

# Presentation to the Financial Community

Capital Raising

12 October 2011



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All dollar values are in Australian Dollars (A\$) unless stated otherwise. Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

## Financial data

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Investors should note that it is a requirement of the Australian Securities Exchange listing rules that the reporting of ore reserves and mineral resources in Australia comply with the Australasian Joint Ore Reserves Committee Code for Reporting of Mineral Resources and Ore Reserves (the "JORC Code"), whereas mining companies in other countries may be required to report their mineral reserves and/or resources in accordance with other guidelines (for example, SEC Industry Guide 7 in the United States). Investors should note that while ERA's mineral resource estimates comply with the JORC Code, they may not comply with the relevant guidelines in other countries, and do not comply with SEC Industry Guide 7. For example, the reporting regime in the United States under SEC Industry Guide 7 prohibits the reporting of estimates other than proven or probable reserves.

# Important notices

## Forward-looking statements

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An investment in ERA is subject to investment risk and other known and unknown risks, some of which are beyond ERA's control. ERA does not guarantee any particular rate of return or the performance of ERA, nor does it guarantee the repayment of capital from ERA or any particular tax treatment. Please see slides 34 to 45 of this presentation – Key Risks – for further details.

## Competent Person

The information in this report that relates to Ranger and Jabiluka Mineral Resources or Ore Reserves is based on information compiled by Geologists Greg Rogers (a full time employee of ERA) and Arnold van der Heyden (a full time employee of Hellman & Schofield Pty Ltd and consultant to ERA) and Mining Engineers Reid Miller and John Murphy (full time employees of ERA) who are all members of the Australasian Institute of Mining & Metallurgy. Greg Rogers, Arnold van der Heyden, Reid Miller and John Murphy have sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration, and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Greg Rogers, Arnold van der Heyden, Reid Miller and John Murphy consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

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# Acknowledge Traditional Owners

**The mining operations of Energy Resources of Australia Ltd (ERA) are located on Aboriginal land and are surrounded by, but separate from, Kakadu National Park**

**ERA respectfully acknowledges the Mirarr, Traditional Owners of the land on which the Ranger mine is situated**

- Executive summary

- ERA position and uranium market outlook

- Overview of Ranger rehabilitation and water management

- Overview of ERA's growth initiatives

- Capital raising details

- Key risks

- Selling restrictions / jurisdictions

# Executive summary

- **ERA has today announced it will be undertaking a fully underwritten 12 for 7 renounceable entitlement offer of \$500 million, at an issue price of \$1.53 per share**
- **Proceeds raised will be used to fund:**
  - Construction of Brine Concentrator and other water management initiatives
  - Construction of Ranger 3 Deeps exploration decline
  - Further studies into development of Ranger 3 Deeps mine
  - Expanded exploration program targeting highly prospective areas on the Ranger Project Area
- **Rio Tinto has indicated its full support for the capital raising:**
  - Rio Tinto has committed to take-up its 68.4% entitlement
  - Rio Tinto has indicated its intention to participate in sub-underwriting the retail entitlement offer



- Executive summary

- **ERA position and uranium market outlook**

- Overview of Ranger rehabilitation and water management

- Overview of ERA's growth initiatives

- Capital raising details

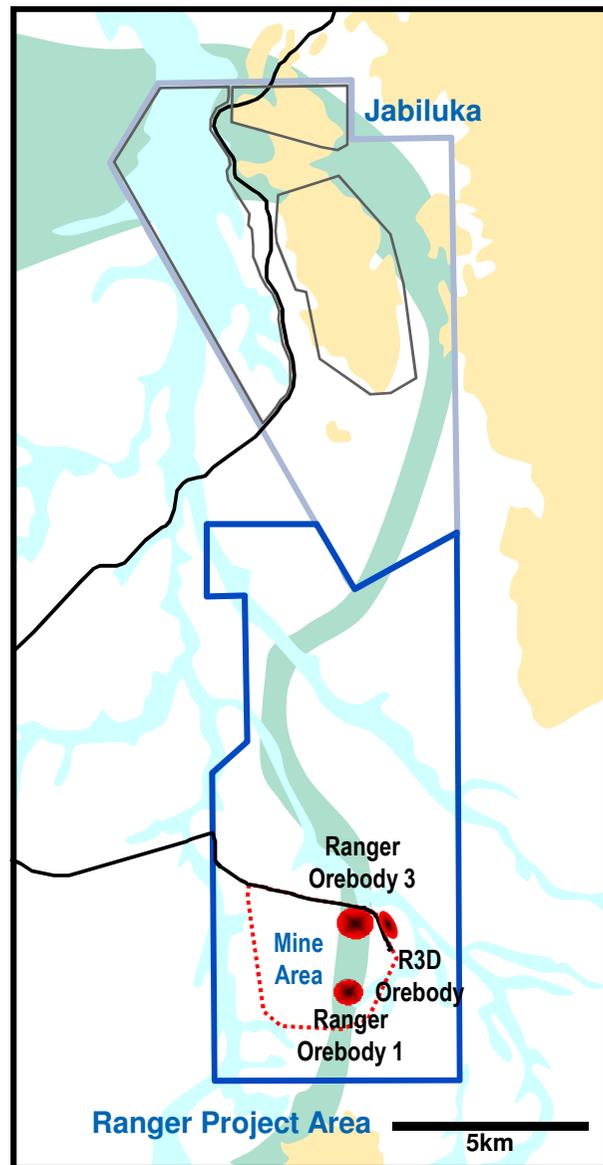
- Key risks

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# Located in the Northern Territory, ERA is one of Australia's largest uranium producers

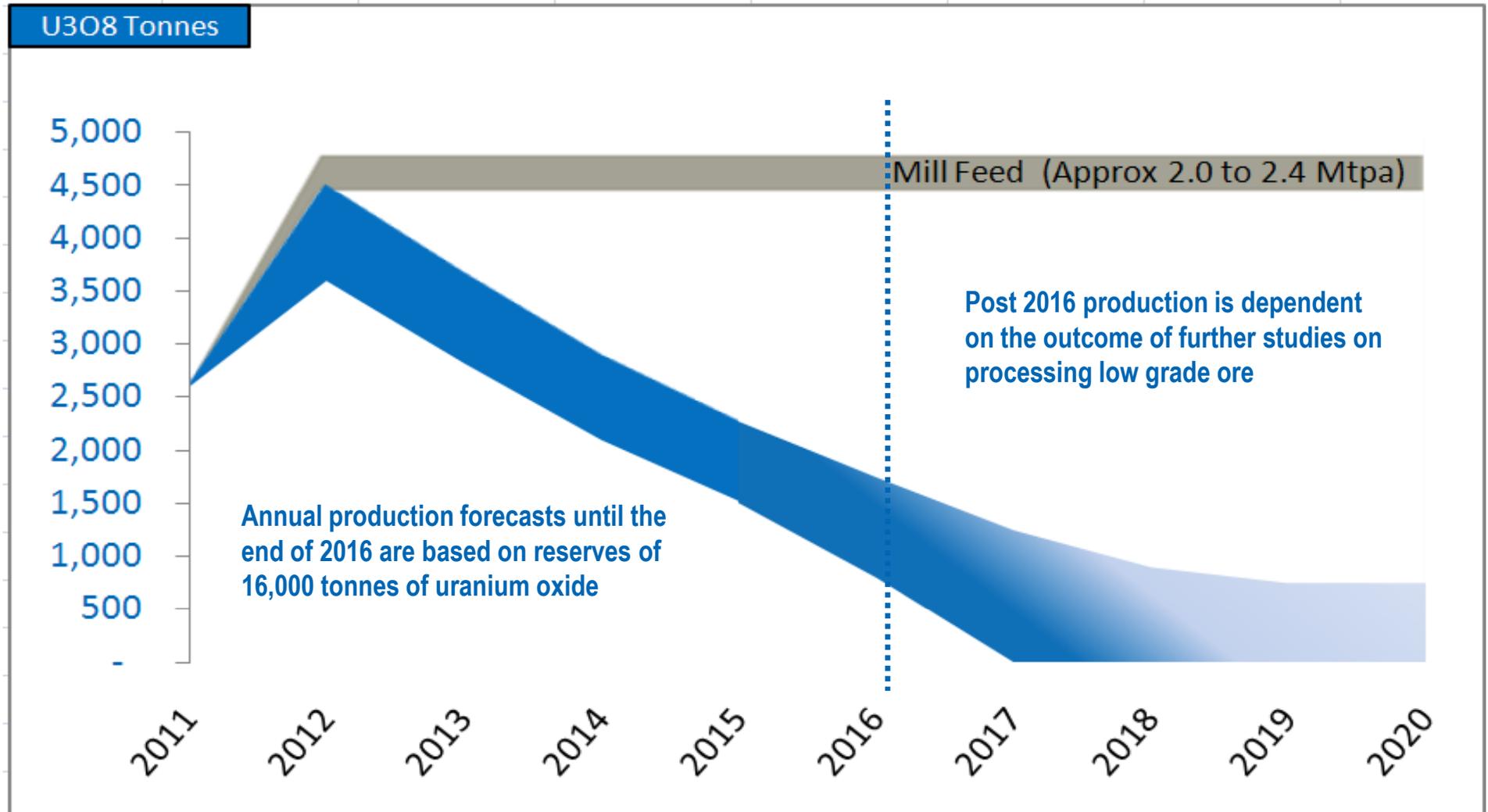
- **Experienced producer with strong exploration upside**
  - Experienced producer with over three decades of uranium mining experience
  - ERA's Ranger mine is one of only three mines in the world that has produced in excess of 100,000 tonnes of uranium oxide
  - Part of capital raising proceeds to fund expanded exploration program scheduled for period 2012 to 2014
  - ERA has identified highly prospective and under explored regions within the Ranger Project Area
- **ERA's deposits represent some of the largest and highest grade in Australia**
  - The Ranger Project Area lies within the highly prospective Alligator Rivers Region, where the current mining operations are located, as well as the Ranger 3 Deeps mineral resource
  - ERA also holds the Jabiluka mineral lease which, in accordance with the Long Term Care and Maintenance Agreement, will not be developed without the consent of the Traditional Owners
- **Positive uranium market outlook in the longer term**
  - Fukushima incident caused a slowdown in some regions, but ERA believes nuclear energy will still be an important part of the global energy mix for decades to come
  - Emerging economies expected to support uranium demand, with commitment to nuclear energy from China, India, Russia and the United Arab Emirates

# Experienced producer with strong exploration upside



- Ranger Pit 3 operations expected to be completed by the end of 2012
- Stockpiles will allow continued production following cessation of mining in Ranger Pit 3
- Following the announcement that the Heap Leach project will not be progressed, ERA will continue to investigate methods for extracting the value from the existing low grade stockpiles
- The Ranger 3 Deeps exploration decline will allow for the further exploration of the current Ranger 3 Deeps mineral resource (10 million tonnes @ 0.34% uranium oxide with a cut-off grade of 0.15% uranium oxide)
- ERA will undertake further studies into the development of the Ranger 3 Deeps mine
- Ranger wide exploration program planned for 2012 to 2014. It is important that ERA understands the full extent of the resources on the Ranger Project Area

