



Uranium Exploration Australia Limited

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ASX ANNOUNCEMENT

UXA SIGNS DEAL TO ACQUIRE HIGH TECH PFN URANIUM LOGGING TECHNOLOGY

Wordwide ownership of PFN business and technology strengthens UXA's borehole logging business, Geoscience Associates Australia

Uranium Exploration Australia Limited (ASX: UXA) is pleased to announce that it has completed the purchase of 100% of the assets and intellectual property of the Prompt Fission Neutron (PFN) borehole logging tool manufacturing and service business from Geolnstruments Inc (GII) situated in Texas, USA.

The purchase further strengthens UXA's fully-owned borehole logging business, Geoscience Associated Australia Pty Ltd (GAA), which is the sole Australian licensed distributor and servicer of PFN technology.

PFN technology is becoming increasingly utilised within the uranium mining and exploration industries, and played a significant role in the discoveries of two of Australia's largest uranium deposits, the Beverley mine and Four Mile deposits in South Australia.

Commenting on the acquisition, Russell Penney, Managing Director of UXA said, "The purchase of the PFN business represents a significant growth step for GAA enabling it to expand its PFN logging and service business beyond Australia."

"UXA's understanding of the PFN technology is second to none, and our cornerstone position within this exciting exploration technology sector provides us with a foundation for substantial growth for years to come. With GAA and the PFN technology UXA is now the owner of two profitable cash-flow businesses."

Under the terms of the agreement signed with GII's President Jim Turner, Geolnstruments International Pty Ltd (a wholly owned subsidiary of UXA) will pay the total cash price of US\$1,271,380 for the intellectual property, a number of completed and partially completed PFN tools and a fully equipped borehole logging truck. The payment will be made in two tranches, the

first payment of US\$953,535 within 7 days of signing the agreement and the balance after a 90 day technology transfer period. UXA will retain the services of Jim Turner on an ongoing basis, to provide technical consultancy and service to US clients of the PFN logging tools.

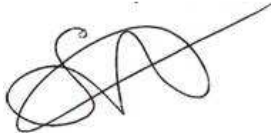
UXA will fund the purchase partly in cash and partly through a private loan from Geomech Pty Ltd.

UXA will establish PFN manufacturing and servicing at GAA's workshops in Mount Barker, South Australia. Dennis Stevens will take on the role of management of the PFN business for UXA in addition to his current role as manager of GAA.

The PFN borehole logging tool is unique in that it directly measures the content of uranium in boreholes, overcoming the problem of dis-equilibrium which limits the interpretation of uranium concentrations using gamma logging tools. PFN tools are being extensively used in Australia and the US to establish uranium grades at a number of uranium mines and exploration projects. The technology was originally developed in the US and has been extensively improved and streamlined for day to day borehole logging application by Jim Turner and GeolInstruments Inc in the US.

In 2009 UXA completed the purchase of GAA. Under UXA's ownership, GAA continues to provide a full range of commercial wire-line logging services to the mining and exploration sectors, principally focused on uranium, coal and coal seam gas, throughout Australia. Prior to the PFN technology purchase, GAA was the sole distributor for PFN technology in Australia and the only provider of commercial PFN logging services in Australia. GAA has a team of highly skilled professionals with a broad range of borehole logging expertise. The borehole logging business is held as a 100% owned subsidiary company and operates independently from UXA's exploration activities with regards to the preservation of confidential information of GAA's clients. GAA will now be able to implement a growth strategy to expand internationally as well as to secure growing opportunities for PFN business in Australia.

For further information, contact.



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About UXA

Uranium Exploration Australia Limited was formed to explore for and develop uranium and associated base and precious metal deposits, focusing principally on its ground holdings in the world class uranium provinces in South Australia and Northern Territory. UXA has an exploration joint venture with RIL Australia Pty Ltd, a subsidiary of Reliance Industries Limited, the largest private sector company in India.

In July 2009 UXA announced the discovery of uranium mineralisation in a 3,000m long structure within granite at Crystal Creek, on its Ngalia Thrust exploration licence in the Northern Territory, with recent RC percussion drilling showing intercepts up to 3m @ 346ppm U3O8.

In October 2009 UXA announced the completion of the purchase of a borehole logging business, Geoscience Associates (Australia) Pty Ltd (GAA). GAA is continuing to operate as a separate business and provide cash flow for UXA's exploration activities. GAA has the sole distribution rights in Australia to the Prompt Fission Neutron device, a specialised tool for directly measuring the content of uranium in boreholes, thereby overcoming the problem of disequilibrium. GAA provides logging services to the coal and uranium industries (both gamma and PFN logging) throughout Australia.

More information on UXA can be found on our website at www.uxa.com.au