



ERA Energy Resources of Australia Ltd

Presentation to the Financial Community 2015 Half Year Results

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Forward-looking statements

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This presentation includes forward-looking statements. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding ERA's financial position, business strategy, plans and objectives of management for future operations (including development plans, rehabilitation estimates and subjective relating to ERA's products, production forecasts and reserve and resource positions), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of ERA, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

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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.

Competent Persons

The information in this presentation that relates to exploration results and mineral resources is based on information compiled by geologists Greg Rogers (a full time employee of ERA) and Stephen Pevely (a full time employee of ERA). The information in this report that relates to ore reserves is based on information compiled by mining engineer John Murphy (a full time employee of ERA). Stephen Pevely, Greg Rogers and John Murphy are all members of the Australasian Institute of Mining & Metallurgy and have sufficient experience that 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 a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Greg Rogers, Stephen Pevely and John Murphy consent to the inclusion in this presentation of the matters based on their information in the form and context in which it appears.



Acknowledgement of Traditional Owners

The 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



Agenda

- Business objectives
- Health and safety
- Market outlook
- First half 2015 financial performance
- First half 2015 operational performance
- Ranger 3 Deeps
 - 2015 status update
 - Project overview
 - Extension process
- Progressive rehabilitation
- Stakeholder engagement
- Summary



ERA is focused on core business objectives

Business objective

Developing a long term resource base on the Ranger Project Area

Operational effectiveness

Building and maintaining strong stakeholder relationships

Excellence in rehabilitation practices

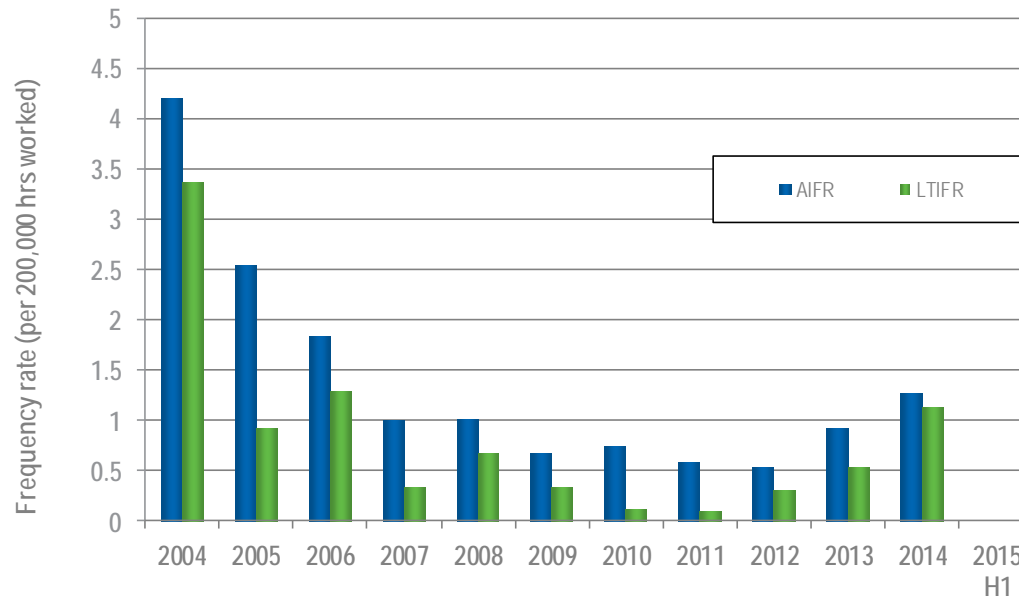
2015 half year outcomes

- Ranger 3 Deeps Prefeasibility Study complete with upgraded mineral resource
- Decision that Ranger 3 Deeps will not proceed to Final Feasibility Study in current operating environment
- Focused on preserving cash until greater certainty is achieved in relation to an extension to the Ranger Authority
- Produced 879 tonnes of uranium oxide during first half
- Cash position of \$300 million at 30 June 2015 and no debt
- Maximising cash flow from the production of uranium oxide from stockpiled ore
- Focused on continuing discussions with Gundjeihmi Aboriginal Corporation, representing the Mirarr Traditional Owners, and the Commonwealth and Northern Territory Governments
- Dredge has been designed and constructed for the transfer of tailings from the Tailings Storage Facility to Pit 3



