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The Manager
Company Announcements Office
Australian Stock Exchange
20 Bridge Street
SYDNEY NSW 2000

ASX ANNOUNCEMENT

UXA COMPLETES ACQUISITION OF GAA

**Deal provides UXA with sole national distribution rights to advanced,
proven uranium exploration technology**

The directors of Uranium Exploration Australia Limited ('UXA') are pleased to announce that the Company has completed the signing of a binding agreement to purchase the assets of Geoscience Associates Australia (GAA), following unanimous shareholder approval at the company's AGM on 20 November 2008. It is planned that financial closing will be effective in January 2009.

GAA, located in Mount Barker, South Australia, provides borehole wire-line logging services to the domestic uranium and coal industries and is the sole distributor for Prompt Fission Neutron (PFN) technology in Australia and the only provider of commercial PFN logging services in Australia. The acquisition includes management and a team of highly skilled professionals with a broad range of logging knowledge.

Commenting on the deal, UXA Chairman Neill Arthur said, "The acquisition of GAA integrates squarely with our focus on exploration for commercial deposits of uranium and other metals.

"Whilst UXA already has a large and highly prospective portfolio of exploration tenements throughout Australia, including one of the largest exploration positions within the Olympic Dam. Stuart Shelf region, the incorporation of GAA provides both the technology and expertise to expedite mineral discovery."

The purchase price payable at settlement under the Agreement for the Assets and Business of GAA is (subject to working capital adjustments) \$6,400,000, payable with a combination of UXA cash, vendor financing, bank financing and UXA shares as outlined in the notice of meeting of UXA's Annual General Meeting of Shareholders.

Benefits of Acquisition

(a) Increase scale:

UXA will become a significant provider of logging services and tools for the uranium and coal exploration and mining industries in Australia, through its interests in the Assets and Business of GAA, whilst continuing to maintain its central focus on uranium exploration. This may provide a lower risk profile for the Company than is currently the case.

(b) Financial Stability

The Acquisition will create an enlarged group with unique uranium logging and exploration capabilities with greater market diversification and higher cash generating capability. It therefore strengthens the position of the Company and may provide a lower risk profile for existing Shareholders.

(c) Financial Security

The Acquisition is anticipated to enhance the financial security of the Company by providing additional cash and equity capacity to meet its ongoing funding requirements. It is anticipated that bank debt incurred will be fully repaid from the ongoing cash flows from the GAA business, with no planned call on UXA's cash reserves after closing. Repayment of UXA's \$1m cash is projected within 3 years of completion of the acquisition.

(d) Risk Diversification

The Company will have access to geophysical wire-line logging equipment together with interests in a wider range of proprietary and other technologies and industry know-how for the treatment of a range of logging tasks and monitoring of drill holes. This reduces the Company's exposure to its sole exploration focus. This will be especially important in the event of discovery or involvement through acquisition, joint venture or merger with a uranium resource and the development of In Situ Recovery (ISR) mining technology.

(e) Enhanced Technical and Management Capability

As part of the acquisition of the assets and business of GAA, the Company will acquire GAA's current management team, significantly enhancing its technical and management capability. The larger scale of operations, diversity of opportunities and improved financial stability should also make the Company a more attractive employment opportunity, improving the prospects of recruiting necessary employees with the skills required to continue to develop the business. The current confidentiality of GAA's client information will be strictly adhered to and no information about individual client work will be provided by GAA to UXA.

(f) Improved Access to Capital and Debt Markets

The Company should have improved access to capital markets due to the increased size and stability of the merged group. This could also assist in attracting greater investor interest in the Company and therefore promote better liquidity in the Company's shares.

For further information, contact.



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