



ASX ANNOUNCEMENT

Monday 11 December 2006

- **COMPLETION OF PHASE TWO DRILLING CAMPAIGN**
- **PACE DRILLING GRANT AWARDED**

Drilling Program

Uranium Exploration Australia Limited (ASX: UXA) is pleased to announce that it has completed the second phase of its planned South Australian drilling program for 2006. Two targets were deferred into the planned 2007 drilling program due to the lack of appropriate drilling equipment. Complete results of the phase two drilling campaign will be announced following receipt of laboratory analytical results.

PACE Grant

Primary Industries and Resources, South Australia (PIRSA) has advised that UXA's drilling proposal for the Sloane Hill Project was approved for funding to the level of \$50,000. This funding constitutes part of the South Australian Government's Plan for Accelerating Exploration (PACE) Initiative under Theme 2 – Drilling Collaboration between PIRSA and Industry.

These funds will be applied to the next phase of drilling in Sloane Hill, South Australia. The funds can be applied to drilling completed by 10 December 2007.

UXA's drilling proposal was one of 32 projects that were successfully granted funds from a pool of 75 proposals reviewed by PIRSA.

For further information contact:

Patrick Mutz
Chief Executive Officer

Or

Neill Arthur
Chairman

Tel: +61 (02) 8404 2800
Email: info@uxa.com.au
Or visit the website: www.uxa.com.au

URANIUM EXPLORATION AUSTRALIA LIMITED

ABOUT UXA

Strategy and Focus

UXA's focus is on securing and exploring tenements in Australia that have the potential to yield commercial deposits of uranium, gold, silver and copper.

UXA lodged 22 Exploration Licence Applications (ELAs) in areas prospective for uranium and/or associated precious and base metals in South Australia, Western Australia, the Northern Territory and New South Wales. Of these ELAs:

- All thirteen South Australian tenements (seven ELs and six ELAs) are proximate to the world's largest known uranium, copper and gold deposit at Olympic Dam, South Australia.*
- Three of the South Australian tenements are close to the recent gold/copper discoveries at Prominent Hill and Carrapateena.*
- Five ELAs and one EL are in the Northern Territory. The EL is on land in which Native Title may still exist. No objections were lodged by any Native Title Claimant under the Native Title Act 1993 (Cth) to the grant of that EL.*
- An EL has been granted pursuant to the New South Wales ELA. That tenement is now known as EL 6498. This area is prospective for gold, copper and rare earths.*
- Two ELs were granted in Western Australia, known as Angelo River North (E52/1835) and Yeelirrie South East (E36/546).*
- Previous drilling by other parties has revealed uranium mineralisation at UXA's ELAs of Yeelirree South East (WA) and Katherine North (NT). UXA plans to conduct further exploration to better define this mineralisation at the earliest possible date consistent with UXA's geologists being able to access the ground once ELs are granted and other access agreements are implemented.*