

2011 Full Year Results Presentation to the Financial Community

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Los Angeles, USA.



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.

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- Nothing in this presentation should be interpreted to mean that future earnings per share of ERA will necessarily match or exceed its historical published earnings per share.
- The information in this report that relates to Ranger Mineral Resources or Ore Reserves is based on information compiled by Geologists Greg Rogers (a full time employee of Energy Resources of Australia Ltd) and Arnold van der Heyden (a full time employee of Hellman & Schofield Pty Ltd and consultant to Energy Resources of Australia) and Mining Engineer Reid Miller (full time employee of Energy Resources of Australia Ltd) who are all members of the Australasian Institute of Mining & Metallurgy. Greg Rogers, Arnold van der Heyden and Reid Miller 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 and Reid Miller consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.



Agenda

- 2011 Summary
- Safety
- People
- Operational performance
- Financial overview
- Strategic initiatives
- Rainfall update
- Outlook

2011 Summary

- **Record safety performance in a challenging operating environment.**
- **2011 operations and mining activities significantly impacted by extreme weather in the Northern Territory.**
 - Proactive suspension of processing operations from end January to mid June 2011.
 - Production of 2,641 tonnes of uranium oxide.
 - All sales commitments met through inventory management, loans and purchase of material on the spot market.
 - Extensive plant maintenance during the suspension helped to ensure record plant performance in the second half of the year.
 - Very high level of activity in water management including the pumping and treatment of 3.5 gigalitres of pond water from Pit 3.
- **Financials**
 - Net after tax losses of \$154 million including \$99 million inventory value adjustment (reported during half year).
 - Underlying loss of \$54 million impacted by a \$53 million increase in non-cash costs (depreciation, unwinding of discount on rehabilitation provision).
 - Purchased 2,126 tonnes of material on spot market – 1,636 tonnes for 2011 sales.
 - Entitlement Offer completed raising approximately \$500 million to fund key strategic initiatives.
 - Increase of the rehabilitation provision from \$315 million (31 December 2010) to \$565 million (31 December 2011).

