



ASX ANNOUNCEMENT

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ENERGY METALS GRANTED URANIUM EXPORT PERMIT

Energy Metals (ASX: EME) is pleased to announce that the Commonwealth Government has granted NT Energy Pty Ltd (a wholly owned subsidiary of Energy Metals) an export permission under the Regulation 9 of the *Customs (Prohibited Exports) Regulations 1958*. Subject to the conditions of the permission, and other relevant legislation, it will allow NT Energy to export uranium oxide concentrate (UOC) from Australia. The export permission is for a period of ten years.

Energy Metals (through NT Energy) plans to purchase UOC from existing Australian uranium mines and potential uranium mines, subject to commercial agreements being executed and any requisite government approvals. The UOC will then be exported to China for re-sale to China Guangdong Nuclear Power Holding Co., Ltd (CGNPC) for use in CGNPC's nuclear power stations.

CGNPC, through wholly owned subsidiary China Uranium Development Company Limited, is Energy Metals' largest shareholder with 60.6% of issued capital.

This unique relationship between Energy Metals and CGNPC presents a significant opportunity for Australia to capitalise on China's rapidly growing demand for energy whilst at the same time assisting reduce global carbon emissions.

Discussion

China represents a significant potential market for Australia's uranium. China currently has 13 nuclear reactors in operation and, in order to satisfy rapidly growing demand for electricity and reduce reliance on fossil fuels, China plans to increase this capacity dramatically over the coming decades. China has 23 reactors currently under construction and a further 159 reactors planned and proposed.

To date sales of Australian uranium to China have been modest with only 3% of Australia's 2009 uranium exports purchased by China. However the unique relationship between Energy Metals and CGNPC presents a significant opportunity for Australia to capitalise on this rapidly growing and increasingly important market.

The proposed export will provide extensive commercial benefits to both Australia and the individual Australian States and Territory involved in the form of increased economic activity, government revenues and export earnings. There is the potential for these benefits to grow as the UOC exports continue throughout the duration of the export licence.

The proposed export will create and sustain employment and will encourage the continued development of the Australian uranium industry. On the back of China's increased demand for Australian UOC, this future growth has the possibility of taking the form of construction projects, investments in plant and equipment and community infrastructure. Such projects and developments offer particular benefits to regional Australia (including Indigenous Australian groups) where these projects are predominantly located.

About CGNPC

CGNPC currently owns 5,000MWe of nuclear electricity capacity in operation with 17,000MWe of nuclear electricity capacity under construction and 4,700MWe of nuclear electricity capacity at the preparatory stage (scheduled to be completed by the end of February 2011). As end of November 2010, the total assets of CGNPC stood at RMB 186 billion with its net assets valued at RMB 60 billion.

CGNPC has more than 20 subsidiaries and is the only clean energy corporation in China with nuclear power as its core business. All uranium sourced by CGNPC is used solely for civil use in operating nuclear power stations supplying electricity to Chinese domestic and commercial end-users. CGNPC currently imports uranium from Europe, central Asia (Kazakhstan and Uzbekistan) and Africa. CGNPC also has a joint venture with AREVA (France) related to technology supply for nuclear plants.

CGNPC's stated strategy is aimed at constructing a world-class clean energy enterprise and becoming the world's leading clean energy supplier and service provider.