# Ranger production forecast (excluding potential Ranger 3 Deeps mine production)<sup>1</sup>

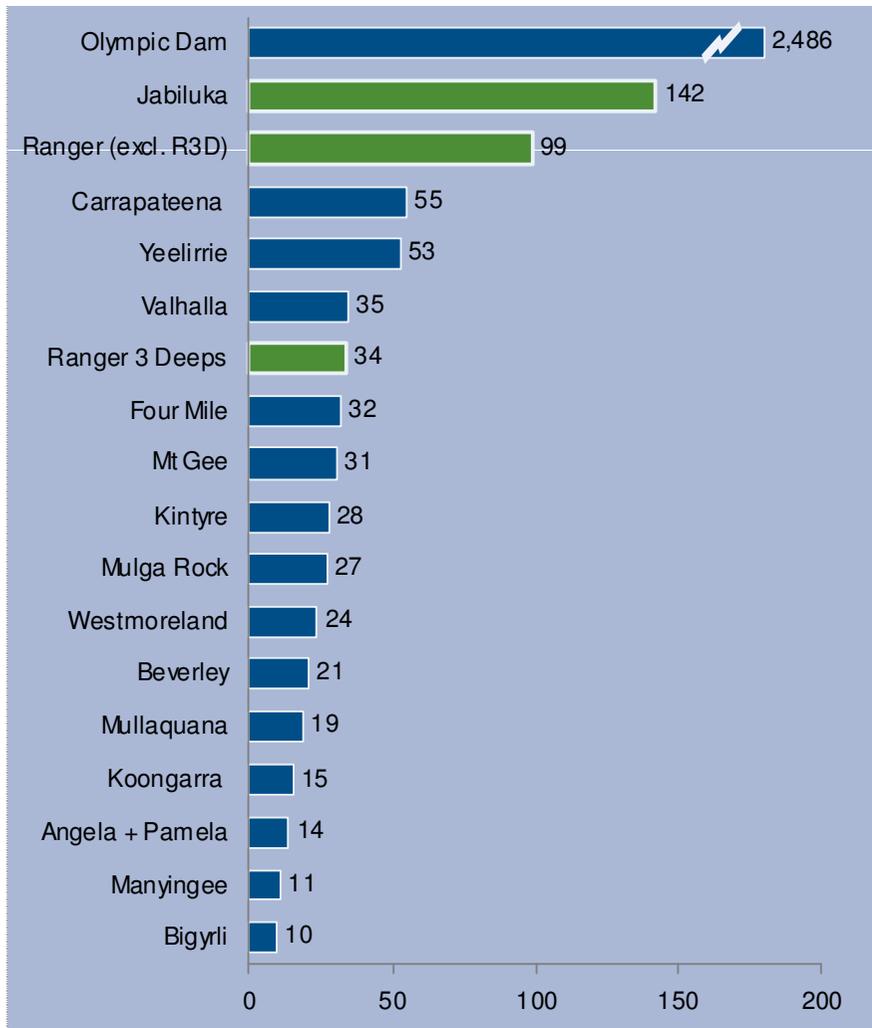


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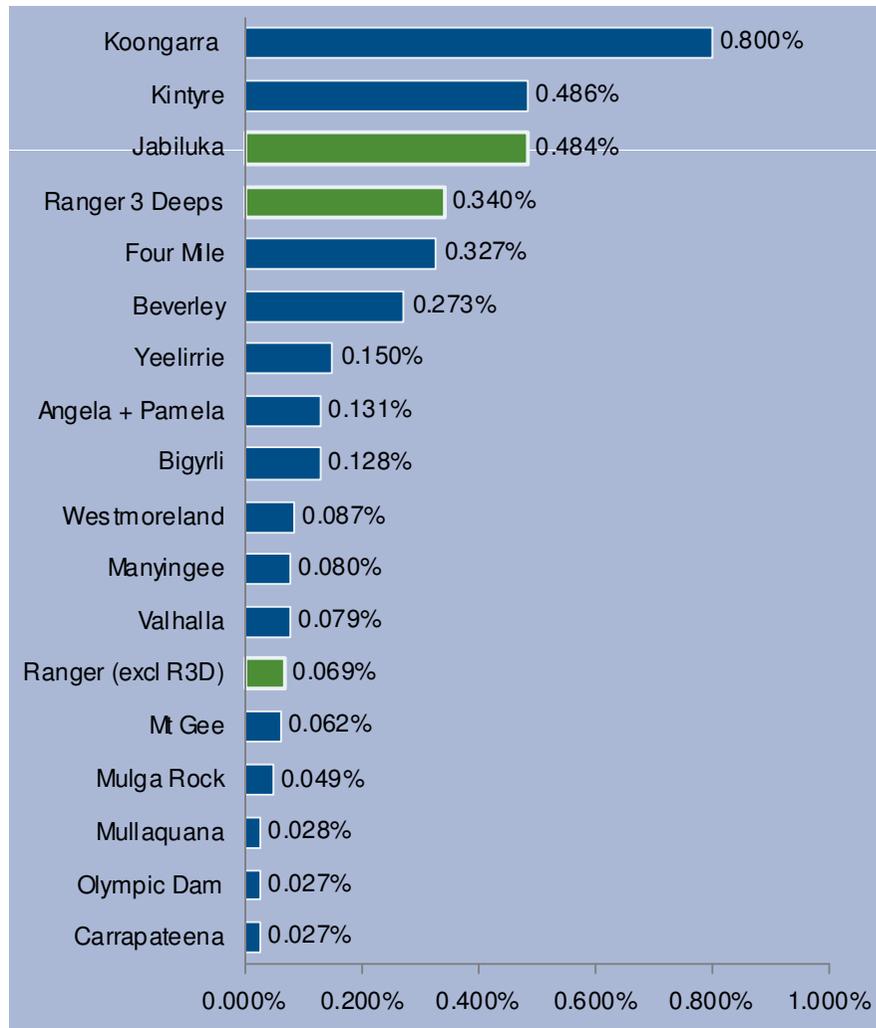
1. Risks associated with this production forecast are outlined in the Key Risks section and, in particular, slides 35 to 38

# ERA's deposits represent some of the largest and highest grade uranium inventories in Australia

Resource size in U3O8 tonnes ('000t)



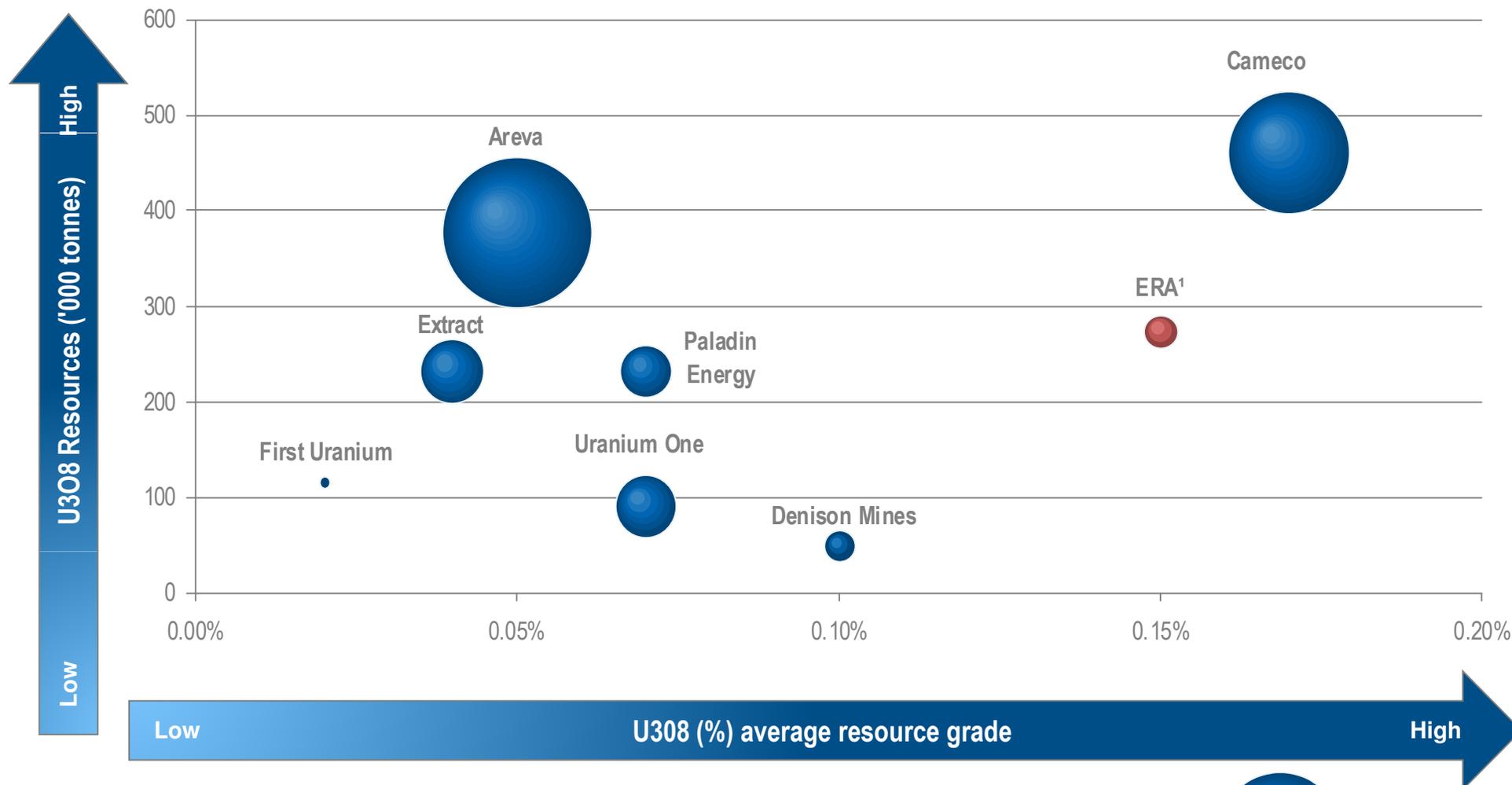
U3O8 (%) average resource grade



Source: Company reports and announcements

Note: Ranger deposit size and grade excludes Ranger 3 Deeps; ERA's resources are inclusive of reserves and are as of 1 July 2011

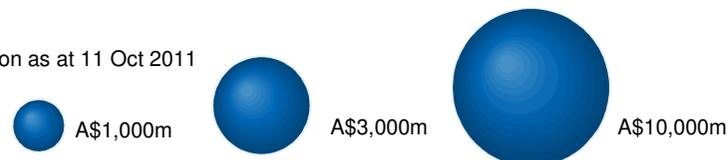
# Comparison of ERA's current market capitalisation, uranium grades and resource base, versus selected global peers



Source: Company reports and announcements

Note: Resources and grades shown on an attributable basis; Bubbles size relative to current market capitalisation as at 11 Oct 2011