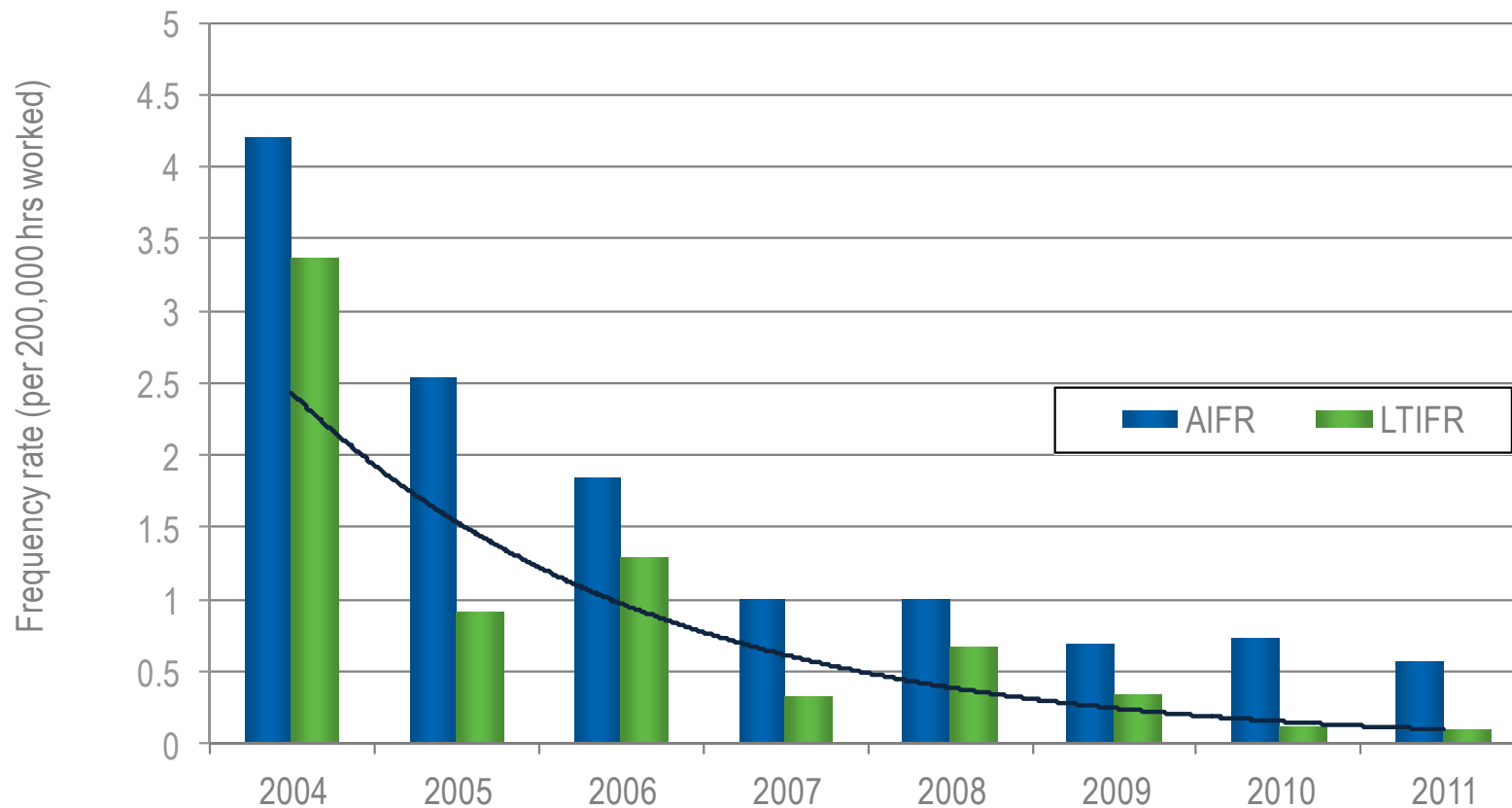
2011 Summary

- **Critical business activities**

- Approval of the Ranger 3 Deeps exploration decline.
- Progressed important water management initiatives, including the approval of brine concentrator and the successful completion of a 4 metre Tailings Storage Facility lift.
- Expanded exploration programme on the Ranger Project Area.
- Decision taken not proceed with the Ranger Heap Leach Facility Project.
- Business Review completed.

