



UXA Resources Limited

ABN 65 112 714 397

11 July 2011

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

ASX ANNOUNCEMENT

UXA's GAA WIRELINE LOGGING BUSINESS WORKING AT FULL CAPACITY

UXA Resources Limited ("UXA Resources" or "UXA") (ASX:UXA) advises that its wholly owned borehole logging division, GAA Wireline, is working at near full capacity in both Australia and the United States of America and based on long term contracts and favourable operating conditions is expected to have a cash operating surplus of \$500,000 over the next six months.

During 2010 and in early 2011 GAA Wireline's logging business in Australia was severely impacted by the very wet weather conditions which halted clients' drilling programs. This situation has now improved considerably and clients' catch-up drilling programs have resumed in GAA's principal areas of operation in Queensland and South Australia. GAA Wireline is currently operating on long term logging contracts in the following diverse industries:

- Iron Ore in South Australia and New South Wales
- Coal and coal seam gas in Queensland
- Uranium in South Australia and Northern Territory
- Uranium in the United States of America

In the United States of America GAA commenced logging operations in December 2010 and in April 2011 announced the signing of a new 2 year logging services contract with Cameco Resources, a wholly owned subsidiary of the major international uranium company Cameco Corp (TSX:CCO, NYSE:CCJ). GAA is exclusively providing Prompt Fission Neutron (PFN) logging services at Cameco's Smith Ranch-Highland uranium mine in Wyoming and at two other long term projects in Wyoming and South Texas.

Expansion of GAA's operations

In Australia GAA Wireline has successfully expanded operations in South Australia, now servicing the iron ore industry in addition to PFN and gamma logging services to uranium clients. GAA has secured bank financing of \$300,000 to purchase new wireline and surface surveying tools specifically designed for iron ore exploration and mining projects.

In response to increasing requests for PFN and gamma logging services the United States GAA has secured competitive US bank finance to build a new logging truck which is expected to be delivered later in the year.

GAA's financial performance

With GAA now working close to full capacity and with long term contracts in place in both the United States and Australia the business has experienced a significant turn-around. GAA is expected to have a cash operating surplus of \$500,000 (EBITDA less capital expenditure) during the next six months. This is based on contracts in hand and projected revenue of \$2.8 million for both operations over the next half year.

For further information, contact.



Russell Penney Managing Director.

Tel: +61 8 8363 7970

Email: info@uxa.com.au

Websites: www.uxa.com.au, www.gaawireline.com

Media: Farrington National +612 9332 4448

About UXA Resources Limited

UXA Resources Limited (ASX:UXA) is a diversified explorer that has assembled a pipeline of highly prospective tenements throughout Australia, targeting the discovery of base metals (copper, gold, lead-zinc-silver) coal and uranium deposits, all located within world class mining provinces and close to existing infrastructure. UXA has formed strategic joint venture agreements with significant partners which provide additional capital and scope to accelerate the company's major exploration programs.

UXA is also the 100% owner of GAA Wireline, a cash generating borehole logging business that provides UXA with another revenue stream channeled towards exploration. GAA has several long term USA and Australian based service contracts covering the coal, coal seam gas, iron ore and uranium sectors. GAA owns the exclusive rights of PFN technology, a unique borehole logging tool that provides immediate uranium analysis in the field and was used in the Beverley and the Four Mile uranium discoveries in South Australia.

In New South Wales and South Australia, UXA has signed an option agreement with Teck Australia Pty Ltd (a wholly owned subsidiary the major Canadian mining company Teck Resources Ltd) and has completed 2,650m infill and step out drilling at the Dome 5 zinc-silver-lead prospect, located 50km from Broken Hill and in close proximity to the main railway corridor. In addition to the original 5 hole discovery made in 2007 by Teck and PlatSearch, UXA's drilling has identified a significant zone of Mississippi Valley Type (MVT) mineralisation.

In South Australia, UXA's Joint Venture with Straits Resources Limited allows Straits to explore nine of UXA's Stuart Shelf tenements for IOCG(U) deposits, a region that host the world class Olympic Dam, Prominent Hill and Carrapateena deposits. Straits has the right to earn a 70% interest in the tenements by spending \$10 million on exploration over seven years.

In the Northern Territory, UXA is the operator of the Nabarlek and Pandanus West joint venture with RIL Australia, a subsidiary of Reliance Industries Limited, one of India's largest private sector companies. Following successful airborne and aeromagnetic surveys and the recent U40 uranium discovery located within 280m of UXA's Nabarlek North tenement, a major drilling program has been planned for the 2011 field season targeting unconformity style uranium.



UXA Resources Limited

ABN 65 112 714 397

In Western Australia, UXA has assembled five tenements and formed agreements with Rey Resources Ltd to explore for coal and sandstone hosted uranium and P. Askins to explore for coal and uranium. The project area is located immediately east to the Canning coal field basin, south east of Derby and close to a major sealed highway. Two of the licences cover major radiometric anomalies and UXA was awarded a grant of \$100,000 by the WA Government to co-fund exploration for uranium.

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

More information on GAA Wireline and the PFN device can be found at www.gaawireline.com