Uranium Exploration Australia Limited

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ASX ANNOUNCEMENT

STRAITS RESOURCES LTD SIGNS JOINT VENTURE AGREEMENT WITH UXA TO EXPLORE UXA'S SOUTH AUSTRALIAN TENEMENTS

Straits has the right to earn a 70% interest in UXA's tenements by spending $10 million on exploration over 7 years

Uranium Exploration Australia Limited (ASX: UXA) is pleased to announce that it has signed a joint venture agreement with Straits Resources Limited (Straits). Straits will assume management of exploration on nine of UXA's exploration licences on the Stuart Shelf, South Australia and has the right to earn a 70% interest in the tenements by spending $10 million on exploration over a period of up to 7 years.

Commenting on the agreement, Dr Russell Penney, Managing Director of UXA said, "the agreement underlines UXA's strategy of changing its exploration focus to new projects in Western Australia and Northern Territory."

UXA has explored for iron oxide copper gold (uranium) (IOCG) deposits on the Stuart Shelf since 2006. The best drill intersection was 42m @ 0.34% Cu from 824m depth in drill hole 07WJ01 at Winjabbie. Three of the tenements were formerly part of UXA's joint venture with Reliance Industries (Australia) Ltd. The nine tenements included in the Straits joint venture are EL3430 Playford, EL3432 Winjabbie, EL3679 Playford South East, EL3470 Glenside, EL3494 Oak Dam NE, EL3866 Chinaman Hat Hill, EL4437 Halifax Hill, EL4438 Lake Torrens East and EL4397 Lake Torrens.

Under the terms of joint venture agreement Straits will be the manager and operator of the exploration. Straits may withdraw from the joint venture after it has spent an initial $1.5 million on exploration over two years. If Straits earns its 70% interest then UXA will have the right to contribute to the joint venture to hold its 30% equity position.

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 Northern Territory, Western Australia and South Australia. UXA has an exploration joint venture with RIL Australia Pty Ltd, a subsidiary of Reliance Industries Limited, the largest private sector company in India.

During 2010 UXA has signed a number of agreements to explore for sandstone-hosted uranium at Myroodah and Mudjalla 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. In August 2010 UXA announced the signing of an agreement to purchase an operating borehole logging business in the United States of America.

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