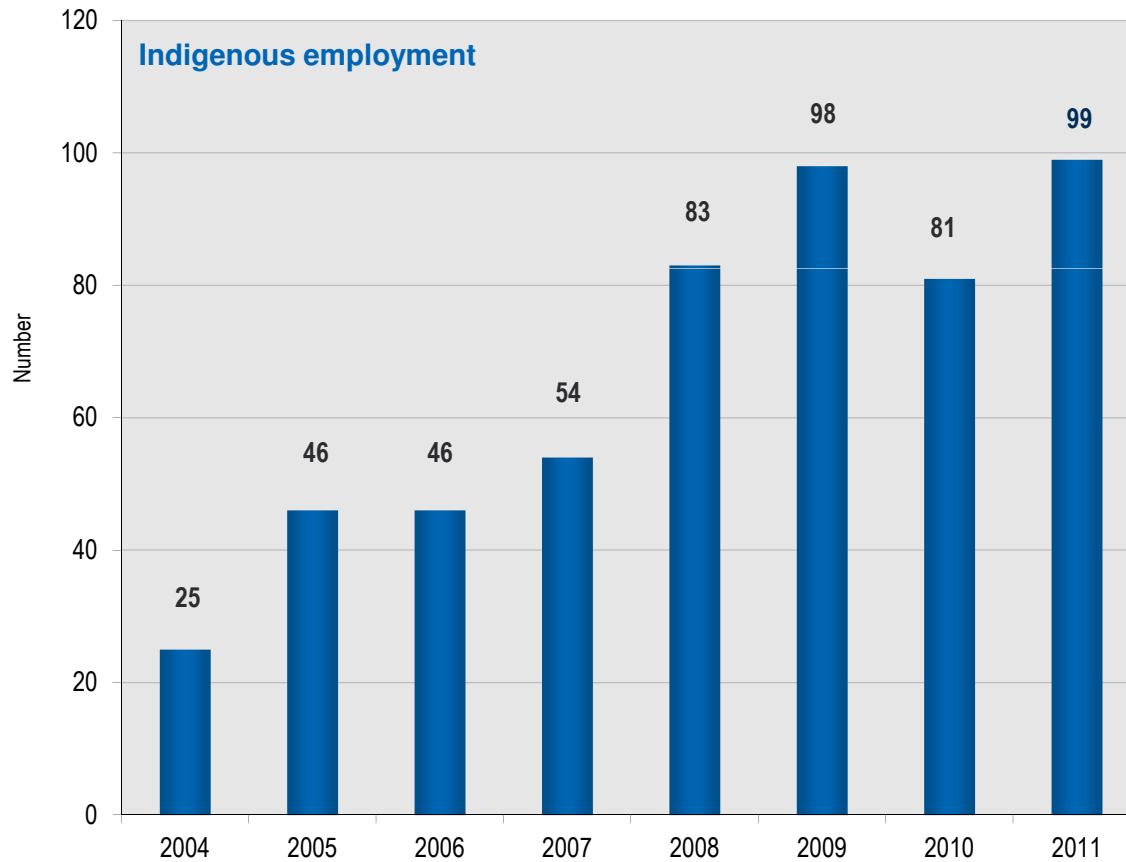
Safety

- Throughout challenging conditions in 2011, ERA maintained its strong focus on safety, achieving a world class two million hours without a Lost Time Injury (LTI) and an All Injury Frequency Rate (AIFR) of 0.57.
- ERA achieved 336 consecutive days without a LTI, a company record.
- There was one LTI and five medical treatment injuries. The LTI involved a finger laceration. The five medical treatment injuries involved an injured knuckle, a laceration to the knee, a crushed finger, a cut nose and a cut to a hand. All personnel have made a full recovery.



People

- ERA is a major employer in the West Arnhem region, and one of the leading employers of Indigenous people in the Northern Territory.
- During 2011, ERA endorsed a new Indigenous Employment Strategy which builds on previous actions to develop a strong Indigenous workforce.
- ERA has a company wide female employment rate of 22 per cent.



Operational performance

- Plant and mining activities in 2011 were significantly impacted by the extreme weather events in the Northern Territory.
- After the proactive suspension of processing operations was lifted in June, the plant has operated at record levels and significant productivity improvement occurred in the mine.

	2011	2010	Change
Material mined (million tonnes)	10.6	10.6	0%
Ore mined (million tonnes)	1.15	1.43	- 19%
Ore milled (million tonnes)	1.62	2.40	- 32%
Average mill head grade (%)	0.18	0.19	- 5%
Mill recovery (%)	87.9	87.2	+ 1%
Production drummed– U ₃ O ₈			
- tonnes	2,641	3,793	- 30%
- 000 lbs	5,822	8,362	