<sup>1</sup> ERA's resources are inclusive of reserves and are as of 1 July 2011



# Positive uranium market outlook in the longer term

- **Near term impact of Fukushima**

- Immediate loss of demand in Japan
- Germany moving from life extension to probable early shutdown
- Some slowing of reactor builds in the short term, while countries assess safety learnings
- Near term market and price volatility as demand and supply adjust

- **Long term uranium market outlook**

- Slower demand growth outside of China, but China may exceed current estimates
- New mine development will also be a challenge, so overall supply and demand expected to remain in balance
- Long term demand impact should not change significantly as China represents most of the growth
- Uranium demand further supported by emerging countries like India and new entrants such as United Arab Emirates
- New nuclear build is still underway in South Korea, India, the US and parts of Europe
- 440 reactors continue in operation worldwide and will need to be refuelled (source:WNA)

- **Nuclear power is a low carbon emitting generation technology that has the ability to deliver large volumes of base load power. ERA believes it will still be an important part of the global energy mix for decades to come**

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- ERA position and uranium market outlook

- **Overview of Ranger rehabilitation and water management**

- Overview of ERA's growth initiatives

- Capital raising details

- Key risks

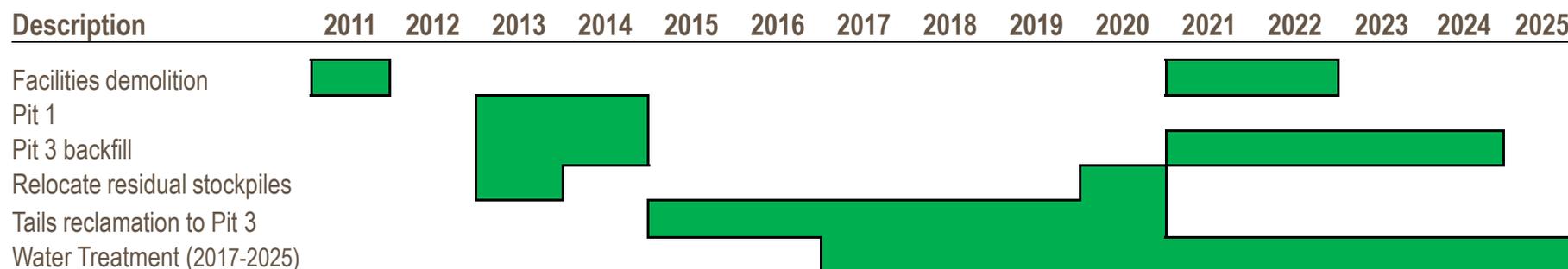
- Selling restrictions / jurisdictions

# Rehabilitation provision

- ERA is committed to ensuring the Ranger Project Area is rehabilitated to the required and agreed standard
- The Ranger s41 Authority requires ERA to cease all mining and processing operations at the Ranger Project Area by 2021, with rehabilitation to be complete by January 2026, so that the environment at the site is similar to adjacent areas of the Kakadu National Park
- Further information on ERA's environmental standards, including rehabilitation, is outlined in its annual Sustainable Development Report which can be found on ERA's website ([www.energyres.com.au](http://www.energyres.com.au))

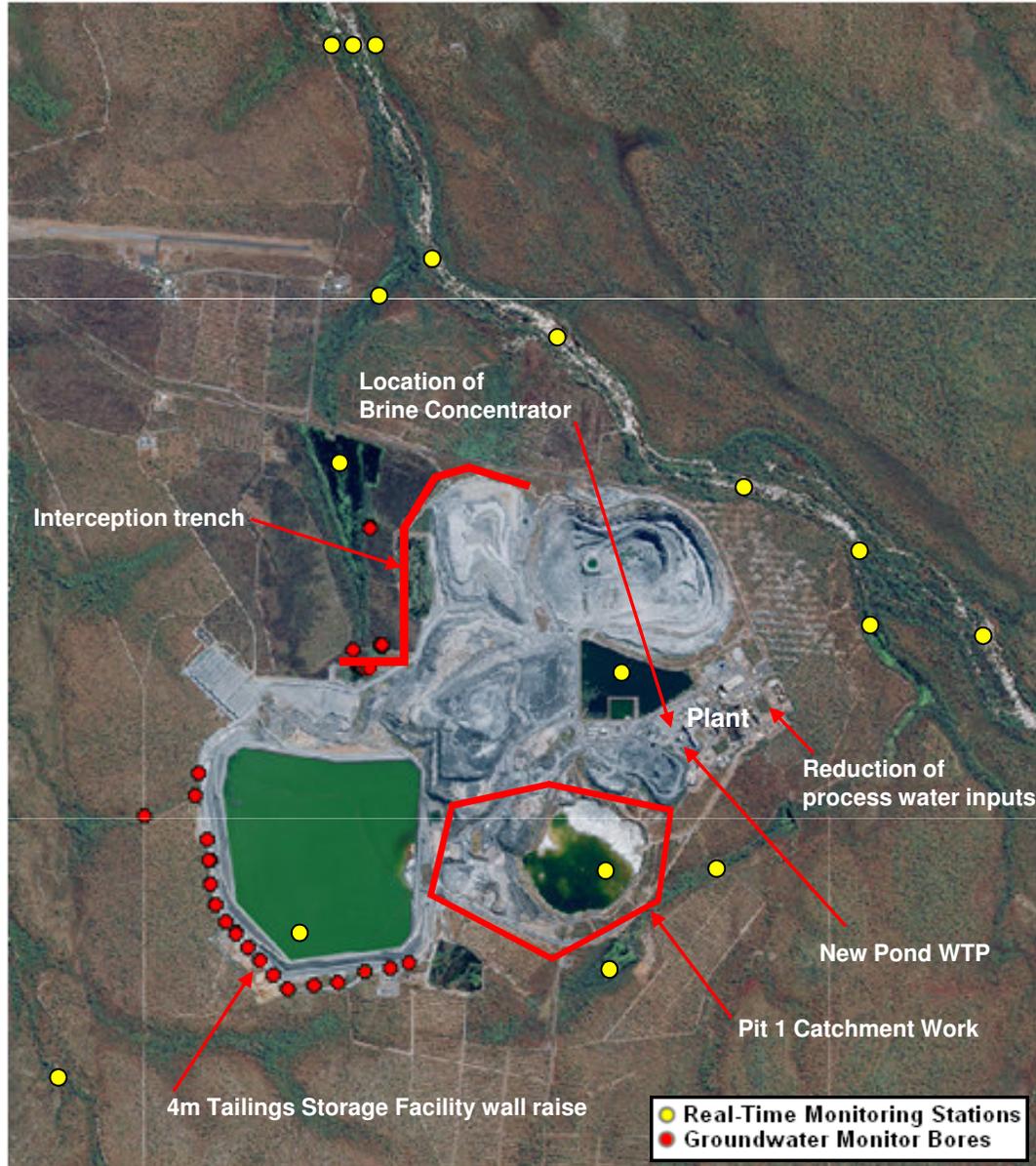
# Rehabilitation Costs

- **The current financial statement provision for rehabilitation is \$550 million on a net present cost basis (as announced in ERA's 2011 Half Year financial statements)**
  - Equivalent to an amount of \$680 million on a 2011 real Australian dollar undiscounted basis
  - Determined using a discount rate equivalent to the Australian Government ten year bond rate and an assumed inflation rate of 2.25%
  - The above estimate is at an order of magnitude (-15% to +30%) level of accuracy <sup>1</sup>
  - Major rehabilitation activities are scheduled to commence in 2013 following cessation of mining in Pit 3, with the costs of these activities expected to be approximately evenly distributed over each year in the period 2013 to 2025
- **Total estimated expenditure of \$750 million on a 2011 real Australian Dollar undiscounted basis inclusive of all disturbance from current mining operation (excludes any new projects) <sup>1</sup>**
- **Risks associated with the rehabilitation provision are outlined on slides 35 and 38 to 39 and include:**
  - The provision has been determined at an order of magnitude level and reflects an estimate of closure costs at this point in time
  - The provision includes an allowance for salt management, however, a final option will not be selected until completion of the detailed studies
  - The provision includes an allowance for the costs of the treatment post 2016 of 1.83 GL of process water per year
- **As previously communicated, work continues to further define the scope and cost of rehabilitation activities, with expected completion by the end of 2012. This may result in increased estimates for rehabilitation work and a corresponding increase in the provision for rehabilitation in our financial statements**
- **The significant activities in the current rehabilitation provision and indicative schedule of those rehabilitation activities is:**



Note: <sup>1</sup> The “-15% to +30%” range is the internal level of accuracy adopted by ERA to complete an order of magnitude study. This does not represent a minimum and maximum range and actual costs may vary by more than the specified level of accuracy.

# Significant investment in water management



- Investment of \$80 million to conduct feasibility study on Brine Concentrator and procurement of long lead items as announced in April 2011 (total capital expenditure for project estimated to be \$220 million)
  - Targeted commissioning of Brine Concentrator in second half of 2013
  - Most effective long term method to treat and reduce process water inventory
  - Target capacity 1.83 gigalitres of water per year
  - Pilot facility testing complete with positive results
  - Risks associated with Brine Concentrator project are outlined on slide 35
- The operation of the Brine Concentrator is energy intensive and will result in a significant increase in water treatment operating costs. These impacts will be further assessed as part of the feasibility study
- Significant catchment reduction works completed to divert pond water from the process water catchment
- Plant modifications completed to reduce process water inputs
- \$52 million to raise the embankment of the Tailings Storage Facility by 4 metres to be completed by the end of 2011
- Additional bore holes being installed to monitor groundwater quality as well as further real time monitors, retention ponds and wet land filters
- The total water management capital expenditure of \$367 million outlined below is not included in the rehabilitation provision of \$550 million

Water management capital expenditure 2011 to 2013	\$ million
Brine Concentrator (2011 to 2013)	\$220
Raise Tailings Storage Facility (2011)	\$52
Other water management initiatives (2012 to 2013)	\$95
<b>Total</b>	<b>\$367</b>

