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Media Release

Friday 30 March 2012**ERA awards major contract to build Ranger 3 Deeps exploration decline**

Energy Resources of Australia Ltd (**ERA**) has awarded the contract for the construction of the boxcut and decline for the Ranger 3 Deeps Exploration Decline Project to Macmahon Holdings Ltd (**Macmahon**).

ERA will invest a total of \$120 million in the Ranger 3 Deeps Exploration Decline Project to conduct close spaced underground exploration drilling and to explore areas adjacent to the Ranger 3 Deeps resource. Work on the construction of the box cut and exploration decline is scheduled to commence in May 2012.

Macmahon has well established operations in the Northern Territory and its underground and civil construction businesses will collectively deliver the exploration decline. This furthers Macmahon's long history of delivering key infrastructure projects in the Northern Territory and across Australia, for both the resources and public sector.

ERA's Chief Executive Rob Atkinson said the Ranger 3 Deeps exploration decline project formed a very important component of the business' future plans.

"This is a significant step in the process of determining the viability of an underground mine on the Ranger Project Area," Mr Atkinson said.

"With mining operations in Pit 3 nearing completion, we have increased our focus on potential exploration opportunities on the Ranger Project Area.

"In addition to investing in the Ranger 3 Deeps Exploration Decline Project, we have also invested in a three year drilling programme at a cost of \$40 million to define and determine other resources at Ranger.

"This is an exciting time for ERA as we continue significant investment in our water management strategy and infrastructure, and continue to work with the Gundjeihmi Aboriginal Corporation (GAC) representing the Mirarr Traditional Owners to develop a strong future for Jabiru and the region."

The discovery of the Ranger 3 Deeps resource was announced by ERA in 2009. Located on the Ranger Project Area, it contains an estimated resource of 34,000 tonnes of uranium oxide, and represents one of the most significant recent uranium discoveries in the world.

Macmahon will excavate a box cut and install a portal access tunnel. From that point work will start to construct the 2.2km decline, which is a tunnel cut into surrounding rock, to a depth of 400-500 metres. The decline will be used to undertake a close spaced exploration drilling program to further define the Ranger 3 Deeps ore body.

The results of the exploration drilling will be used in the further studies into the potential development of an underground mine. ERA has allocated an additional \$55 million for these studies.

ERA will continue discussions with the Mirarr, represented by the GAC, as well as the Commonwealth and Northern Territory governments, in relation to this project and the outcomes of further studies.



ERA

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For further information on the company's activities please access ERA's website at www.energyres.com.au