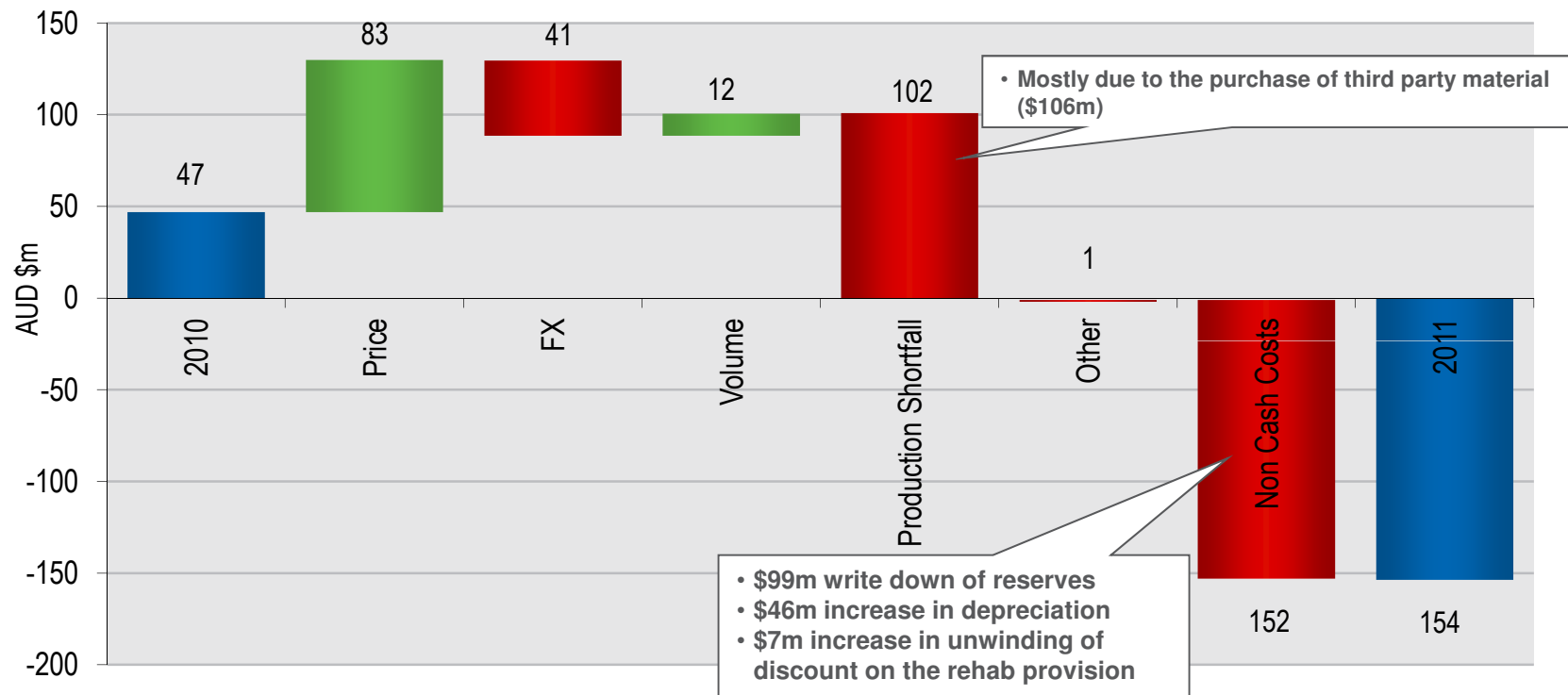
Financial overview

- The 2011 net loss after tax of \$154 million is mainly due to the negative adjustment to stockpile inventory (\$99 million net) following the decision not to proceed with the Ranger Heap Leach Facility Project, the increase in non cash costs (\$53 million net) and the impact of the suspension of processing operations.
- The cash flow from operating activities increased 30% compared to 2010.

	2011	2010	Change
Earning - \$ million			
• Net profit/(loss) after tax	(153.6)	47.0	- 427%
• Underlying earnings	(54.2)	52.8	- 203%
Sales			
• Revenue from sales of uranium oxide -\$ million	649.2	572.0	+ 13%
• Sales volume (tonnes uranium oxide)	5,167	5,026	+ 3%
• Average realised price – US\$/lb	59.32	48.16	+ 23%
Cash - \$ million			
• Cashflow from operating activities	54.9	42.1	+ 30%
• Major project capex	85.0	22.0	+ 286%
• Sustaining capex	12.0	12.0	0%
• Deferred stripping	-	10.0	N/A
• Entitlement Offer – gross proceeds	500.3	-	N/A
• Dividends (cents per share)	-	8	N/A

Net profit after tax

- 2011 results were materially affected by the lengthy suspension of processing due to severe adverse weather, and the significant increase in non-cash costs.