Health and safety

Demonstrated commitment to the health and safety of our teams, community and environment in which we operate



- No reportable injuries for first half of 2015
- Health and safety improvement has focused on:
 - Process safety improvement plan implementation including:
 - identification of critical controls and development of monitoring plans
 - leadership and workforce awareness training
 - Safety culture review including improved communication and engagement



Uranium market outlook

Long term outlook remains positive

- **Long term fundamentals remain positive with increased focus on low carbon power generation capacity**
 - Currently 66 nuclear power plants under construction globally, KPMG¹ estimates nuclear power generating capacity will increase 20 per cent over next 5 years
 - Restart of the two Kyushu Electric Power Company reactors in Japan expected in mid-August and mid-September after the reloading of fuel into Sendai 1 was completed on 10 July 2015
 - 20 Japanese reactors are moving through the restart process and are expected to be back on line by 2018 according to Goldman Sachs²
 - The push by countries to limit greenhouse gas emissions will support development of nuclear power, according to the Bureau of Resource and Energy Economics³
- **Supply and demand dynamics are changing with China and India driving demand of nuclear energy**
 - Global uranium demand is expected to overtake the total supply by 2020, driven by increased nuclear capacity in China and India and reactor restarts in Japan²
 - Large stockpiles (particularly in Japan) could act as near-term headwinds for price recovery²

¹ "Commodity Insights Bulletin Uranium", KPMG, June, 2015

² "So you think you know Uranium", Goldman Sachs Equity Research, June, 2015

³ BREE 2014, Resources and Energy Quarterly, March Quarter 2014, BREE, Canberra, March 2014



First half financial performance

	H1 2015	H1 2014
Cash flow - \$A million		
• Cash balance at 31 December	293	357
• Cash flow generated ⁵	36	42
• Exploration and evaluation expenditure	(7)	(42)
• Capital expenditure	(7)	(6)
• Rehabilitation expenditure	(15)	(30)
• Cash balance at 30 June	300	321
Sales		
• Revenue from sales (\$A million)	174	172
• Sales volume (tonnes)	1,245	1,524
• Average realised price – US\$/lb	49.14	46.65
• Realised exchange rate	0.77	0.91

• Increased sales revenue for first half

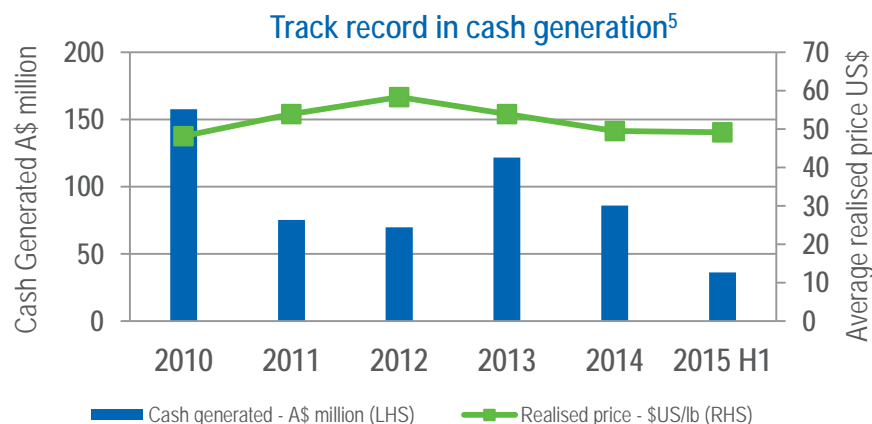
- Achieved an average realised price of US\$49.14/lb in the first half of 2015, versus an average spot price of US\$37.33/lb⁴ in the period
- Average realised price increased 5 per cent compared to the first half of 2014
- Foreign exchange: Australian dollar fell 15 per cent during the period, resulting in a positive impact on sales revenue
- Sales revenue up 2 per cent, despite 18 per cent lower sales volumes.