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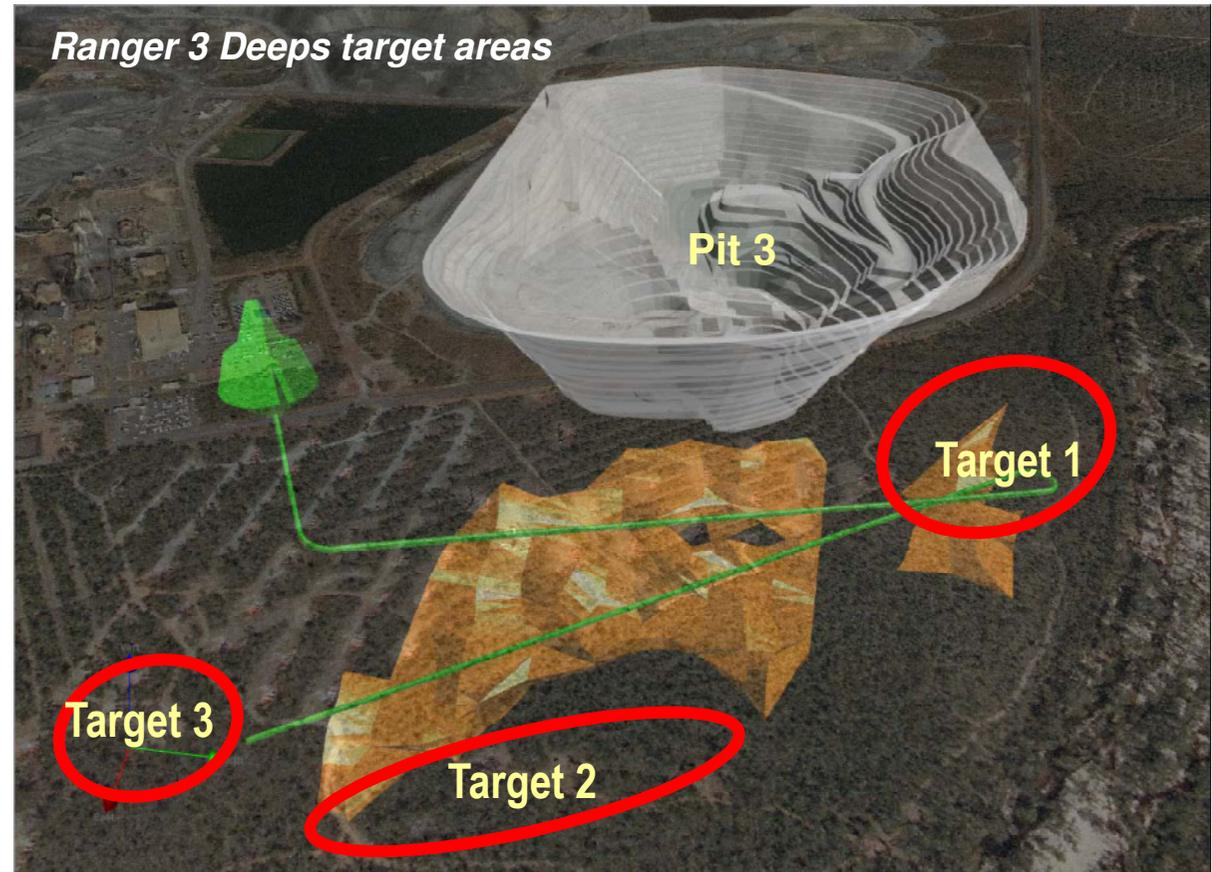
- Capital raising details

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# ERA to explore for significant resource upside at Ranger 3 Deeps

- Current Ranger 3 Deeps mineral resource has 34,000 tonnes of contained uranium oxide (at cut-off grade of 0.15% uranium oxide), which is one of the most significant uranium deposits recently discovered
- Whilst ERA will seek to optimise recovery, it does not anticipate to fully exploit the current known Ranger 3 Deeps mineral resource within the term of the current s41 Authority
- Future exploration target zones provide further upside potential
  - Northern extension under Magela Creek (Target 1)
  - Deeper resource along interpreted structure (Target 2)
  - South east extension (Target 3)
  - Other adjacent prospective areas
- ERA recently announced a substantial investment for the construction of the exploration decline and associated drilling which is expected to cost \$120 million with an additional \$55 million allocated to further studies
- The estimated development cost of the Ranger 3 Deeps mine will be determined as part of these further studies. However, it is expected that it will require an additional substantial investment of at least as much as is intended to be spent on the current exploration decline and further mine evaluation studies combined and potentially more
- Risks associated with the Ranger 3 Deeps project are outlined in the Key Risks section and, in particular, slides 36 to 37 and 41



# Ranger 3 Deeps – indicative milestones

Milestones	Target Date
Exploration decline approved (by ERA Board and NT Government)	Completed
Award site preparation work	October 2011
Targeted commencement of draft Environmental Impact Statement and associated studies	2012
Box cut excavation and completion	October 2012
Commencement of decline construction	October 2012
Commencement of drilling	June 2013
Targeted commencement of feasibility study	2014
Review of economic viability and decision whether to proceed	2014
Targeted commencement of production*	Late 2015

*\* Assuming operational mine is feasible*

# Pathway to potential production at Ranger 3 Deeps

Approval to proceed with Ranger 3 Deeps exploration decline

Prove up business case for mine development

Stakeholder consultation



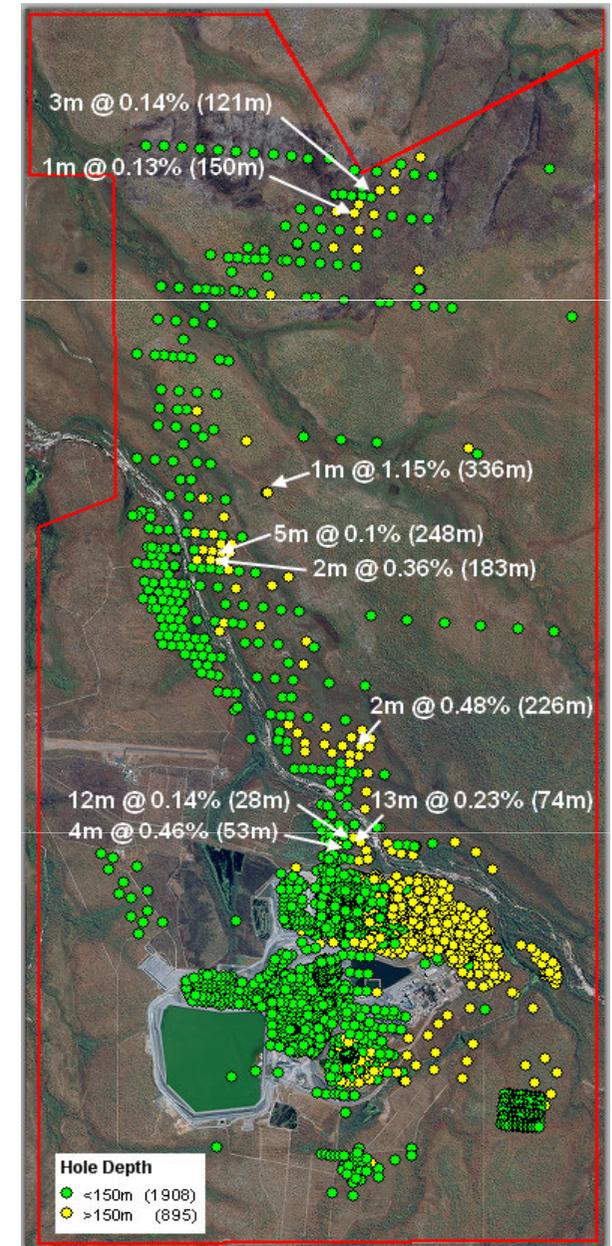
- Construct exploration decline (which will act as the production decline if the Ranger 3 Deeps mine is developed)
- Identify additional resources
- Resource delineation to convert resources into reserves
- Provide business case for mine development

- Continue to fulfill commitments to environment and surrounding region
- Discuss future options for ERA with key stakeholders

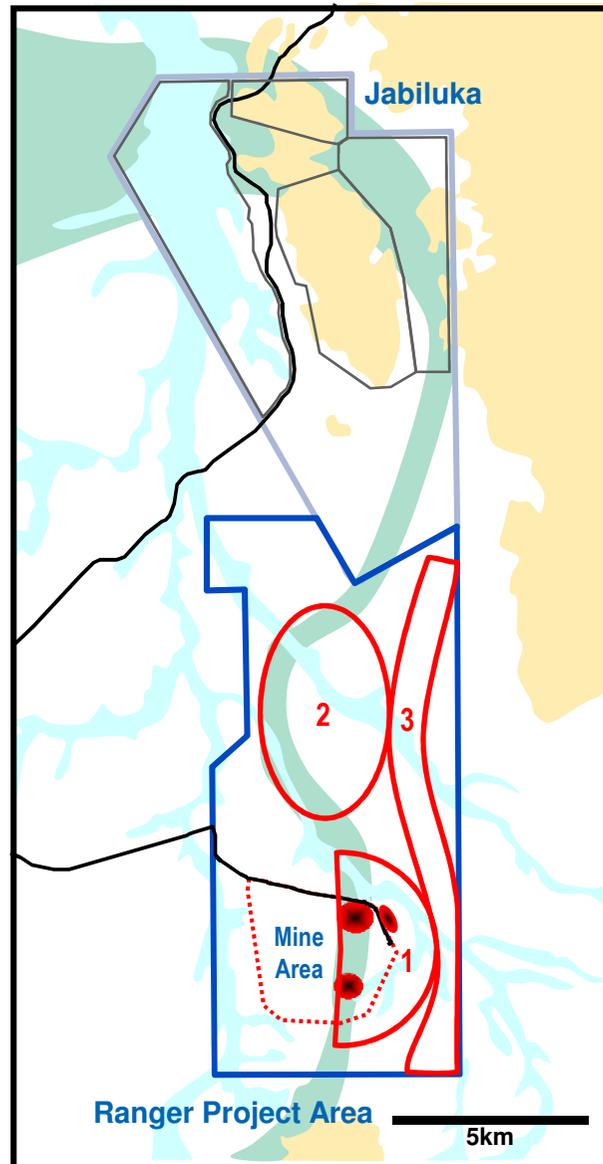
Undertake close communication and consultation with regulators, Traditional Owners and other key stakeholders at every stage

# ERA to optimise expanded exploration program

- **Past drilling has identified targets of interest across the Ranger Project Area**
  - There remains highly prospective underground exploration targets
  - Future exploration will focus on deeper drilling to target similar deposits to Ranger 3 Deeps
- **There have been significant advancements in exploration techniques since the early exploration drilling of the Ranger Project Area**
  - Geochemical – using low level detection techniques on a wide range of path finder elements (vectoring) into uranium mineralisation
  - Mineralogical - using mineral chemistry
  - Geophysical - high resolution magnetics, seismic, gravity
  - Structural - recognition of significant fault structures that strongly influence the location of the Ranger 3 Deeps mineralisation and identification of other similar structural targets
- **These techniques, along with ERA's geological knowledge, will be utilised to define the expanded exploration program for the Ranger Project Area during 2012 to 2014**