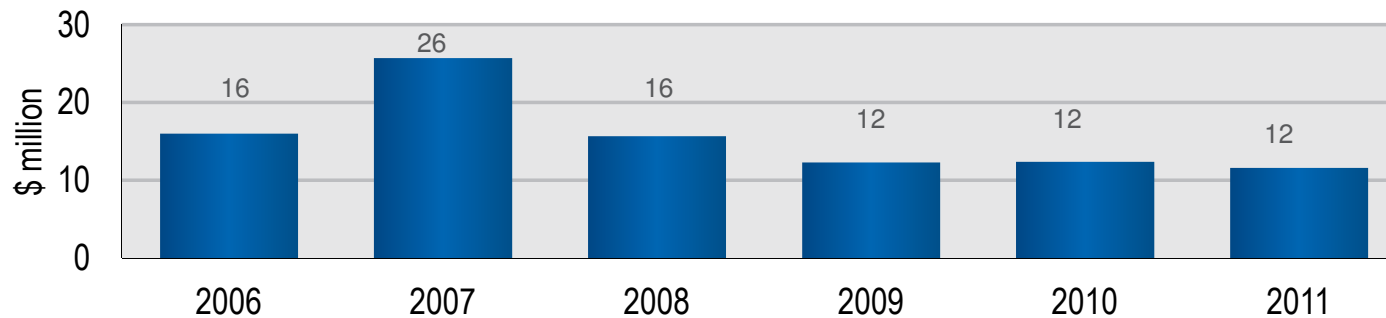


- The major factors leading to the increase in non cash costs were the reduction of Ranger ore reserves from 29,848t (31 December 2010) to 13,484t as at 31 December 2011, effectively reducing the future units of production available to be used as a basis for depreciation of assets, and the increase in the rehabilitation asset.

Capital expenditure

- 2011 sustaining capital expenditure was consistent with 2010, remaining at \$12 million.
- ERA continues its investment in major strategic initiatives including water management.

Sustaining Capex



Major Project Capex

Major Project Capex (\$m)	2011	2010
Tailings Storage Facility Lift	45	2
Pond Water Treatment Facility	13	-
Brine Concentrator	24	-
Covered Evaporators	-	8
RP1 Seepage	-	7
Other projects	3	5

Strategic initiatives

- **Entitlement Offer**

- ERA successfully raised approximately \$500 million through an underwritten accelerated renounceable entitlement offer.
- This will be used to fund –
 - Brine Concentrator
 - Ranger 3 Deeps exploration decline
 - Ranger 3 Deeps mine evaluation studies
 - Expanded exploration on the Ranger Project Area
 - Other water management initiatives

Strategic initiatives

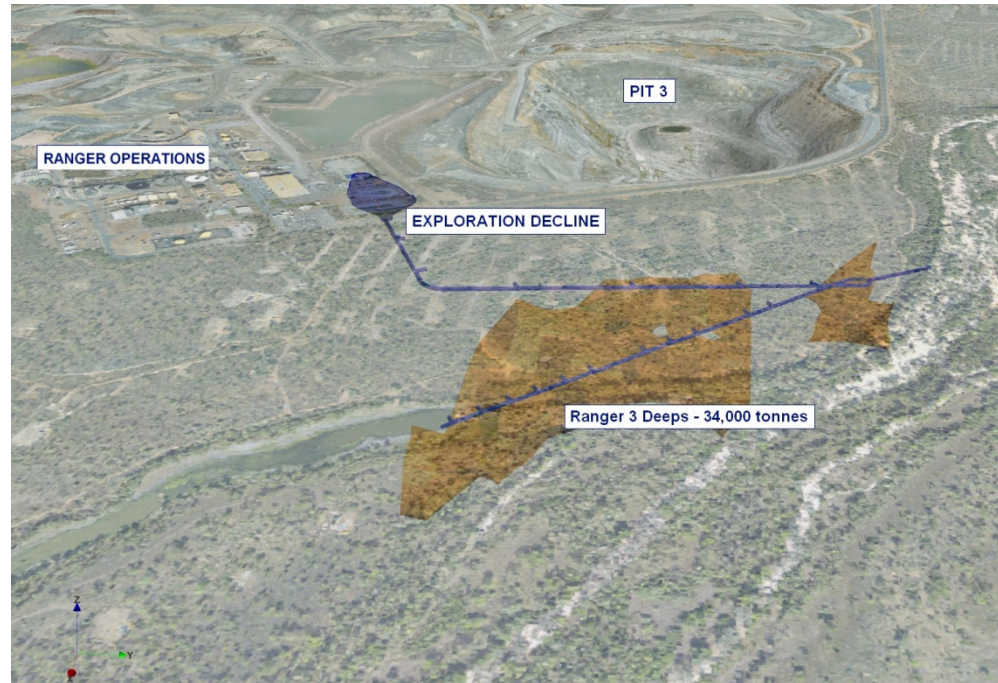
- **Tailing Storage Facility Lift (four metres)**
 - Completed safely, on schedule and on budget in November 2011
 - New operating limit of 56.0 metre (wet season) approved by regulators



- **Exploration – Ranger Project Area Programme**
 - 14,887 metres total drilling performance in 2011
 - Identification and prioritisation of specific targets for 2012 and 2013 drilling programme completed
 - Significant ramp-up of exploration activities in 2012 dry season