• Focus on cash conservation

- Cost reduction, productivity improvements and procurement initiatives to offset lower grades of stockpiled ore
- Programme to reduce input costs is delivering a 15 per cent reduction in spend on major consumables in 2015

• Strong cash position

- Positive cash flow generation of \$36 million⁵ from production and sale of uranium oxide and positive overall cash flow of \$7 million in the first half of 2015
- \$300 million cash at 30 June 2015 and no debt



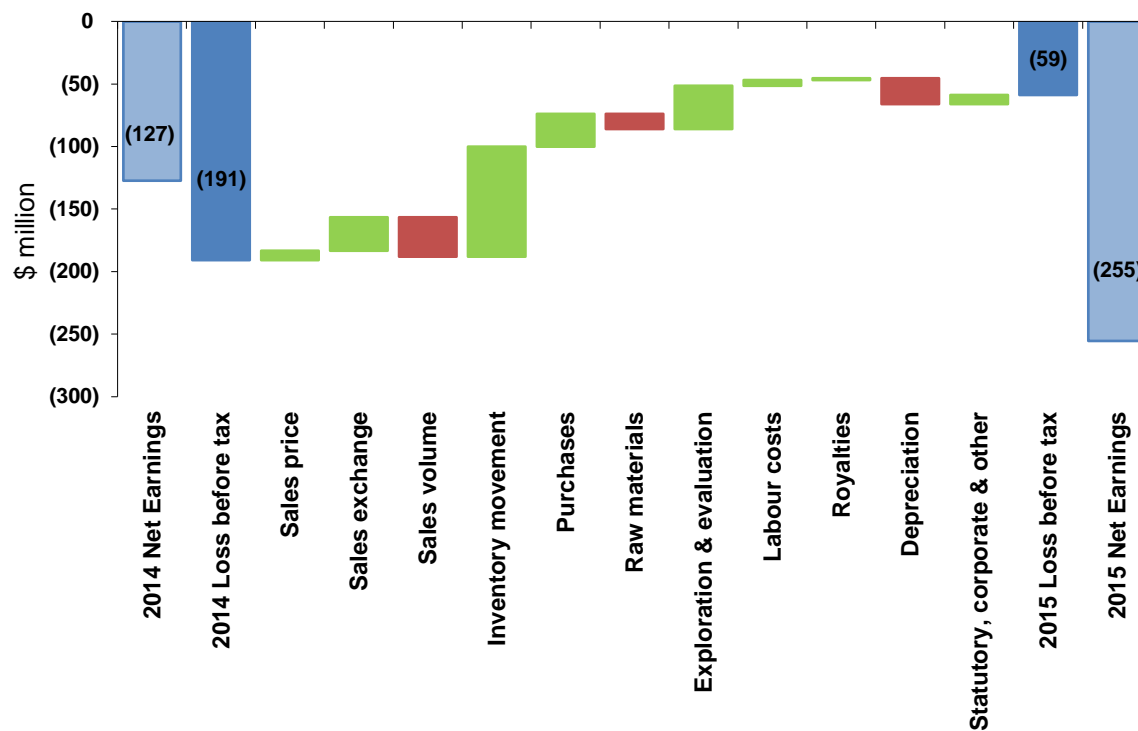
⁴Trade Tech Daily spot price indicator, average spot price for the period 1 Jan 2015-30 June 2015

⁵Cash flow generated is a non-IFRS measure and represents receipts from customers (incl. GST), net interest and foreign exchange, less payments to suppliers (incl. GST). It excludes payments for exploration and evaluation and rehabilitation which are included in the total of cash flows from operating activities. Refer consolidated cash flow statement (Appendix 4D and 4E for respective periods).



