



Uranium Exploration Australia Limited

ABN 65 112 714 397

ASX ANNOUNCEMENT Monday 10 December 2007

- **INDIA'S RELIANCE INDUSTRIES LIMITED SUBSIDIARY SIGNS URANIUM EXPLORATION FARM-IN AGREEMENT WITH UXA**
- **RIL (AUSTRALIA) TO EARN 49% INTEREST IN EIGHT EXPLORATION TENEMENTS AND CONTRIBUTE UP TO \$12.9 MILLION FOR FARM-IN AND FUTURE EXPLORATION**

Uranium Exploration Australia Limited (**ASX: UXA**) has signed a binding Farm-in Agreement and Heads of Joint Venture agreement with RIL (Australia) Pty Limited (RILA), a subsidiary of Reliance Industries Limited.

Reliance Industries Limited (RIL) is a publicly traded company headquartered in Mumbai, India and listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange of India (NSE). RIL is a Fortune Global 500 Company and the largest private sector company in India with interests in oil and gas exploration and production, including petroleum refining, petrochemicals and marketing (www.ril.com). Through its subsidiary RILA, RIL seeks to participate in the Australian energy sector including uranium exploration and mining.

Under the terms of the Farm-in Agreement, RILA will receive 49% interest in four of UXA's exploration licences (ELs) in South Australia and four of UXA's exploration licence applications (ELAs) in the Northern Territory (following grant to EL status). In exchange, UXA will receive **cash considerations totalling \$3.45 million**, being \$1.15 million as payment for prior exploration data and \$2.3 million earn-in to be applied towards UXA's share of future exploration expenditure.

In addition, **RILA will contribute its 49% share of future exploration expenditures**. UXA and RILA intend to pursue an aggressive exploration programme on these tenements over the next three years with an estimated outlay of up to \$19.4 million.

Commenting on the deal, UXA's Managing Director Mr Patrick Mutz said, *"We are very excited to have a company of the calibre and status of RIL as UXA's second joint venture partner, after the May 2007 joint venture with Newcrest Operations Limited."*

"The agreement with RIL is significant for several very important reasons. The involvement by a large corporate entity such as RIL signals its confidence in UXA's combination of prospective ground, exploration expertise and management qualifications to advance these assets."

"In addition, RIL's entry into the uranium exploration industry in Australia underscores the strong fundamentals of the uranium market going forward, with medium and long-term pressures on the price of uranium due to supply limitations."

"Finally, involvement by a joint venture partner of RIL's standing with ready access to capital bodes well should the company realise its goal of discovery and resource development through to production. We look forward to a strong and positive working relationship with our new partner."

The four South Australian exploration licences subject to the Farm-in Agreement are:

- EL 3430 – Playford
- EL 3679 – Playford Southeast
- EL 3428 – Roxby Downs West, and
- EL 3470 – Glenside