Strategic initiatives

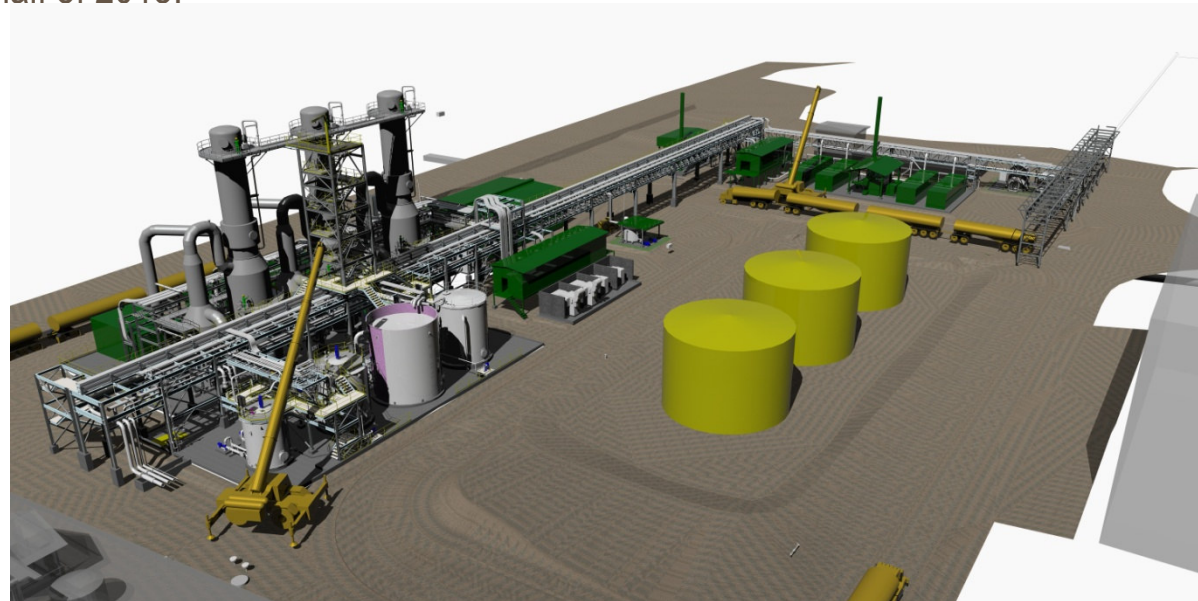
- **Ranger 3 Deeps exploration decline**
 - Detailed engineering has been completed.
 - Box cut/decline contract expected to be awarded mid February 2012.
 - The first stage of construction is excavation of the box cut and installation of a portal access tunnel scheduled for completion in October 2012.
 - Development of the decline will commence from November 2012 and exploration drilling is targeted for commencement in April 2013.



Strategic initiatives

- **Brine Concentrator**

- ERA Board approved project 1 February 2012 with estimated project expenditure \$220 million.
- Study level engineering is completed and detailed engineering has commenced.
- Procurement of long lead time equipment well underway.
- Site preparations going well with successful completion of acid plant demolition.
- The Brine Concentrator facility is planned to be commissioned and fully operational in the second half of 2013.

