



ERA Energy Resources of Australia Ltd

Presentation to the Financial Community 2013 Half Year Results

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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



Forward-looking statement

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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.
- All currency mentioned in this presentation is in Australian dollars unless otherwise stated.
- The information in this report that relates to Ranger Mineral Resources or Ore Reserves is based on information compiled by Geologist Greg Rogers and Mining Engineers John Murphy and Stephen Pevely (full time employees of Energy Resources of Australia Ltd) who are all members of the Australasian Institute of Mining & Metallurgy. Greg Rogers, John Murphy and Stephen Pevely 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, John Murphy and Stephen Pevely consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.



Agenda

- 2013 Half Year Overview
- Safety and people
- Operational performance
- Financial performance
- Key variances 2013 Half Year versus 2012 Half Year
- Brine Concentrator
- Exploration - Ranger 3 Deeps and Ranger Project Area
- Progressive rehabilitation
- Summary



2013 Half Year overview

- **Safety performance improved 60 per cent compared to the same period in 2012**
 - An All Injury Frequency Rate (AIFR) of 0.26
- **Strong plant operational performance**
 - Majority of high grade ore mined in 2012 processed during the first half of 2013
 - Low grade stockpiles to be processed until commencement of proposed Ranger 3 Deeps mine
- **All strategic initiatives are progressing on schedule and on budget**
 - Brine Concentrator expected to be fully commissioned in Q3 2013
 - The Ranger 3 Deeps exploration decline face position reached 1,000 metres from the surface on 26 June 2013
 - Underground exploration drilling of Ranger 3 Deeps resource commenced in late May 2013 with two holes completed in the period
- **Net loss of \$54 million included:**
 - \$129 million of depreciation
 - \$21 million expenditure for the Ranger 3 Deeps Exploration Decline and Ranger 3 Deeps Mine Prefeasibility Study



2013 Half Year overview (contd)

- **Progressive rehabilitation is progressing well**

- Finalisation of the Integrated Tailings Water and Closure Prefeasibility Study with no adjustments to the previously announced rehabilitation provision of \$640 million
- Pit 3 initial backfill 46 per cent complete:
 - Strong fleet performance enabled truck fleet to be reduced from 15 to 8 without impact on unit cost
 - Remain on track for completion in Q3 2014 in accordance with original schedule



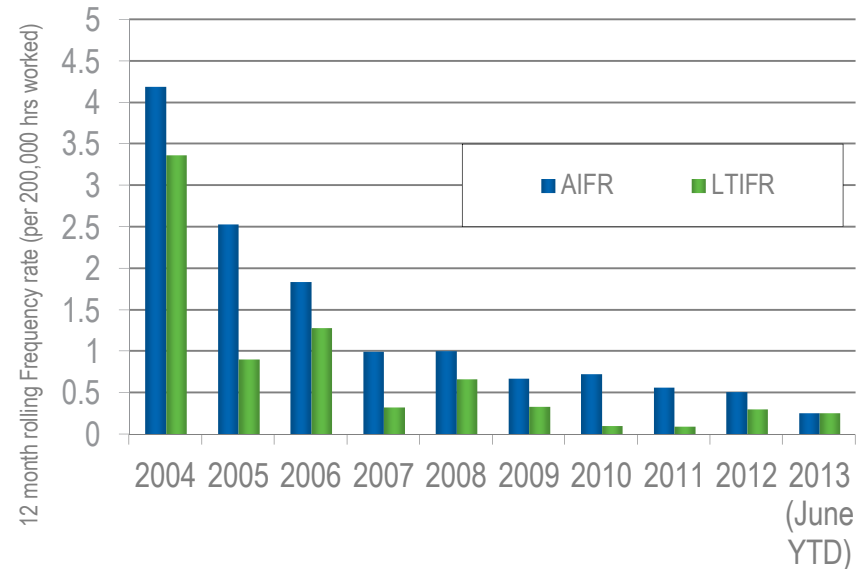
Safety and people – 2013 Half Year

Safety

- All Injury Frequency Rate (AIFR) of 0.26 (June 2013)
- One lost time injury:
 - employee injured finger and he has made a full recovery and returned to full duties

People and diversity

- ERA is a major employer in the West Arnhem region
- As at June 2013:
 - 540 employees and contractors
 - 17 per cent indigenous employees
 - 19 per cent female employees
- Education Partnership with the West Arnhem College continues to strengthen



