



Uranium Exploration Australia Limited

ABN 65 112 714 397

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

ASX ANNOUNCEMENT

UXA SIGNS AGREEMENT TO ACQUIRE 75% INTEREST IN URANIUM PROSPECT IN NT

- **Previous exploration indicates potential for unconformity style uranium at Harts Range near Alice Springs**
- **Applications lodged for additional ground in the area**

The Directors of Uranium Exploration Australia Limited ('UXA') are pleased to announce the signing of an agreement with Cullen Exploration Pty Ltd, a wholly owned subsidiary of Cullen Resources Limited (ASX: CUL; 'Cullen') to explore for uranium at Yambla in the Harts Range, 140km East of Alice Springs, Northern Territory.

The agreement will kick start exploration activities at Yambla, located within the granted exploration licence EL26142, which covers an area of historical uranium prospects.

Commenting on the deal, UXA's Managing Director Dr Russell Penney said, "Yambla is an ideal fit for UXA, given that it is an area of known uranium mineralisation, poorly tested by previous explorers and with real potential for early drill targets given that mineralisation is outcropping."

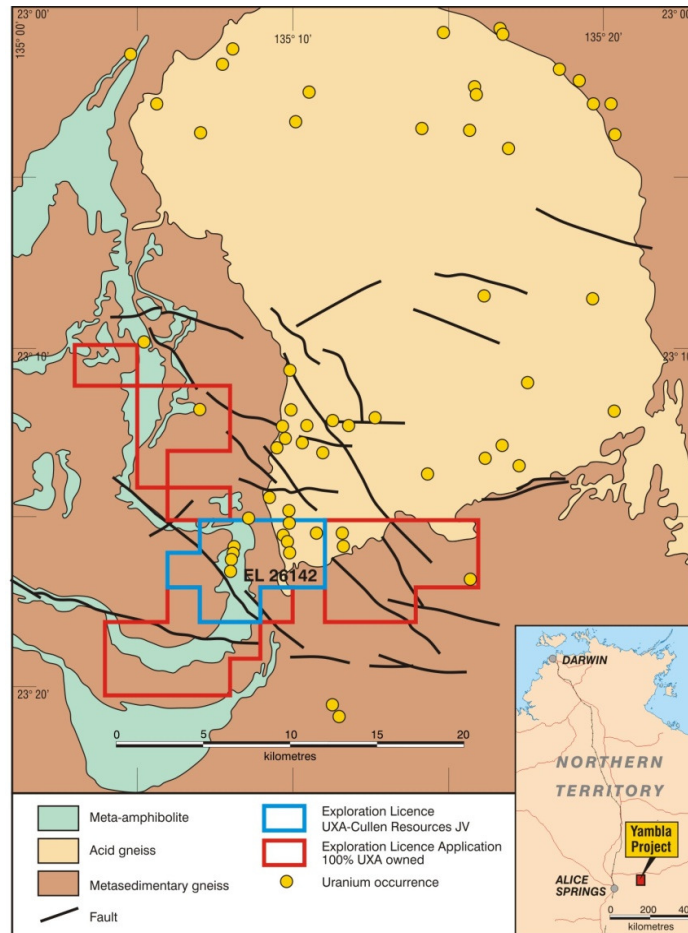
"As such, we are very keen to commence field activities as soon as possible, with the aim of implementing a drilling programme in the second half of this year."

Uranium was discovered at Yambla by PNC Exploration in 1992, which drilled a number of holes to test radiometric anomalies and outcropping uraninite-rich veins within the amphibolite rock. A number of other styles of uranium mineralisation occur in the area and may constitute potential for an "unconformity" type deposit.

The principal terms of the agreement with Cullen are:

1. UXA will spend \$800,000 over 3 years on uranium exploration to earn 75%.
2. UXA may pull out after spending \$150,000.

3. UXA will be the manager and operator of the exploration.
4. Should UXA earn 75%, a joint venture will be formed with Cullen to further develop any discoveries. Cullen may elect to contribute or take a 20% interest free carried to a decision to mine based on a bankable feasibility study.



UXA plans an aggressive exploration program to include geophysical surveys, field sampling and shallow drilling to commence later in 2010. Field work is planned to start later this month. UXA has applied for three exploration licences spanning a 110km² area immediately surrounding the Yambla project, covering areas of similar geology and uranium prospectivity.

For further information, contact.

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Technical Information in this report is based on information compiled by Mr Simon Powell who is employed by Uranium Exploration Australia Limited and who is a Member of The Australasian Institute of Mining and

Metallurgy. Mr Powell 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"). Mr Powell consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

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. Recent RC percussion drilling returned intercepts up to 3m @ 346ppm U3O8.

In February 2010 UXA announced the signing of an agreement with Rey Resources Ltd to explore for sandstone-hosted uranium at Myroodah in the Canning Basin, Western Australia.

UXA is also the owner of a complementary cash flow business, Geoscience Associates Australia Pty Ltd (GAA), a borehole geophysical logging company principally working in the uranium and coal sectors in Australia. The UXA Group owns the worldwide rights to the Prompt Fission Neutron uranium logging tool which has a unique role to play in uranium deposits with disequilibrium.

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