

28th October 2009

Energy Metals Limited
ABN 63 111 306 533
Level 2
18 Kings Park Road
West Perth WA 6005
PO Box 1033
West Perth WA 6872
Western Australia
Telephone: (08) 9322 6904
Facsimile: (08) 9321 7950
Email: enquiry@energymetals.net
Web: www.energymetals.net



Dear Shareholder

I am writing to update you on the progress of the China Uranium Development Company proportional Offer for Energy Metals, which was announced on 8 September 2009.

By now you will have received the CUD Bidder's Statement, and the Energy Metals Target's Statement, outlining relevant information about the Offer. I encourage you to read both documents carefully before determining your course of action in relation to the Offer.

One of the conditions to the CUD Offer was confirmation that the Australian Foreign Investment Review Board (FIRB) did not object to the Offer. This condition was recently satisfied, with CUD receiving notification from FIRB on 28 October 2009. CUD has also recently announced the extension of its Offer to 4 December 2009.

The Offer remains conditional on Chinese regulatory approvals, with the remaining condition being 50.1% acceptance by Energy Metals shareholders.

Your board continues to recommend that shareholders ACCEPT the CUD Offer, in the absence of a superior proposal. Energy Metals has received no proposals since the announcement of the CUD Offer. Our view is that the reasons for our initial recommendation are still valid, and that it is in the best interests of all Energy Metals shareholders to partner with China Guangdong Nuclear Power Co. by accepting the CUD Offer.

Should you wish to accept the Offer, you can do so by completing and returning the acceptance form, which was posted to each shareholder with the CUD Bidder's Statement.

If you have any queries in relation to the Offer, you can call the Energy Metals Office during office hours on 08 9322 6904 (internationally +61 8 9322 6904).

Yours sincerely

A handwritten signature in black ink that reads 'Lindsay Dudfield'.

Lindsay Dudfield
Managing Director