ERA Indigenous trainee Thelma McMasters was recently awarded a Certificate III in Logistics, a nationally recognised qualification, after successfully completing her two year traineeship. Pictured with Superintendent Warehousing Peter De Vreede



Operational performance – 2013 Half Year

Strong operational performance maintained

	H1 2013
Mill operation	
Tonnes produced (U_3O_8)	1,847
Ore milled (million tonnes)	1.2
Recovery (%)	85.2
Plant utilisation (%)	88.8
Mine fleet operation	
Pit 3 initial backfill (million tonnes)	11.9
Material to plant (million tonnes)	1.2
Total material moved (million tonnes)	13.1

Mill operation

- During the first half of 2013, the plant performance has been strong
- Most of the high grade ore mined at the end of 2012 was processed
- Plant will be fed with lower grade stockpile material (similar to mill head grade in June 2012 Half Year) until approval and commencement of Ranger 3 Deeps
- 2013 U_3O_8 production forecast to be between 2,700 to 3,300 tonnes, dependant on market conditions

Mining operation

- Significant progress on Pit 3 initial backfill with 11.9 million tonnes moved in June 2013 Half Year
- The rehabilitation programme requires approx. 30 million tonnes of waste rock to be moved into Pit 3 by Q3 2014
- High fleet efficiency has allowed reduction of truck fleet from 15 to 8 trucks whilst maintaining original completion schedule and with no compromise to unit cost



Financial performance – 2013 Half Year

	H1-2013
Earnings - \$ million	
• Net profit/(loss) after tax	(53.5)
• EBITDA	49.7
Sales	
• Revenue from sales of uranium oxide (\$ million)	136.2
• Sales volume (tonnes)	1,147
• Average realised price – US\$/lb	53.63
Cash - \$ million	
• Cashflow from operating activities	(89)
• Major project capex	61.8
• Sustaining capex	2.2
• Dividends (cents per share)	-

Earnings

- Non-cash costs of \$142 million, mostly related to depreciation, compared to \$104 million in the corresponding period of 2012
- Evaluation and exploration expenditure on the Ranger 3 Deeps exploration decline and Ranger 3 Deeps Mine Prefeasibility Study projects totalled \$21 million
- \$27 million of cash savings achieved during the period related to the 2011 Business Review Programme. To date, the programme has generated a total of \$102 million of cash savings since 2011

Sales

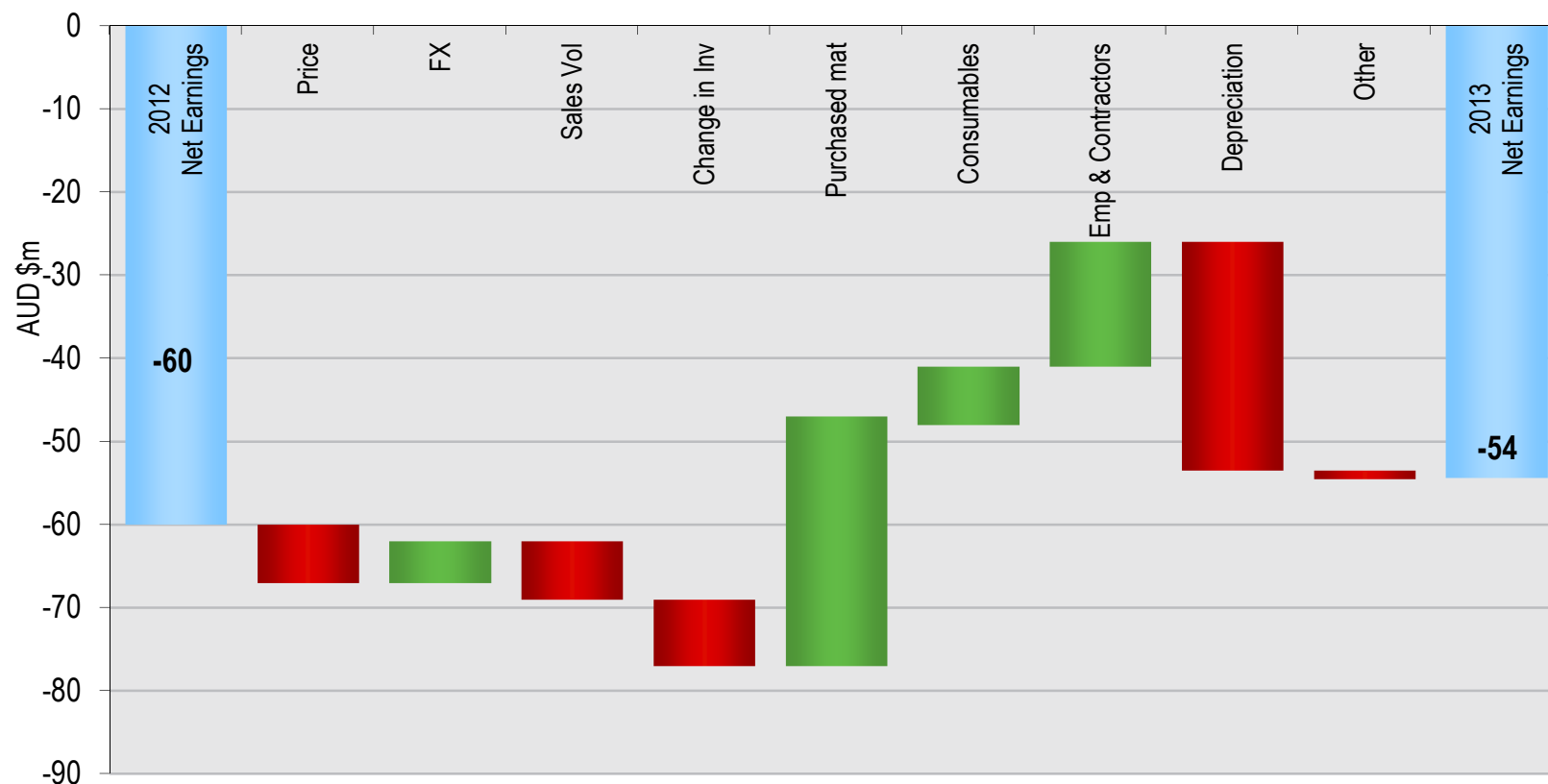
- Sales volume during the period was 1,147 tonnes. Sales in the second half of the year expected to be slightly higher
- Decrease in average realised price to US\$53.63 per pound compared to US\$57.57 in 2012 Half Year, reflecting the decline in market conditions
- No outstanding uranium loans at the end of June 2013

