

30 April 2012

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Dear Sir/Madam

UPDATE ON URANIUM TRADING

On 28 December 2011 Energy Metals Limited (ASX: EME) announced that the Company had agreed to purchase 150,000 pounds of Natural Uranium Concentrates ("Concentrates") from a leading Australian uranium producer. On 3 January 2012 Energy Metals further advised that it had entered into a binding sales agreement with CGNPC-Nuclear Fuel Co., Ltd (formerly CGNPC-Uranium Resources Co., Ltd ("CGNPC")) to resell the Concentrates once they arrive at the port of Shanghai, China.

Subject to obtaining any and all required approvals of the Chinese and Australian Governments, the shipment was to take place prior to 30 April 2012.

The Company wishes to advise that almost all prerequisite government approvals have been received and both parties are awaiting the confirmation of the "Statement of Peaceful Use of Uranium Concentrates" to be issued by the China Atomic Energy Authority to the Australian Safeguards and Non-Proliferation Office, who will then approve the export of the Concentrates from Australia.

Due to administrative delays, the Company wishes to advise that the shipment will not occur as scheduled. In light of this delay, the Company has commenced negotiations with the producer and CGNPC. The Company will provide the market with periodical updates on the progress of these negotiations.

On 12 March 2012 the Company also announced that the Australian Securities Exchange (ASX) had agreed to grant a waiver from ASX Listing Rule 10.1 subject to certain conditions, including confirmation that shipping of the Concentrates to CGNPC under the initial transaction would occur no later than 30 April 2012.

The Company has submitted an application to ASX for variation of the above waiver.

Yours sincerely

A handwritten signature in black ink, appearing to read '向伟东' (Xiang Weidong).

WEIDONG XIANG
Managing Director