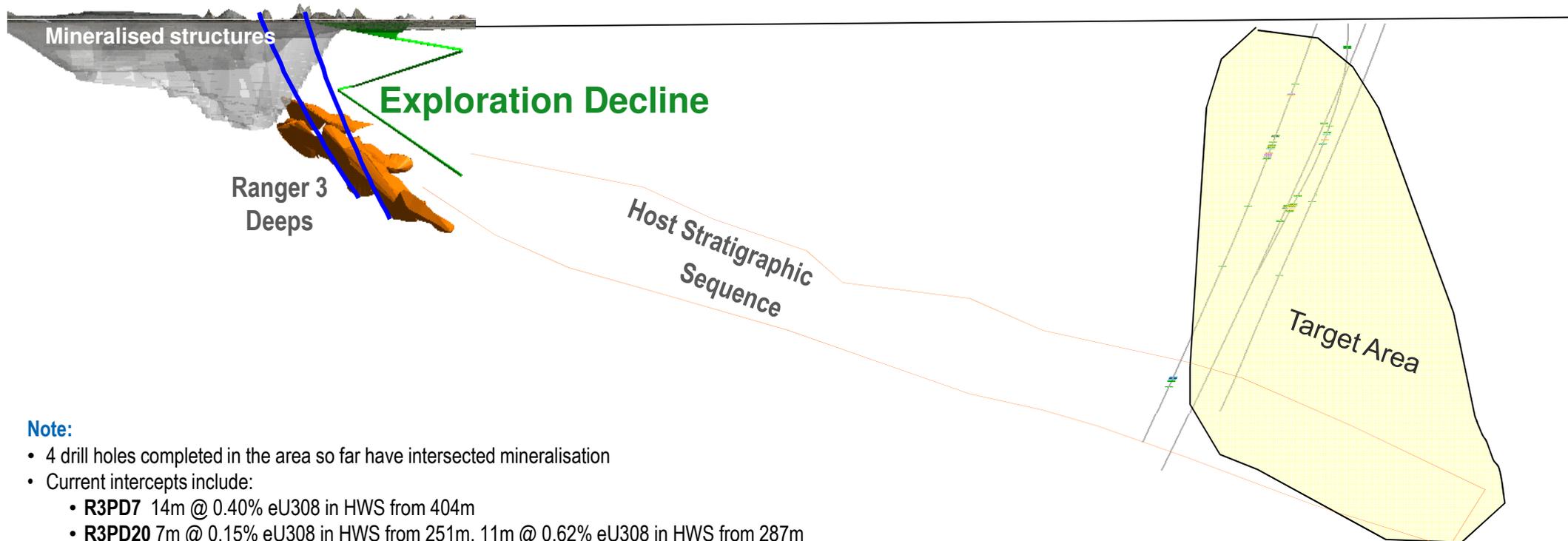
# Expanded exploration program on Ranger Project Area



- 2011 Ranger exploration program well progressed and further significant exploration activity planned for 2012 to 2014
- Estimated expenditure of \$40 million for 2012 to 2014
- Three prospective areas being targeted:
  - 1. Ranger Mine Orbit**
    - Focus on prospects adjacent to Ranger 3 Deeps and other near mine anomalies
    - Significant zones of mineralisation have been intersected under the Georgetown structure, based on drilling to date
    - Prospective depth to 800m
  - 2. North Ranger Project Area**
    - Focus: standalone mineable resource
    - Prospective depth to 800m
  - 3. East Ranger Project Area**
    - Prospective depth to 800m

# Georgetown deep structural target

- Potential repeat of a mineralised structure has been intersected to the east of the Ranger 3 Deeps resource
- Three significant zones of mineralisation have been intersected to date



## Note:

- 4 drill holes completed in the area so far have intersected mineralisation
- Current intercepts include:
  - **R3PD7** 14m @ 0.40% eU308 in HWS from 404m
  - **R3PD20** 7m @ 0.15% eU308 in HWS from 251m, 11m @ 0.62% eU308 in HWS from 287m
  - **R3PD19** 1m @ 0.22% eU308 in HWS from 370m
  - **R3PD20** 7m @ 0.17% eU308 in UWS from 770m
  - **R3PD25** 4m @ 0.45% eU308 in HWS from 409m
- Mineralised intersections are based on a 0.08% uranium oxide cut off
- This diagram represents a schematic hypothesis to illustrate future targets
- *UWS* means upper mine sequence (UMS), the strata that hosts the ore
- *HWS* means hanging wall sequence, strata above UMS

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- **Capital raising details**

- Key risks

- Selling restrictions / jurisdictions

# Capital raising overview

Entitlement Offer size	<ul style="list-style-type: none"><li>Fully underwritten accelerated renounceable entitlement offer to raise \$500 million<ul style="list-style-type: none"><li>327.0 million shares to be issued</li><li>Approximately 171% of issued share capital</li></ul></li></ul>
Entitlement Offer price	<ul style="list-style-type: none"><li>Entitlement Offer price of \$1.53 per share<ul style="list-style-type: none"><li>29.8% discount to theoretical ex-rights price (TERP)<sup>1</sup> of \$2.18 per share</li></ul></li></ul>
Institutional Entitlement Offer	<ul style="list-style-type: none"><li>Institutional Entitlement Offer open from 12 October 2011 to 13 October 2011</li><li>Entitlements not taken up by eligible institutional shareholders will be placed into a shortfall bookbuild to be conducted from 13 October 2011 to 14 October 2011<sup>2</sup></li></ul>
Retail Entitlement Offer	<ul style="list-style-type: none"><li>Retail Entitlement Offer open from 19 October 2011 to 9 November 2011</li><li>Entitlements not taken up will be placed into the retail shortfall bookbuild to commence on or around 14 November 2011<sup>2</sup></li></ul>
Nominee Sale Process	<ul style="list-style-type: none"><li>ERA has appointed a nominee to sell the New Shares which would otherwise have been available to be issued to ineligible shareholders if they were eligible to participate in the Entitlement Offer</li><li>These entitlements will be sold by the nominee to certain eligible wholesale investors on or around 15 November 2011. The nominee will work with ERA to distribute to Ineligible Shareholders their proportion of any proceeds of sale net of expenses and any withholdings required by law</li></ul>
Ranking	<ul style="list-style-type: none"><li>Shares to be issued under the Entitlement Offer will rank equally with existing shares</li></ul>
Rio Tinto participation	<ul style="list-style-type: none"><li>Major shareholder Rio Tinto supports the offer and has committed to take up its full entitlement</li><li>Rio Tinto has indicated its intention to participate in sub-underwriting the retail entitlement offer</li></ul>

<sup>1</sup> The theoretical ex-rights price is the theoretical price at which ERA shares should trade immediately following the ex-date for the entitlement offer assuming 100% take up of the offer. The theoretical ex-rights price is a theoretical calculation only and the actual price at which ERA shares trade immediately following the ex-date for the entitlement offer will depend on many factors and may not be equal to the theoretical ex-rights price

<sup>2</sup> Proceeds in excess of the entitlement offer price for the respective bookbuilds will be paid to relevant renouncing shareholders pro rata net of expenses or withholding taxes

Note: all dates are indicative only and are subject to change

# Use of proceeds

Proceeds of capital raising will be used as follows:

	\$ million
Brine Concentrator	220
Ranger 3 Deeps exploration decline	120
Ranger 3 Deeps mine evaluation studies	55
Expanded exploration on Ranger Project Area	40
Other water management initiatives	52
Transaction costs	13
<b>Total use of proceeds from capital raising</b>	<b>\$500</b>

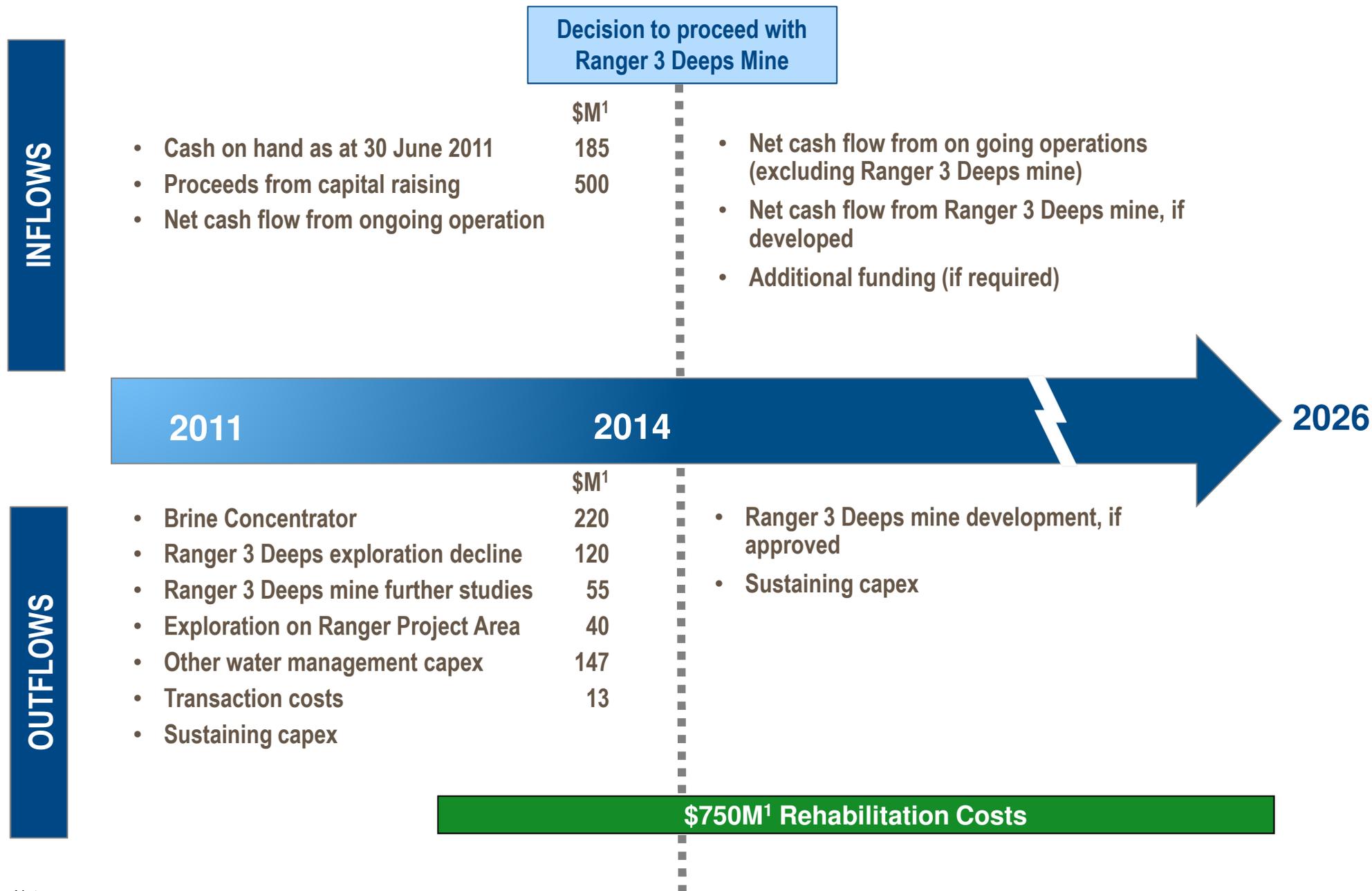
- In determining the size of the capital raising, ERA has included an allowance for contingencies against unfavourable market and operating conditions<sup>1</sup>
- ERA's other significant expenditure in the period up to a decision on the Ranger 3 Deeps mine, including rehabilitation expenditure, is expected to be funded from cash on hand (\$185 million as at 30 June 2011) and cash flow from on-going operations
- On the basis of the assumptions outlined on slides 40 and 41 ERA expects to still have a significant cash balance at the time it is scheduled to make a decision on the Ranger 3 Deeps mine<sup>2</sup> but should actual market or operating circumstances be different, ERA's cash position will vary accordingly. It is too early to say whether additional funding will be required to construct the Ranger 3 Deeps mine as this will depend on achievement of these assumptions, the outcome of the Ranger 3 Deeps mine feasibility study and the mine design

Note:

1. The market and operating assumptions used by ERA to evaluate its funding requirements to 2015 are outlined on slide 41.