Cash

- Cash balance of \$314 million (30 June 2013)
- Cash flow from operating activities was (\$89) million (including Ranger 3 Deeps exploration decline)
- Cash profit from the sales and production of uranium oxide was \$91 million. This figure excludes all exploration activities and non-cash costs and is before tax
- Total capital expenditure of \$64 million including sustaining capital and Brine Concentrator
- Rehabilitation costs during the period were \$34 million and mostly related to Pit 3 initial backfill
- ERA Board has decided not to declare a dividend for 2013 half year



Key variances 2013 Half Year vs. 2012 Half Year



- ERA did not purchase any material during the June 2013 Half Year (387 tonnes purchased in June 2012 Half Year)
- Employee benefits and contractors were lower in the June 2013 Half Year due to allocation of the majority of the mining fleet's costs to the rehabilitation provision
- Depreciation, which is largely calculated on a units of production basis, has significantly increased due to the higher production of uranium oxide during the first half of 2013

Note: all variances are expressed post tax

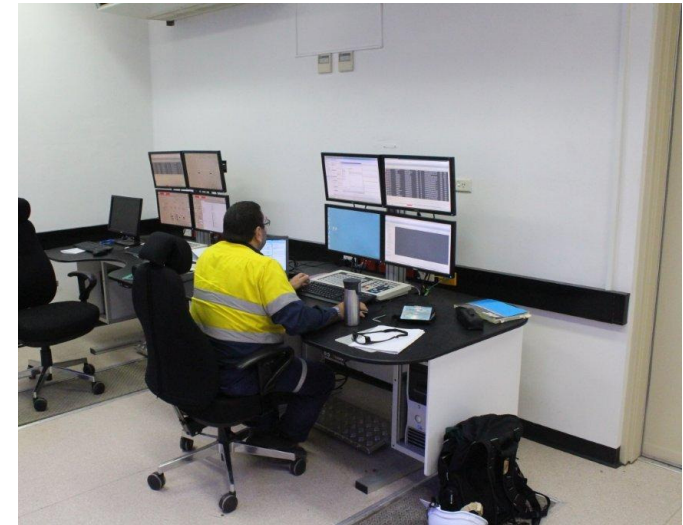


Brine Concentrator

- The Brine Concentrator is critical to water management and the rehabilitation programme
- Commissioning is underway and is expected to be completed in Q3 2013
- Project is on schedule and costs are on budget (total budget of \$220 million)
- Designed and manufactured by HPD (member of the Veolia Group) and constructed by Downer EDI