Improvement in pre tax earnings

	H1 2015	H1 2014
Earnings - \$A million		
• Net profit/(loss) before tax	(59)	(191)
• Net profit/(loss) after tax	(255)	(127)



• Pre tax results

- Improvement of first half pre tax results was driven by a combination of higher sales price, favourable exchange rates and lower costs

• After tax results

- First half after tax earnings impacted by the write down of deferred tax assets of \$196.7 million which is a non-cash charge

• Deferred tax asset write down

- The write down of the deferred tax asset will not impact ERA's ability to utilise available tax losses in future periods if required

• Impairment review

- Following the write down of deferred tax assets, no further impairment recorded at the half year

Operational performance

Production guidance for 2015 remains at 1,600 tonnes to 2,200 tonnes

Mill Operation	H1 2015
Ore milled ('000 tonnes)	1,138
Recovery (%)	81.4
Mill head grade (% U ₃ O ₈)	0.10
Tonnes produced (U ₃ O ₈)	879
000 lbs	1,939

- Mill continued to perform in line with planned capacity, achieving an average mill throughput of 295 tonnes per hour for the six month period
- Focus on asset integrity with ongoing testing of key plant infrastructure and preventative maintenance
- Planned shutdown of mill to conduct maintenance completed on schedule in June including the replacement of the recycled water tank



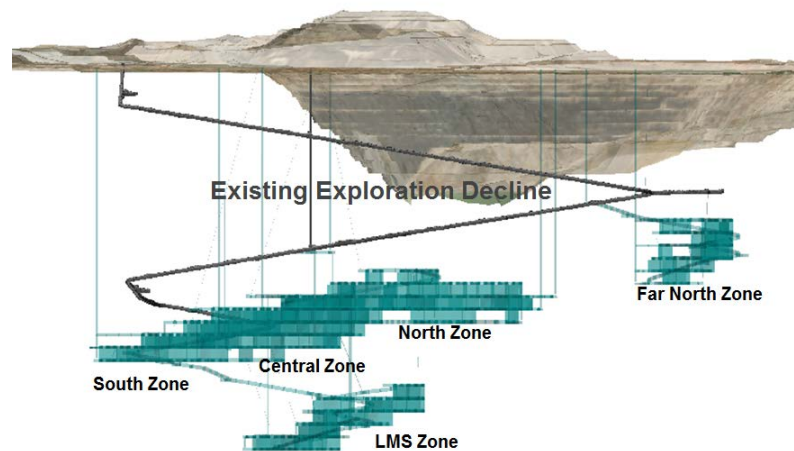
Ranger Processing Plant



Ranger 3 Deeps 2015 status update

ERA announced that the Ranger 3 Deeps project will not progress to a Final Feasibility Study in the current operating environment

- The Ranger 3 Deeps Prefeasibility Study was completed in the first half of 2015. On 11 June 2015, the ERA Board announced it would not progress the project to Final Feasibility stage due to:
 - The uranium market had not improved as ERA previously expected and there is uncertainty regarding the uranium market's direction in the immediate future
 - The economics of the project require operations beyond the current Ranger Authority which expires in 2021
- Discussions with the Mirrar Traditional Owners, Commonwealth and Northern Territory Governments regarding an extension to the Ranger Authority beyond 2021 are progressing
- Care and maintenance activities continue for the decline and associated infrastructure



Ranger 3 Deeps - indicative mine layout



Project overview

- Mine plans and associated estimates developed using the Prefeasibility Study completed for Ranger 3 Deeps based on the current lease tenure (2021) and are subject to a variance of approximately +/- 20 per cent
- Further studies at industry Order of Magnitude level have been completed to evaluate further underground operations beyond the current Ranger Authority and are subject to a variance of approximately +/- 30 per cent
- Following completion of the Prefeasibility Study, ERA announced an improved Ranger 3 Deeps mineral resource cut-off grade of 0.11 % U_3O_8 compared with previously reported cut-off grade of 0.15 % U_3O_8
- Updated resource model estimate is 19.58 million tonnes at 0.224 % U_3O_8 equating to 43,858 tonnes of uranium oxide
- Indicative project parameters highlight one of the mine plans considered based on studies completed to date.