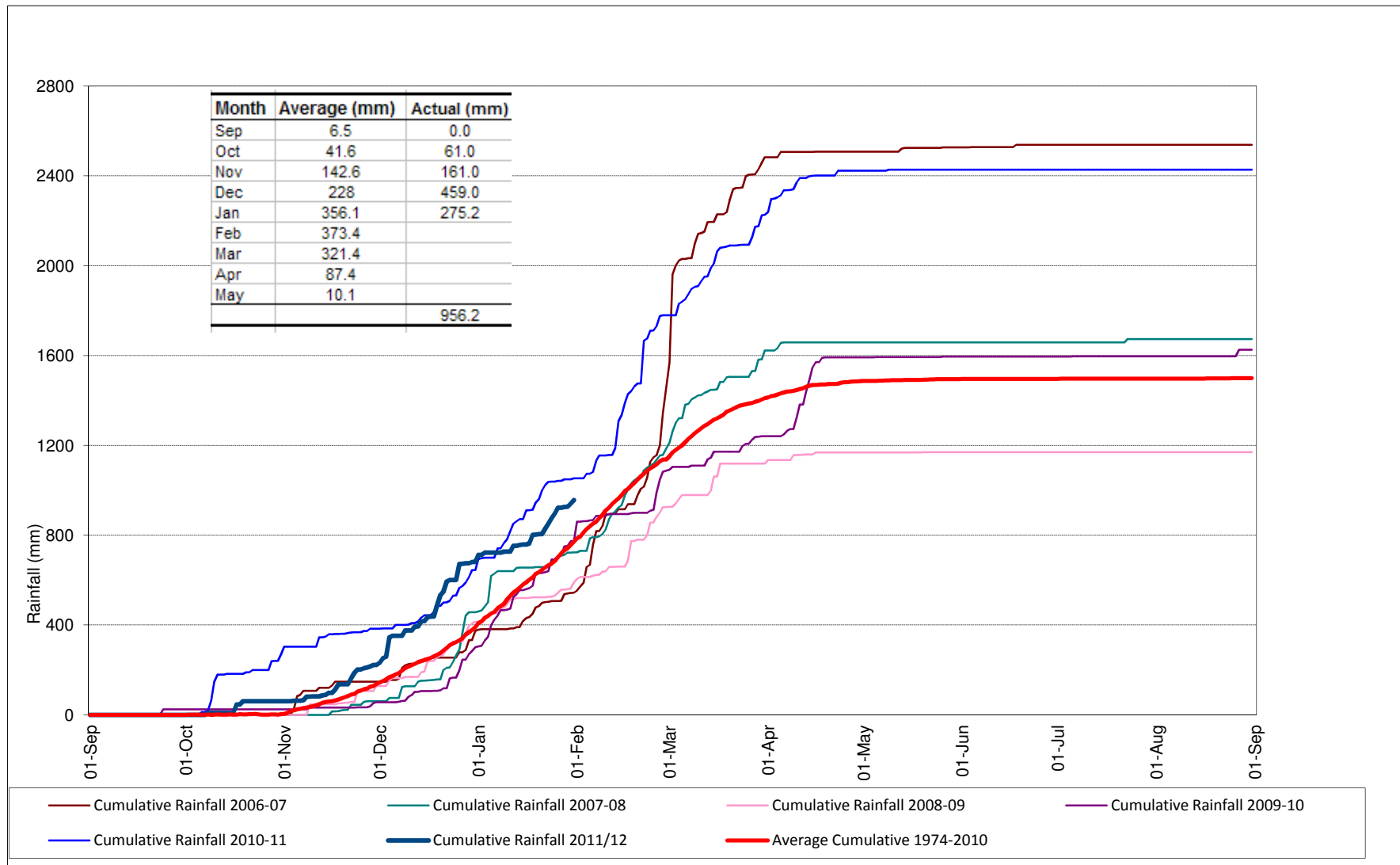


Strategic initiatives continued

- **Business Review**

- Targeted cumulative cost savings of \$150 million in operating cost reductions over the course of the next 3 years.
- Work completed to date includes:
 - successful introduction of seven by seven rosters across the Ranger Operations resulting in a reduction of external accommodation providers and streamlined flight logistics to Jabiru.
 - reduced reliance on contractor labour including significant reduction of contractors in the plant.
 - reduction in the use of raw materials including acid, lime and diesel through operational improvements.
- Further work which will be carried out this year include:
 - re-tendering major service and operational contracts upon expiration
 - consolidation of vendors
 - reduced stores inventories
- Savings have now been locked into operational budgets.

Rainfall update as at 31 January 2012



Outlook

- **Uranium industry outlook**
 - Short-term market remains subdued as excess supply clears the market.
 - Longer-term outlook remains positive, as some planned new mines may struggle to enter production.
 - Market prices expected to rise in the 2014-20 period.
- **ERA 2012**
 - Complete mining of Pit 3 at Ranger.
 - Production of uranium oxide expected to be between 3,000 to 3,700 tonnes.
 - Actual production of uranium oxide remains highly dependent on the level of rainfall.
 - Sales expected to be broadly in line with production.
- **Further guidance on production and sales will be provided as year progresses**