The Brine Concentrator expected to be commissioned in Q3 2013



Brine Concentrator control room



Power substation undergoing testing ready for commissioning



Exploration - Ranger 3 Deeps and Ranger lease

Ranger 3 Deeps Exploration Decline

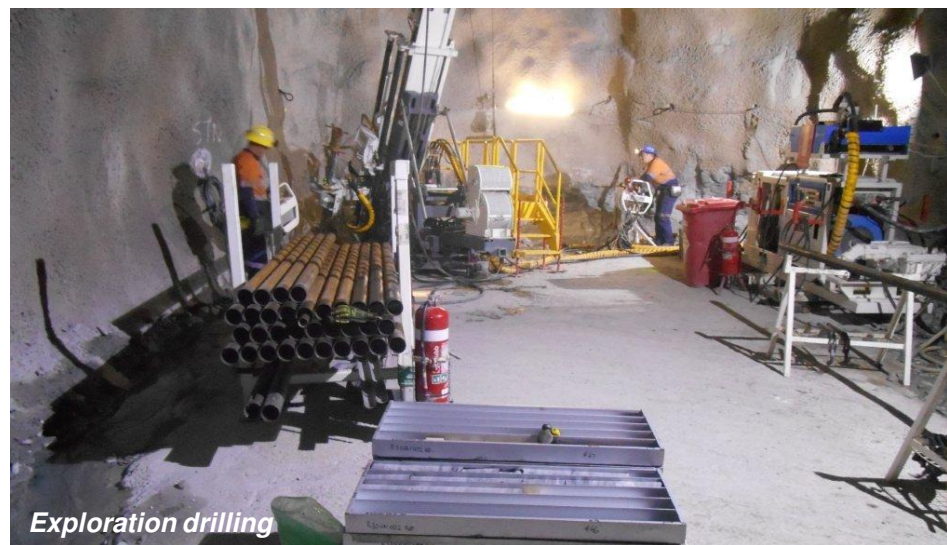
- Project on schedule and budget
- Constructed by Macmahon
- As at 30 July, 2013, the face position of the decline is 1,215 metres from the surface
- Boart Longyear have commenced exploration drilling with five holes completed to date

Ranger 3 Deeps Mine Prefeasibility Study

- \$57 million underground mine Prefeasibility study progressing in parallel to the decline construction
- Public consultation on the draft guidelines for the Environmental Impact Statement for the Ranger 3 Deeps underground mine closed on 19 July 2013. We are awaiting the issue of the final guidelines
- ERA targeting late 2015 for commencement of production assuming all necessary approvals granted

Ranger surface exploration

- Surface exploration in the north of the Ranger Project Area is expected to start in Q3 when accessible



Ranger 3 Deeps Forecast milestones to production	Target	Status
Regulatory approval for exploration decline granted	August 2011	✓
Box cut excavation completed	October 2012	✓
Decline tunnel construction commences	November 2012	✓
Ranger 3 Deeps mine referral submitted to government	Jan 2013	✓
Exploration drilling starts	June 2013	✓
Exploration and resource drilling completed	Mid 2014	
Regulatory and ministerial approval	Late 2014	
Underground mine production	Late 2015	



Progressive rehabilitation

- Ranger progressive rehabilitation commenced in late 2012 and is making good progress
- Pit 3 initial backfill
 - Material moved since December 2012 to date is 15 million tonnes out of to total of 30 million tonnes
- Integrated Tailings Water and Closure Prefeasibility Study
 - Study completed
 - No changes to previously announced rehabilitation provision of \$640 million (31 December 2012)



15 million tonnes of waste rock has been backfilled in Pit 3 as at 30 July



Summary

- Continued strong safety and environmental performance
- 2013 production of uranium oxide is expected to be between 2,700 and 3,300 tonnes
- Key development initiatives, namely Ranger 3 Deeps Exploration Decline and Ranger 3 Deeps Mine Prefeasibility Study, progressing on budget and on schedule
- Key rehabilitation projects, particularly the Brine Concentrator construction and Pit 3 initial backfill, continue to progress well and are on budget and ahead of schedule
- Following finalisation of Mining Agreement, relationship with GAC and Mirarr Traditional Owners continues to further develop
- Uranium market remains very challenging in short term – longer term outlook continues to remain encouraging for existing producers
- ERA will continue to have a very strong focus on identifying and implementing further efficiencies and cost reductions