2. If the actual production levels, foreign exchange rates, commodity prices and cost savings achieved over the period to end of 2014 adversely differ from those assumptions outlined in slides 40 and 41, ERA's cash position will also be adversely affected. Projected expenditure figures and capital requirements are estimates only and are subject to the risks and assumptions outlined in the Key Risks section and, in particular on slide 41.

# Indicative Cash flow



Note:

1. A\$ real 2011 undiscounted

# Offer timetable

Key events	Date
Announcement of trading halt	12 October 2011
Institutional Entitlement Offer	12 October 2011 to 13 October 2011
Institutional shortfall bookbuild	13 October 2011 to 14 October 2011
Trading halt lifted	17 October 2011
Record date	7:00 pm (AEDT) 17 October 2011
Retail Entitlement Offer opens	19 October 2011
Settlement of Institutional Entitlement Offer	24 October 2011
Allotment and trading of new shares issued under the Institutional Entitlement Offer	25 October 2011
Retail Entitlement Offer closes	9 November 2011
Retail shortfall bookbuild and nominee sale process	14 November 2011 to 15 November 2011
Settlement of Retail Entitlement Offer	18 November 2011
Allotment of Retail Entitlement Offer	21 November 2011
Trading of new shares issued under the Retail Entitlement Offer	22 November 2011

Note: all dates are indicative only and are subject to change

# Pro-forma balance sheet

(A\$ million)	30 June 2011	Equity raise	Pro-forma
Cash	185	487 <sup>1</sup>	672
Inventories	177		177
Property, plant and equipment	778		778
Investment in trust fund	58		58
Other assets	266		266
<b>Total assets</b>	<b>1,464</b>		<b>1,951</b>
Debt	0		0
Rehabilitation provision	550		550
Other provisions	13		13
Other liabilities	72		72
<b>Total liabilities</b>	<b>635</b>		<b>635</b>
<b>Net assets</b>	<b>829</b>		<b>1,316</b>
Contributed Equity	215	487 <sup>1</sup>	702
Reserves	391		391
Retained profits	223		223
<b>Total equity</b>	<b>829</b>		<b>1,316</b>

<sup>1</sup> Cash raised adjusted for transaction costs

# Investment highlights

- **Experienced producer with strong exploration upside**
  - Experienced producer with over three decades of uranium mining experience
  - ERA has identified highly prospective and under explored regions within the Ranger Project Area
  - Expanded exploration program for 2012 to 2014 for an expected total cost of \$40 million will target these areas
- **High quality deposit with ability to leverage existing processing facility**
  - Ranger 3 Deeps mineral resource of an estimated 34,000 tonnes of uranium oxide is one of the most significant undeveloped uranium deposits recently discovered
  - Existing infrastructure at Ranger mine could be leveraged for processing Ranger 3 Deeps ore, providing continuity of production post processing of the stockpiles
- **Investment in water management will support ERA's production optimisation and ensure water inventory is reduced**
  - Implementation of water management strategy is well advanced
  - Water management initiatives expected to support future development projects and rehabilitation
- **Positive uranium market outlook in the longer term**
  - Emerging economies expected to support uranium demand, with commitment to nuclear energy from China, India, Russia and the United Arab Emirates
- **Proceeds of capital raising to fund capital expenditure for**
  - Ranger 3 Deeps exploration decline and mine feasibility study
  - Expanded exploration program scheduled for 2012 to 2014
  - Investment in water management
- **Capital raising support led by 68.4% major shareholder, Rio Tinto**
  - Rio Tinto has committed to take up its 68.4% entitlement and indicated its intention to participate in sub-underwriting the retail entitlement offer
  - Continued financial and operational support

*Note: These investment highlights should be considered in light of the risk factors set out on slides 34 to 45*

# Key risks

There are various risks associated with investing in ERA, and many of these risks are outside the control of ERA. There can be no guarantee that ERA will achieve its stated objectives or intentions, that forecasts will be met or that forward-looking statements will be realised. Set out below is a summary of some, but not all, of the risks facing ERA. Please refer to slides 34 to 45 for more detail on these key operational and investment risks.

- **Operational risks**
  - Brine Concentrator construction risks
  - Tailings Storage Facility and water treatment
  - Wet season and weather
  - Exploration and project development risks
  - Nature of uranium production
  - Production from Pit 3
  - Resource estimates
- **Rehabilitation**
- **Ore reserves**
- **Personnel**
- **Accounting standards**
- **Insurance**
- **Cost saving program**
- **Uranium market demand and price risks**
- **Credit and market risks**
  - Currency risk
  - Access to capital risk
- **Regulatory risk and stakeholder matters**
  - General regulatory risks
  - Regulators and stakeholders
- **Ranger Rehabilitation Trust Fund**
- **Security of Tenure and the Atomic Energy Act**
- **Tax risks**
- **Support of Rio Tinto**
- **Dividend policy**
- **Risks relating to equity investment and markets**
- **Underwriting risks**

# Q & A

- Executive summary

- ERA position and uranium market outlook

- Overview of Ranger rehabilitation and water management

- Overview of ERA's growth initiatives

- Capital raising details

- **Key risks**

- Selling restrictions / jurisdictions

# Key risks

## Introduction

A number of risks and uncertainties, which are both specific to ERA and of a more general nature, may affect the future operating and financial performance of ERA and the value of ERA shares. You should carefully consider the following risk factors, as well as the other information provided to you by ERA in connection with the Entitlement Offer, and consult your financial and legal advisers before deciding whether to invest in the New Shares. The risks and uncertainties described below are not the only ones facing ERA. Additional risks and uncertainties that ERA is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect ERA's operating and financial performance.

## Operational risks

ERA intends to use the proceeds of the Entitlement Offer on the installation of a Brine Concentrator and completion of other water management initiatives, construction of an exploration decline for the Ranger 3 Deeps resource, completion of further studies on the Ranger 3 Deeps resource and to conduct further exploration of the Ranger Project Area.

ERA's operations may be delayed or be unsuccessful for many reasons, including unanticipated financial, operational or political events, cost overruns, decline in uranium prices and demand, foreign exchange fluctuations, equipment and labour shortages, technical concerns including possible reserves and deliverability difficulties, environmental impacts including climatic conditions, increases in operating cost structures, community or industrial actions and any other circumstance which results in the delay, suspension or termination of ERA's capital or exploration projects and/or the total or partial loss of ERA's capital. Certain of these risks are set out in greater detail below.

### Brine Concentrator risks

Construction and commissioning of the Brine Concentrator is considered by ERA to be the most effective long term method to treat and reduce the process water inventory at Ranger mine. Commissioning of the Brine Concentrator is expected in the second half of 2013.

Feasibility and pilot plant studies are currently underway in relation to the design of the Brine Concentrator (which includes the estimated operating costs of the Brine Concentrator) and the long term management and storage of salts generated by the Brine Concentrator treatment process. Whilst not yet determined, it is likely that the operating costs of the Brine Concentrator will be significant. There is no guarantee as to the ability to construct the Brine Concentrator on the Ranger Project Area as timetabled, nor the ultimate capital or operating cost. If the rainfall in the next two wet seasons exceeds the long term rainfall average or additional water treatment capacity is otherwise required in the future, the capacity of the Brine Concentrator may need to be expanded. An increase in operating or capital costs for the Brine Concentrator (or expansion of the Brine Concentrator) or delays in construction of the Brine Concentrator will adversely impact ERA's operational performance and financial position.

# Key risks

## Tailings Storage Facility and water treatment

ERA will seek regulatory approval to increase the maximum operating level for the Tailings Storage Facility at the Ranger mine, following the completion of the construction of the Tailings Storage Facility wall lift which is scheduled for the December quarter of 2011. An increase in the maximum operating level will increase the amount of process water ERA can store in the Tailings Storage Facility. If the Tailings Storage Facility wall lift is not completed on schedule, or regulatory approval is not obtained to increase the maximum operating level by 1 December 2011, ongoing operations will be negatively impacted, which will adversely impact ERA's financial position.

Management of water on the Ranger Project Area is key to the ongoing operation of the Ranger mine and processing operations. ERA has a number of procedures and initiatives underway in respect to water management. To the extent that these initiatives cost more than expected or ERA is required to implement further initiatives, ERA's financial and operational performance and position may be adversely impacted.

## Wet season and weather

The Ranger Project Area is subject to the extreme contrast of weather conditions that exist in the Northern Territory. The extent of each wet season can have a significant impact on ERA's mine operations, including access to the bottom of Ranger Pit 3 where the high grade ore is located, and ore processing. A series of large wet seasons have been experienced at the Ranger Project Area in recent years resulting in suspension of processing operations during the current year. Wet seasons that significantly exceed long term averages, especially in the next two wet seasons when ERA expects to undertake significant work in respect of the Brine Concentrator construction and other water management initiatives, will have a material adverse effect on ERA's ability to implement these initiatives and on ERA's operating performance and financial position.

## Exploration and project development risks

ERA's primary business is the mining, processing and sale of uranium. ERA is also focused on exploration for, and commercial development of, mineral deposits in the Ranger Project Area.

Mining, exploration and the development of mineral interests are high risk activities that require significant expenditure over extended periods of time. There is no guarantee that the Ranger 3 Deeps exploration decline or other exploration activities that ERA intends to undertake will be successful in delineating economically mineable reserves and resources. There is also no guarantee that the development of the Ranger 3 Deeps resource will be economically viable, as for example, the size of the resource or its grade maybe be less than expected or the ore may contain more carbonate than expected (impacting processing and recovery).

# Key risks (cont'd)

Nor is there any guarantee that ERA will be able to secure and/or maintain title to ERA's exploration and mining tenements. In particular, ERA's right to occupy the Ranger Project Area expires on 8 January 2021 and its ability to renew this right is limited by legislation. The current s41 Authority requires ERA to cease mining and processing operations on the Ranger Project Area by 8 January 2021 and complete rehabilitation by 8 January 2026 (see "Security of Tenure and Atomic Energy Act" below).

Project developments in which ERA is, or may become, involved are subject to risks, including technical risk, obtaining necessary stakeholder approvals, changes in reserves, commodity prices, exchange rates, construction costs, design requirements and delays in construction. Each may adversely affect the commerciality and economics of a project development. While production is targeted for late 2015 (assuming the Ranger 3 Deeps mine is operationally and economically feasible), there is a risk that production from the Ranger 3 Deeps mine could be delayed. A delay in production is likely to have an adverse impact on ERA's operational and financial performance. A delay in production from Ranger 3 Deeps mine of two years or more compared to the current schedule outlined in this presentation will result in the development of the Ranger 3 Deeps mine not being economically viable within the remaining term of the current s41 Authority.

Further, any future project developments will require consultation with, and in some cases approval of, various stakeholders, including the Traditional Owners and regulatory bodies, prior to any project development proceeding (see "Regulatory Risks and Stakeholder matters" below).

