation agreement with China, ERA concluded the first sale of Australian uranium to China in 2008. Rob has just returned from visiting customers in the region and will talk more about that next.

Uranium prices contracted in 2008 from the dramatic highs of 2007. The spot market bore the brunt of the contraction and the price is currently US\$42 per pound at present, well down from the average of around US\$100 in 2007. The long term price, which is a more important price indicator for ERA, fared better with present prices around US\$70 per pound, down from an average of US\$90 in 2007.

The majority of ERA's production is sold into long term contracts, generally fixed two to five years in advance of delivery, with price being linked to market indicators or escalated from a negotiated base or a combination of the two. The nature of these contracts means that the prices ERA receives lag current market prices. In 2008 ERA's averaged realised price for uranium oxide increased by 30% to US\$32.53 per pound compared with US\$25.06 per pound in 2007.

ECONOMIC OUTLOOK

The outlook for uranium prices is strong. Supply is constrained. Difficulty in expanding production at existing operations, challenges to new mines and diminishing secondary supplies combined with projections for substantial increases in uranium demand, all point to sustained higher prices in the future. There are over 100 new reactors that are now under construction, on order, or planned around the world.

As governments assess their energy policies and consider the risks of climate change, nuclear power has become critical to the energy mix. In a carbon constrained world, the economics of nuclear power are attractive. There is also an increasing focus on energy security and independence and recognition that nuclear energy has a role to play here as well. Finally, public confidence in the safety of nuclear energy in developed economies is improving.

ERA's work on extending and expanding production has placed the company in a good position to capitalise on the strong market outlook. Over the course of 2008 a number of projects were completed which will provide increased uranium oxide production in 2009 and into the future.

The Chief Executive will provide more detail on the progress of these projects, as well as ERA's plans for expansion in a moment.

STRATEGY

While ERA will continue to evaluate opportunities for growth as they arise, the company is focused on exploring and evaluating the mineral resources on its existing leases. This is because the East Alligator River region of the Northern Territory is probably the most prospective uranium hosting terrain in the world and our leases are situated in the heart of it.

In line with this view, ERA maintained a strong exploration programme on the Ranger Project Area in 2008, with exploration expenditure increasing to \$15.6 million, up from \$14.1 million in 2007.

These exploration and evaluation efforts on the Ranger Project Area have been very successful. During 2008, the Ranger mineral resources increased by 128% from 51 thousand tonnes of contained uranium oxide to 115 thousand tonnes. In fact, ERA's combined reserves and resources now exceed all the ore we have processed since the mine began.

This was the result of the successful exploration programme at Ranger 3 Deeps where a major uranium resource has been identified, as well as being able to lower the economic cut off grade due to higher prices and some innovative exploitation methods.

The Company has been conducting studies into further Ranger expansion options. Two proposed projects were recently referred to Government. The first was for a proposed heap leach facility to treat low-grade ore from existing stock piles. The second was to develop an exploration decline in order to gain a greater understanding of the Ranger 3 Deeps mineralisation. Both applications are progressing and Rob will provide more details soon.

The Jabiluka deposit remains a valuable asset to the company but, as we have said in previous years, it remains on long term care and maintenance and will not be developed without the consent of the Traditional Owners.

SUSTAINABLE DEVELOPMENT

A commitment to sustainable development is critical to the way we do business at ERA. We uphold the highest standards of environmental performance. The company makes a vital contribution to the Northern Territory economy. It also understands deeply the importance of managing community issues sensitively.

Relationships with Traditional Owners and key Northern Territory stakeholders continue to improve, and it is encouraging to see the range of local projects in which a cooperative approach is being taken. The company continues to consult with the Mirarr people, and we are certainly benefiting from positive engagement with the Mirarr people.

ERA strongly supports the Mirarr's aspiration to be recognised as the Traditional Owners of the land on which Jabiru is built. As discussions to resolve a native title claim over the town proceed, and with the expiration of the head-lease for the town of Jabiru in 2021, ERA's management continue to work with the Territory and Federal Governments and other key stakeholders to examine options for the future of Jabiru.

We believe that ERA will be present in the region for many years to come and can provide the economic platform for a sustainable community beyond 2021.

The company continues to play a strong and positive role in the public arena, both within the Northern Territory and nationally, engaging with industry bodies and with the Federal Government.

CONCLUSION

In summary, ERA is well positioned to take advantage of the positive outlook for uranium, and ensure the ongoing growth in value for its shareholders. 2008 has seen significant milestones reached with record profits, major exploration success and award winning export performance. ERA won the Northern Territory's award for the best export performance in 2008 and the Australia wide award for mineral exporter of the year.

I will now invite the Chief Executive, Mr Rob Atkinson, to deliver his report.