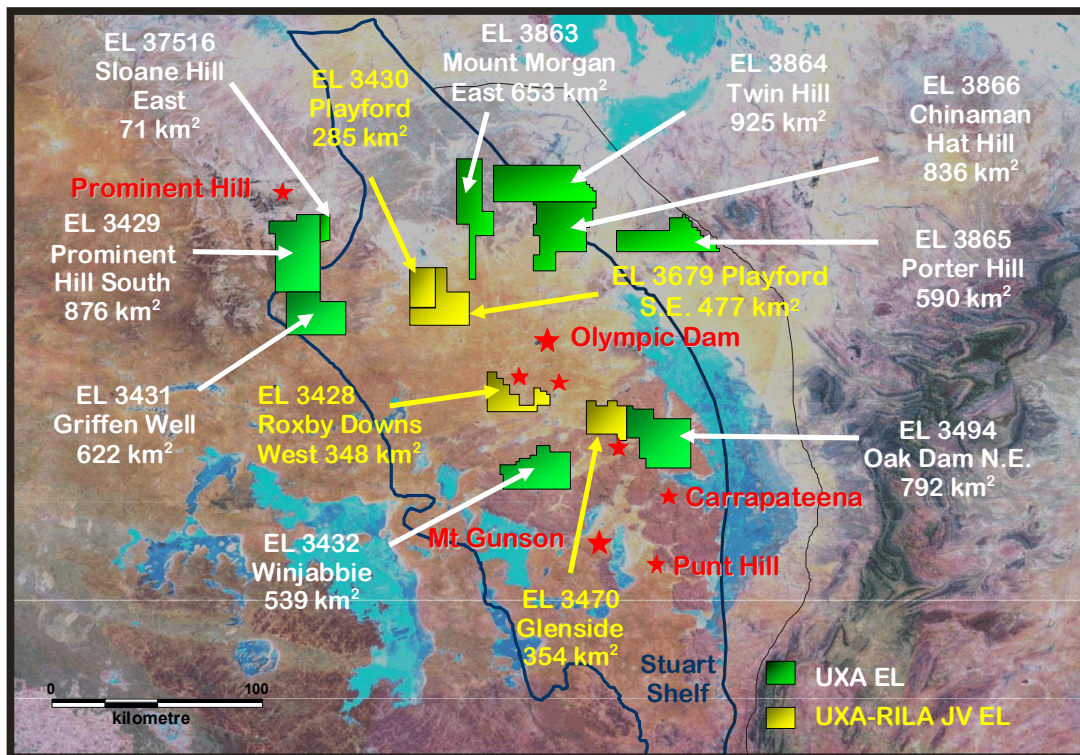
All four ELs are located in the vicinity of the Olympic Dam Mine and Prominent Hill mine development, on the highly prospective Stuart Shelf in the Gawler Craton (Figure 1).

The four Northern Territory exploration licence applications subject to the Farm-in Agreement are:

- ELA 24564 – Nabarlek West
- ELA 24565 – Pandanus West
- ELA 24586 – Rum Jungle Northeast
- ELA 24868 – Nabarlek North

All four ELAs are located in areas of known mineral deposits. Interest can only be transferred after the tenements are granted EL status.

FIGURE 1
Location Map for RILA Farm-in Tenements in South Australia



Under the terms of the Farm-in Agreement, RILA's participation will be retroactive to 1 July 2007 and RILA will reimburse UXA 49% of exploration costs between 1 July and the date of transfer and registration of interest in the SA ELs to RILA.

The Farm-in Agreement is conditional on Foreign Investment Review Board (FIRB) approval under the Foreign Acquisitions and Takeovers Act 1975 (Commonwealth of Australia) (FATA) as well as ministerial consent pursuant to section 83 of the Mining Act 1971 of the State of South Australia for the SA ELs and ministerial approval and registration pursuant to section 173 of the Mining Act of the Northern Territory for the NT ELs.

In addition to the eight exploration tenements involved in the Farm-in Agreement with RILA, UXA holds 13 other tenements located throughout Australia that are 100% owned by UXA and 1 tenement joint ventured with Newcrest Operations Limited and on which Newcrest has the opportunity to earn 75% interest by spending \$3 million in four years. In total, UXA's tenements encompass 9,787 km² and are predominantly located in areas of known mineralisation, including the largest exploration portfolio in the vicinity of the Olympic Dam Mine on the Stuart Shelf in South Australia.

For further information, contact:



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JORC Compliance Statement

Technical Information in this report is based on information compiled by Dr Rodney Boucher who is employed by Linex Pty Ltd and who is a Member of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Dr Boucher has sufficient exploration experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC 2004"). Dr Boucher consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

UXA listed on the ASX in November 2005 and was established to explore for, locate and develop commercial grade uranium mineralisation and associated copper and gold. UXA has 17 exploration licences (ELs) and 5 exploration licence applications (ELAs) located in South Australia, Western Australia, Northern Territory, and New South Wales. These exploration tenements cover some 9,800 km² and are predominantly located in areas of known mineral deposits.