Project developments, such as any decision to develop the Ranger 3 Deeps mine, may require additional fundings. If ERA elects to proceed with the development of the Ranger 3 Deeps mine, it may need to seek additional capital at that time. Accordingly, any future development of the Ranger 3 Deeps mine may depend upon obtaining capital at a cost that is economic for the project.

## **Nature of uranium production**

Uranium production involves risks which, even with a combination of experience, knowledge and careful evaluation, may not be able to be adequately mitigated. Mining operations are subject to hazards normally encountered in exploration and production. These include unexpected geological formations, rock falls, flooding, and other incidents or conditions which could result in damage to plant or equipment. Any such issues may result in a material adverse impact on ERA's operations and its financial results.

Continuation of production at the Ranger mine, and any future commissioning of production from the Ranger 3 Deeps mine (if developed) and other identified deposits, may not proceed to plan (if at all) due to factors beyond ERA's control, including regulatory issues, capital costs and adverse weather events, amongst other things.

## **Production from Ranger Pit 3**

Ranger Pit 3 is nearing the end of its life with the remaining high grade ore located at the bottom of the pit. Mining at the bottom of the pit involves operational complexities such as space restrictions and long haul distances. These present a risk to operating results for the 2011 and 2012 financial years and, to the extent ERA is unable to access the remaining high grade ore in Ranger Pit 3, ERA's operations and its financial performance may be adversely impacted.

# Key risks (cont'd)

## Resource estimates

Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely, to some extent, on interpretations made which may prove to be inaccurate. Although qualified professionals have been employed to prepare resource estimates for ERA, such estimates may nevertheless prove to be inaccurate.

Furthermore, resource estimates are likely to change over time as new information becomes available. Should ERA encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be adjusted in a way that could adversely affect ERA's operations and may have an impact on development and mining plans.

## Rehabilitation

ERA is currently required to rehabilitate the Ranger Project Area by January 2026 so that the environment at the site is similar to the adjacent areas of the Kakadu National Park. ERA is presently undertaking detailed studies on the rehabilitation and closure of the Ranger Project Area. These studies will define the rehabilitation cost estimate with further certainty and are expected to be completed by the end of 2012. The current rehabilitation provision is outlined on slide 16.

Without the benefit of these further studies, the current cost estimate for the rehabilitation of the Ranger Project Area has been developed by ERA based on a number of assumptions. This estimate is based at an order of magnitude level, meaning the estimate is preliminary and could vary significantly. The estimate is subject to a number of uncertainties, which could adversely impact the actual costs for rehabilitation. For example, the current cost estimate:

- includes an allowance for estimated operating costs and capital expenditure for the duration of the rehabilitation period. Actual costs may be materially different;
- reflects preferred rehabilitation options which could change once further work is completed. For example, a \$50 million allowance has been made in the estimate in relation to long term salt management and storage at the site. Studies are underway on this matter and a decision on a final option (which may include greater costs) will not be known until those studies are completed. Similarly, assumptions have been made about treatment of the seepage plume located under the Tailings Storage Facility. Until further detailed studies are completed, the preferred treatment and rehabilitation method (and its costs) for the seepage plume will not be known;
- does not include an allowance for the potential expansion of the capacity of the Brine Concentrator. The selected capacity of 1.83GL/year assumes the rainfall over the next two wet seasons will be at or below the long term average. Expansion of capacity may be required if the level of rainfall encountered over the next two wet seasons exceeds the long term average rainfall. If the Brine Concentrator requires expansion, additional rehabilitation costs will be required.

# Key risks (cont'd)

The current rehabilitation cost estimate has been prepared based on the schedule of activities outlined on slide 16. Any significant change in this schedule may adversely impact the actual rehabilitation costs.

Once the pre-feasibility study has been completed, ERA expects to be able to further refine its estimates for rehabilitation costs. If future estimates of the rehabilitation costs are materially higher than those currently estimated, ERA will be required to increase the rehabilitation provision. A significant increase in rehabilitation costs is likely to have a material adverse effect on the financial position of ERA.

## Ore reserves

No assurance can be given that the anticipated tonnages and grades of ore will be achieved during production or that the indicated level of recovery will be realised. Material price fluctuations, as well as increased production costs, reduced recovery rates or fluctuations in foreign exchange, may render ore reserves containing relatively lower grades uneconomic and may ultimately result in a restatement of such ore reserves. Moreover, short-term operating factors relating to ore reserves, such as the need for sequential development of ore bodies and the processing of new or different ore types or grades, may cause ERA's mining operation to be unprofitable.

## Personnel

Recruiting and retaining qualified personnel is important to the success of ERA. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons is strong. Difficulties in recruiting and retaining appropriately skilled staff may adversely impact ERA's ability to undertake the capital projects outlined in this presentation, including the Ranger 3 Deeps exploration decline and the construction and commissioning of the Brine Concentrator, within ERA's current budgets for these projects.

## Accounting standards

Australian accounting standards are set by the Australian Accounting Standards Board ("AASB") and are outside the control of ERA. Changes to accounting standards issued by the AASB have the potential to adversely affect the financial performance and position reported in ERA's financial statements.

## Insurance

ERA will endeavour to maintain insurance within ranges of coverage in accordance with industry practice. There is a risk that ERA's insurance may not be of a nature or level to provide adequate cover. The occurrence of an event that is not covered or fully covered could have an adverse effect on ERA and its financial performance.

# Key risks (cont'd)

## Cost saving program

ERA is seeking to achieve targeted cumulative cost savings of \$150 million over the next three and half years, of which \$60 million is targeted by the end of 2012. ERA has undertaken a business review to identify and quantify the anticipated cost savings. Implementation of these costs savings will require management's focus and must be done in a way that is consistent with ERA's obligations for the Ranger Project Area. However, there is no guarantee that the cost saving initiatives will result in improvements in operational or financial performance of the level expected (if at all) or that such improvements will arise within the near to medium term.

## Uranium market demand and price risks

As ERA's business relates primarily to the production and sale of uranium oxide to a variety of buyers, fluctuations in the global uranium market may materially affect ERA's financial performance.

Demand for, and pricing of, uranium oxide remains sensitive to external economic and political factors, many of which are beyond ERA's control, including: worldwide uranium supply and demand, regional political developments in uranium producing and nuclear power generating countries and regions, and the price and availability of competing power generating technologies. Accordingly, it is impossible to predict future uranium price movements with certainty.

ERA does not hedge the price for which it sells uranium oxide. Any sustained reduction in uranium prices from historical averages will adversely affect ERA's business.

Where its production schedule does not match the sales profile required to fulfil long term contractual commitments with its customers, ERA purchases uranium oxide on the spot market. An increase in the amount of uranium oxide that ERA is required to purchase on the spot market would increase ERA's exposure to uranium oxide price risks. An increase in the price at which uranium oxide was purchased, or an inability to purchase uranium oxide where required to satisfy a contractual commitment, could have a material adverse affect on ERA's financial position.

## Credit and market risks

### Currency risk

International prices of uranium oxides are denominated in United States Dollars, while ERA's expenses are principally denominated in Australian Dollars. Accordingly, ERA is exposed to the fluctuations and volatility of the rate of exchange between the United States Dollar and the Australian Dollar (as determined in international markets). Each unfavourable change of one cent in the Australian Dollar against the United States Dollar will adversely impact ERA's cash flow by an amount of approximately \$5 million per year. ERA does not currently conduct hedging activities to mitigate the impact of currency risk.

# Key risks (cont'd)

## Access to capital risk

The future capital requirements of ERA will depend on many factors, including its business development activities. In particular, if the Ranger 3 Deeps exploration decline is successful and ERA wishes to proceed to develop the Ranger 3 Deeps mine, ERA may require additional capital at that time.

If the Ranger 3 Deeps mine is not developed to generate returns for ERA (see 'Exploration and project development risks' and 'Security of Tenure and Atomic Energy Act' sections, among others), in the absence of any other successful development, ERA may require additional funding in order to fund the rehabilitation of the Ranger Project Area. Options ERA could consider at that time include a capital raising or monetising assets.

In evaluating its current funding requirements to end of 2014, ERA has used the forecast annual production range to 2014 as outlined on slide 10 and the following real foreign exchange and long term uranium price indicator assumptions (market consensus):

	2011	2012	2013	2014
Exchange rate US\$/A\$	1.04	1.03	0.95	0.91
LT Price indicator US\$ Real / U3O8lb	61	63	66	66

ERA's funding requirements are also subject to the remaining risks outlined in this 'Key Risks' section.

On the basis of the assumptions outlined on slides 40 and 41 ERA expects to still have a significant cash balance at the time it is scheduled to make a decision on the Ranger 3 Deeps mine, however if an adverse movement in foreign exchange (increase) and in uranium prices (decrease) greater than 10%, or an adverse movement of 20% in either foreign exchange or uranium price, occurred over the 2011 to 2014 period, the expected cash on hand would reduce to a modest amount.

Should ERA require additional funding for the development of the Ranger 3 Deeps mine, the rehabilitation of the Ranger Project Area or otherwise, there can be no assurance that additional funding will be available on acceptable terms, or at all. Any inability to obtain additional capital or to monetise assets, would have a material adverse effect on ERA's business and its financial condition and performance. If ERA does not have sufficient working capital to support its continued operations, ERA may become an externally-administered body if it is unable to meet its liabilities as and when they fall due. In such circumstances, among others, shareholders in ERA would be at risk of the loss of some or all of the value of their investment in ERA.

# Key risks (cont'd)

## Regulatory risks and stakeholder matters

### General regulatory risks

Uranium mining in Australia is extensively regulated by Commonwealth and State and Territory Governments. The areas of uranium mining that are regulated include exploration, development, production, transport, export, taxes and royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances and native title. In particular, the approval processes for uranium mining are more onerous, and therefore more costly, than for the mining of other minerals.

The mining and export of uranium is currently permitted under strict international agreements designed to prevent nuclear proliferation. The export of uranium is tightly controlled by the Commonwealth Government through its licensing process and Australian uranium can only be exported to countries that have signed the nuclear non-proliferation treaty.

ERA's operations could be affected by government actions in Australia and other countries or jurisdictions in which it has interests including new or amended legislation, guidelines and regulations in relation to the environment, uranium or nuclear power sectors, competition policy, native title and cultural heritage. This could impact, among other things, ERA's land access rights, the granting of licences and other tenements, the extension of mine life, the approval of developments and ERA's freedom to conduct operations.

Future legislation and changes in the regulatory framework could cause additional expense, capital expenditures, restrictions and delays in the development of ERA's assets, the extent of which cannot be predicted. Any such government action may require increased capital or operating expenditures and could prevent or delay certain operations by ERA, which could have a material adverse effect on ERA's business and financial condition.

### Regulators and stakeholders

Uranium mining in the Northern Territory is regulated through a suite of Commonwealth and Northern Territory legislation. The Traditional Owners of the land on which the Ranger Project Area and Jabiluka is situated are the Mirarr people.

