



Uranium Exploration Australia's September Quarterly Report reveals an active exploration company with tenements in a number of Australia's most prospective mineral regions, backed by an experienced management team and solid cash position.

Uranium Exploration Australia Limited (UXA) is strategically positioned with exploration tenements covering approximately 9,800 sq km in areas of known mineral deposits in South Australia, Western Australia, Northern Territory and New South Wales.

Since its successful listing on the ASX in November 2005, the Company has diligently progressed with its objective of exploring for, locating and developing commercial grade uranium mineralisation and associated copper and gold.

UXA's recently released September Quarterly Report highlights this progress and reflects the potential value of the Company's prime position and extensive portfolio.

Mr. Neill Arthur, UXA's Chairman told the Australian Investor, "During the quarter we continued our aggressive exploration programme across our tenements in South Australia, Western Australia, Northern Territory and New South Wales.

"One particularly exciting development was the consolidation of our exploration program for our Northern Territory tenement – Ngalia Thrust – where we successfully completed a heritage clearance survey and have since commenced a drilling programme on 31 October."

This drilling will follow up significant surface uranium mineralisation discovered by the Company in January 2008 and will aim to test these anomalies at depth.

The Company also completed a 1,297 metre drilling programme at its EL 36/546 – Yeelirrie South East in Western Australia to test for calcrete and sediment hosted uranium mineralisation. This programme was supported by PFN wire-line logging. Chemical assays are pending. The programme coincides with the new West Australian government signalling its pro-mining stance on uranium in the State.

In South Australia, UXA completed magneto-telluric (MT) test survey on EL 3470 – Glenside and is continuing to progress towards obtaining approval from the Department of Defence for access to its other ELs within the Woomera Prohibited Area.

Another significant development for the Company was the signing of non-binding Heads of Agreement regarding UXA's intention to acquire the business and assets of Geoscience Associates Australia Pty Ltd (GAA), a geophysical logging company.

GAA holds the exclusive distribution licence for Prompt Fission Neutron (PFN) tools and technology in Australia and is the only domestic company offering commercial PFN logging services. UXA acquired access to its own PFN tool in July 2008 for exclusive use in its drilling programs.

GAA has been providing a full range of commercial wire-line logging services to the mining and exploration sectors, principally focused on uranium and more recently on coal, throughout Australia since 1971.

"We believe this acquisition would be significant for UXA as a result of the unique advantages represented by the PFN technology, which we feel is critical to the overall success of many Australian uranium exploration companies," Mr. Arthur explained to the Australian Investor, "Further, the acquisition would result in the creation in UXA of an enlarged group with unique uranium exploration and general mining industry logging capabilities with greater market diversification and higher cash generating capability."

The proposed acquisition will not detract from UXA's core business focus on uranium exploration as GAA will be held as a subsidiary company and will continue to operate independently.

"We have been working with GAA for the past couple of months and we believe the proposed acquisition provides a number of synergistic benefits for both companies," Mr. Arthur informed the Australian Investor. ."

UXA was the third company in Australia to acquire access to the technology and the first grassroots exploration company in Australia to do so.

In addition to the Company's unique position as a result of its PFN tool, its future development will also be aided by its board and management team that have an extensive amount of experience in uranium exploration both in Australia and overseas.

"The growth experienced by UXA thus far has been largely fuelled by Patrick Mutz as the Managing Director, who has more than 20 years experience in the uranium sector," Mr. Arthur told the Australian Investor, "Reflecting the value of his leadership, UXA established a joint venture with a subsidiary of Reliance Industries Limited of India – the largest private sector company in India, . The media often refer to Reliance as 'India's BHP'.."

"This represented an important milestone for UXA as it was Reliance Industries' first joint venture with any uranium exploration company in Australia – illustrating its confidence in UXA's portfolio, board and management and future potential. Its support was further reflected via the substantial up-front financial contribution made to fund UXA's exploration activities."

"Leading UXA into its next phase of exploration will be Dr. Russell Penney," Mr. Arthur informed the Australian Investor, "Dr. Penney will build on the legacy created by Patrick Mutz and leverage off his own extensive background in uranium exploration to provide the Company with reinvigorating guidance into the future."

Dr. Penney has worked for a number of prominent resources companies including, Placer Dome (now part of Barrick Gold), Pasminco (later becoming Zinifex), BP Minerals and CSIRO Exploration and Mining and is currently CEO of NGM Resources.

Importantly, UXA is in a solid cash position, with more than \$5 million cash in bank as of the end of the quarter. As such, the Company can readily fund its exploration programmes without seeking to raise additional funds in the current stressed capital markets.

Mr. Arthur concluded, "We believe UXA has a positive future outlook, leveraging off our cash reserves and high quality board and management team, as well as the support from the rest of our high quality senior technologists through to our administrative team."

"We believe these attributes will help us ride out the volatility in the markets and enable us to exploit to its full potential our deliberately selected, highly prospective tenement portfolio, especially our prospects positioned near the Olympic Dam region, where UXA holds one of the largest acreage positions in this area."