Ranger 3 Deeps – indicative project parameters ⁶	
Lateral development (m)	58,000
Vertical development (m)	4,800
Stopes mined (no.)	978
Haulage ('000 tkm)	40,900
Ore mass ('000 t)	9,900
Ore grade U_3O_8 (%)	0.24
Ore grade Ca (%)	2.45
U_3O_8 mined (t)	23,600
Estimated mine life (years)	10

⁶ All estimates presented will be subject to future review should further studies be approved and may materially change in the future.



Extension process

- Existing legislation under which ERA operates requires amendment in order to permit ERA to apply for an extension beyond 2021
- The following steps are required to be completed in order to obtain extension:
 - Obtain support from Mirarr Traditional Owners for amendment of the Atomic Energy Act 1953 (Cth)
 - Amendment of Atomic Energy Act to allow for an extension application by ERA
 - Submission of an application for extension to the Commonwealth Government
 - Negotiation of agreements as required under the amended Atomic Energy Act
 - Commonwealth Government to make a determination on ERA application



Commitment to progressive rehabilitation

- **Since the start of 2012, ERA has spent \$392 million on rehabilitation of the Ranger and Jabiluka sites**
 - Estimated rehabilitation spend of \$31 million for 2015
 - Mill tailings transfer directly to Pit 3 was completed in February 2015
 - Pit 3 dewatering pumps and pipelines installed with commissioning scheduled for the September quarter
- **Dredging of the Tailings Storage Facility at Ranger**
 - Dredging contract awarded to Hall Contracting
 - Dredge floating pipeline installed in June 2015
 - Dredge design and construction completed in second quarter with delivery to Ranger in May and assembly commencing in July
 - Tailings Storage Facility pontoon and walkway installed and commissioned in June
- **Jabiluka site rehabilitation**
 - 5,000 saplings planted at Jabiluka in the 2014/2015 wet season bringing a total of 8,599 plants planted, at a planting density of approximately 956 stems/hectare
 - Monitoring and maintenance ongoing at Jabiluka
- **ERA and its major shareholder, Rio Tinto, are engaged in discussions regarding a conditional credit facility to assist ERA to fund its rehabilitation program, should additional funding ultimately be required. The facility remains subject to negotiation between ERA and Rio Tinto.**



Construction of dredge at Ranger site in July 2015



Regular engagement with key stakeholders

- ERA regularly engages with all key stakeholders including the Gundjeihmi Aboriginal Corporation on matters of mutual interest
- Quarterly Relationship Committee meetings to share information and discuss implementation of commitments under the Ranger Mining Agreement
- Collaboration on a range of local initiatives such as ongoing rehabilitation of the Jabiluka water management pond, community programmes and Jabiru town matters
- Regular consultation relating to ERA's operations, including water management, progressive rehabilitation of Pit 1 and Pit 3 and process safety initiatives following the Leach Tank failure in December 2013
- Ongoing discussions about the future of mining on the Ranger Project Area
- ERA regularly engages with the Supervising Scientist from the Commonwealth Department of Environment and other relevant government agencies



Revegetation progress at the Jabiluka site in July 2015



Summary

- Continued focus on environmental protection and the health and safety of all stakeholders
- Production of 879 tonnes of uranium oxide in first half of 2015
- Improved cash position of \$300 million at 30 June 2015 and no debt
- The Ranger 3 Deeps project will not proceed to Final Feasibility Study in the current operating environment
- Focus on maximising cash flow generation until greater certainty in relation to Ranger Authority extension
- Key rehabilitation milestones successfully achieved within budget and continue to progress
- The long term outlook for the uranium market continues to be positive
- Discussions with representatives of the Traditional Owners, the Commonwealth and Northern Territory Governments regarding an extension to the Ranger Authority are progressing