



ASX ANNOUNCEMENT

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Energy Metals Limited

ABN 63 111 306 533

For further information
contact:

Weidong Xiang
Managing Director

Lindsay Dudfield
Director

Phone: +61 8 9322 6904
Fax: +61 8 9321 5240

Website:
www.energymetals.net

Email:
enquiry@energymetals.net

Registered Office:
Ground Floor
10 Kings Park Road
West Perth WA 6005

PO Box 1323
West Perth WA 6872



FIRST URANIUM TRADING TRANSACTION

Highlights

- **EME enters into a binding Agreement to purchase 150,000 pounds of Natural Uranium Concentrates (“Concentrates”)**
- **Negotiations for the sale of these Concentrates to CGNPC are well advanced**

Energy Metals (ASX: EME, “EME” or “the Company”) is pleased to announce that NT Energy Pty Ltd (“NT Energy”), its fully owned subsidiary, has entered into a binding Agreement to purchase Concentrates from a leading Australian uranium producer.

The Agreement, with a total value of approximately A\$8 million, is for the purchase of 150,000 pounds of Concentrates.

Under the Agreement, NT Energy will purchase the Concentrates on a DAP (Delivered at Place) basis. The dispatch of the shipment shall occur as soon as practicable, but in any event no later than 30 April 2012. The Concentrates will be shipped from the Port of Adelaide to the Port of Shanghai, China.

This Agreement represents the first uranium trading transaction executed by NT Energy since it received all necessary regulatory approvals for its uranium trading business. Energy Metals advises that it has been granted a waiver of Listing Rule 11.1 and therefore shareholders’ approval is not required for this Agreement.

NT Energy is currently in the final stages of discussions with CGNPC-Uranium Resources Co. (“CGNPC”), the largest shareholder of EME, to sell the above sourced Concentrates to CGNPC on arrival at the Port of Shanghai. The Company expects to generate a profit from this trial uranium trading transaction.

EME and NT Energy’s Managing Director, Dr. Weidong Xiang said he was delighted to be able to announce NT Energy’s first uranium trading transaction.

“This trial transaction allows the Company to assess the viability of an ongoing uranium trading business. We look forward to working closely with CGNPC to successfully complete the transaction.”

“As announced earlier this year, the proposed uranium trading business may present a significant commercial opportunity for Energy Metals with the potential for early cash flow to fund both development of the Company’s current projects and future acquisitions in the uranium industry.”

Energy Metals wishes to confirm its intentions to continue its current existing uranium exploration activities in the Northern Territory and Western Australia.

Discussion

China represents a significant potential market for Australia’s uranium. China currently has 15 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 and has 26 reactors currently under construction.

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. In that context this trial shipment of uranium to CGNPC, if successful, is expected to have positive implications for the future of the Australian uranium industry.

An increase in uranium exports to China has the potential to 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. This potential 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 6 operating nuclear power units producing 6,000MWe of electricity. Construction has commenced on a further 15 nuclear power units with a total capacity of 17,500MWe, meaning CGNPC has the largest nuclear power installed capacity currently under construction worldwide.

CGNPC has more than 30 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.