ERA's operations are closely supervised and monitored by key statutory bodies including:

- the Northern Territory Department of Resources, the Commonwealth Supervising Scientist Division (SSD) and the Northern Land Council (representing the Mirarr), all of which are represented, together with ERA, on the Ranger and Jabiluka Minesite Technical Committees;
- the Commonwealth Department of Resources, Energy and Tourism;
- the Alligator Rivers Region Advisory Committee (including non-government organisation representatives); and
- the Alligator Rivers Region Technical Committee (including non-government organisation representatives).

# Key risks (cont'd)

The Ranger and Jabiluka Minesite Technical Committees (MTCs) – made up of the organisations noted above - are the key forums for approvals on environmental matters relating to Ranger and Jabiluka.

Regulatory approvals will be required to commence any production at Ranger 3 Deeps mine or at other parts of the Ranger Project Area. If regulatory approvals are not obtained, or are obtained on unfavourable conditions, ERA will not be able to proceed with those developments.

In relation to Jabiluka, ERA has entered into a Long Term Care and Maintenance Agreement with the Traditional Owners of Jabiluka area, the Mirarr people. ERA has agreed that the future mining developments at Jabiluka will not occur without the consent of the Mirarr people. There is no guarantee that this consent will be forthcoming and, by extension, that the Jabiluka deposit will be developed.

## Ranger Rehabilitation Trust Fund

ERA is required to maintain a Ranger Rehabilitation Trust Fund ("Ranger Trust Fund") with the Commonwealth Government. The Ranger Trust Fund is intended to provide security against the estimated costs of closing and rehabilitating the Ranger Project Area immediately (rather than upon the planned cessation of mining operations in 2021).

Each year, ERA prepares and submits to the Commonwealth Government an annual plan of rehabilitation calculated on the basis of an immediate closure. Once accepted by the responsible Commonwealth Minister, the annual plan is then independently assessed and costed and the amount to be provided by ERA, in the Ranger Trust Fund, is determined. The Ranger Trust Fund includes both cash and bank guarantees procured by ERA.

To the extent that the independent assessor determines an amount for the rehabilitation costs that is greater than ERA's calculations or ERA is required to provide more cash than currently held on deposit by the Commonwealth Government (eg if it becomes unable to renew bank guarantees currently held by the Commonwealth Government), there is a risk that greater funding of the trust fund will be required from ERA than currently anticipated by ERA.

## Security of Tenure and the Atomic Energy Act

The grant or maintenance of tenements or obtaining renewals depends on ERA being successful in obtaining required statutory approvals for proposed activities.

ERA conducts operations on the Ranger Project Area pursuant to an authority issued under section 41 of the Atomic Energy Act 1953 (Cth) ("AEA") ('s41 Authority'). The AEA is administered by the Commonwealth Department of Resources, Energy and Tourism.

Under the s41 Authority, ERA currently has authority to produce uranium oxide at the Ranger Project Area until January 2021 and must fully rehabilitate the site by January 2026.

# Key risks (cont'd)

Any application for a renewal of the right to explore, mine and process uranium oxide at the Ranger Project Area beyond January 2021 will require an amendment to the AEA to be passed by the Commonwealth Parliament. The conduct of mining and processing operations beyond January 2021 would also require ERA to obtain other related Commonwealth and Northern Territory mining and environmental approvals. If sought by ERA, there is no guarantee that the legislative amendments would be passed, or passed in the manner sought by ERA.

ERA's current operational, exploration and development strategy has regard to the limits of the current s41 Authority (ie, the cessation of mining and processing activities at the Ranger Project Area by January 2021). Although ERA will seek to optimise recovery, ERA does not anticipate that it will be able to fully develop all of the existing Ranger 3 Deeps resource, or any additional resources or reserves which are identified on the Ranger Project Area, within the existing time frame provided by the current s41 Authority.

## Tax risks

ERA is subject to taxation and other imposts in Australia. Future changes in taxation laws, including changes in interpretation or application of existing laws by the courts or taxation authorities in those jurisdictions, may affect taxation treatment of ERA securities or the holding or disposal of those securities.

In addition to the normal level of income tax imposed on all industries in Australia, as ERA operates in the resources sector it is required to pay specific government royalties, direct and indirect taxes and other imposts. Consequently, ERA may be affected by changes in government taxation and royalty policies, or in the interpretation or application of such policies.

The Commonwealth Government has recently announced an intention to introduce legislation to impose a carbon tax to take effect in Australia from 1 July 2012, with an emissions trading scheme to commence in July 2015. The carbon tax is expected to increase operating costs for ERA, primarily associated with increased diesel costs of approximately \$2.5 million per annum. In addition, to the extent that the carbon tax is increased or ERA exposure to the carbon tax is increased, ERA's financial performance will be adversely impacted.

## Support of Rio Tinto

ERA has arrangements with Rio Tinto to provide operational and marketing support, under which ERA obtains acquires certain services, including corporate services, procurement, technical mining support and uranium marketing services from Rio Tinto on an arms length basis. To the extent that these arrangements come to an end, ERA would need to procure replacement services. A loss of access to Rio Tinto's resources and support may have a material adverse effect on ERA's financial position and performance.

# Key risks (cont'd)

## Dividend policy

ERA has paid no dividends on Shares since its interim dividend of \$0.08 per share in August 2010. ERA expects to retain all earnings and other cash resources in the short term for the future operation and development of its business. Payment of any future dividends will be at the discretion of ERA's Board of Directors after taking into account many factors, including ERA's operating results, financial condition and current and anticipated cash needs. The payment of dividends in the future is not guaranteed.

## Risks relating to equity investments and markets

Investors should be aware that there are risks associated with any investment in a company listed on ASX. The value of ERA shares may rise above or fall below the Offer Price, depending on the financial condition and operating performance of ERA. Further, the price at which ERA shares trade on ASX may be affected by a number of factors unrelated to the financial and operating performance of ERA and over which ERA and its directors have no control. These external factors include (but are not limited to):

- economic conditions in Australia and overseas;
- investor sentiment in the local and international stock markets;
- operational or environmental issues at any nuclear power stations globally;
- commodity prices and foreign exchange movements;
- changes in fiscal, monetary, regulatory and other government policies both in Australia and customer countries; and
- geo-political conditions such as acts or threats of terrorism or military conflicts.

Investors should note that the historic share price performance of ERA shares provides no guidance as to its future share price performance.

## Underwriting risks

ERA has entered into an underwriting agreement which contains customary termination events for arrangements of this type. If the underwriting agreement is terminated the Entitlement Offer will not proceed.

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- ERA position and uranium market outlook

- Overview of Ranger rehabilitation and water management

- Overview of ERA's growth initiatives

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# Selling restrictions / jurisdictions

## International Offer Restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

## European Economic Area - Belgium, Germany, Luxembourg and Netherlands

The information in this document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to produce a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- to legal entities that are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity that has two or more of (i) an average of at least 250 employees during its last fiscal year; (ii) a total balance sheet of more than €43,000,000 (as shown on its last annual unconsolidated or consolidated financial statements) and (iii) an annual net turnover of more than €50,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to fewer than 100 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive) subject to obtaining the prior consent of the Company or any underwriter for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of New Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

## France

This document is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers ("AMF"). The New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the New Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed or caused to be distributed, directly or indirectly, to the public in France.

Such offers, sales and distributions have been and shall only be made in France to (i) qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2° and D.411-1 to D.411-3, D. 744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation and/or (ii) a restricted number of non-qualified investors (cercle restreint d'investisseurs) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2° and D.411-4, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the New Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

# Selling restrictions / jurisdictions

## Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies Ordinance (Cap. 32) of Hong Kong (the "Companies Ordinance"), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong by means of any document, other than (i) to "professional investors" (as defined in the SFO) or (ii) in other circumstances that do not result in this document being a "prospectus" (as defined in the Companies Ordinance) or that do not constitute an offer to the public within the meaning of that ordinance.

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such shares in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such shares.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## Ireland

The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 (the "Prospectus Regulations"). The New Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to (i) qualified investors as defined in Regulation 2(l) of the Prospectus Regulations and (ii) fewer than 100 natural or legal persons who are not qualified investors.

## New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand).

The New Shares in the entitlement offer are not being offered or sold to the public in New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

Other than in the entitlement offer, New Shares may be offered and sold in New Zealand only to:

- persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; or
- persons who are each required to (i) pay a minimum subscription price of at least NZ\$500,000 for the securities before allotment or (ii) have previously paid a minimum subscription price of at least NZ\$500,000 for securities of the Company ("initial securities") in a single transaction before the allotment of such initial securities and such allotment was not more than 18 months prior to the date of this document.

# Selling restrictions / jurisdictions

## Norway

This document has not been approved by, or registered with, any Norwegian securities regulator pursuant to the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except:

- to "professional investors" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876);
- any natural person who is registered as a professional investor with the Norwegian Financial Supervisory Authority (No. Finanstilsynet) and who fulfils two or more of the following: (i) any natural person with an average execution of at least ten transactions in securities of significant volume per quarter for the last four quarters; (ii) any natural person with a portfolio of securities with a market value of at least €500,000; and (iii) any natural person who works, or has worked for at least one year, within the financial markets in a position which presuppose knowledge of investing in securities;
- to fewer than 100 natural or legal persons (other than "professional investors", as defined in clauses (a) and (b) above); or
- in any other circumstances provided that no such offer of New Shares shall result in a requirement for the registration, or the publication by the Company or an underwriter, of a prospectus pursuant to the Norwegian Securities Trading Act of 29 June 2007.

## Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined under section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.

# Selling restrictions / jurisdictions

## United Arab Emirates

Neither this document nor the New Shares have been approved, disapproved or passed on in any way by the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates, nor has the Company received authorization or licensing from the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates to market or sell the New Shares within the United Arab Emirates. No marketing of any financial products or services may be made from within the United Arab Emirates and no subscription to any financial products or services may be consummated within the United Arab Emirates. This document does not constitute and may not be used for the purpose of an offer or invitation. No services relating to the New Shares, including the receipt of applications and/or the allotment or redemption of such securities, may be rendered within the United Arab Emirates by the Company.

No offer or invitation to subscribe for New Shares is valid or permitted in the Dubai International Financial Centre.

## United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

## United States

This presentation, including the information contained in this disclaimer, is not a prospectus and does not form part of any offer, invitation or recommendation in respect of shares, or an offer, invitation or recommendation to sell, or a solicitation of an offer to buy, shares in the United States to any person that is, or is acting for the account or benefit of, a "U.S. person" (as defined in Regulation S under the United States Securities Act of 1933, as amended (the Securities Act)) (U.S. Person), or in any other jurisdiction in which such an offer would be illegal.

The securities referred to herein may not be offered or sold in the United States, or to or for the account or benefit of, any U.S. Person, unless the securities have been registered under the Securities Act or an exemption from the registration requirements under the Securities Act is available. The offer and sale of the securities referred to herein have not been and will not be registered under the Securities Act.

The presentation may not be sent to any investors in the United States or to a U.S. Person (or to any person acting for the account or benefit of a U.S. Person).

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