



ASX ANNOUNCEMENT

Monday 30 October 2006
SEPTEMBER 2006 QUARTERLY REPORT

HIGHLIGHTS

- Second drilling program approved to step out Sloane Hill Prospect and depth test uranium anomalies across all South Australian prospects;
- Subsequent to quarter's end, commencement of 4000m drilling program within South Australian prospects;
- Analysis of Sloane Hill samples completed, indicating widespread shallow anomalous silver intersections;
- Waterbore drill samples on UXA's Prominent Hill South EL reported anomalous silver values;
- "Angelo River North" exploration licence granted in WA;
- Preliminary sampling and mapping identifies uranium-iron veins in granite at Ngalia Thrust in the Northern Territory

SOUTH AUSTRALIA

Uranium Exploration Australia Limited (ASX: UXA) recommenced drilling with a 4000m program on 3 October 2006 in its Glenside, Roxby Downs West, Prominent Hill South, Winjabbie and Oak Dam North East Exploration Licences (ELs) in South Australia.

Prominent Hill South EL 3429 Sloane Hill Prospect (South Australia)

Results from the Sloane Hill Prospect received in July 2006 indicated the presence of silver in diamond drill hole (DDH) SH-1, as well as silver and copper sulphides in DDH SH-2 within a sulphide zone in Cretaceous age cover rock approximately 150-200m above the volcanic basement.

Results from two UXA shallow reverse circulation (RC) percussion holes of between 100-200m depth drilled during the June 2006 quarter (SH-3 and SH-4) and located 3km and 6km west of SH-2 (respectively) were received and analysed during the September quarter. Each hole indicated a similar sulphide zone width and depth relative to SH-2, with lesser silver and copper values.

Waterbore Drilling Confirms Extended Anomalous Silver Area

UXA sampled six auger-drilled waterbores drilled by third parties to depths of between 120m and 200m and located approximately 5-15km north of SH-2, SH-3 and SH-4. Five of those waterbores were on UXA's Sloane Hill tenement. These were logged and sampled at 2m intervals. Most of the waterbores were drilled into Cretaceous age cover rock.

Samples contained silver that is geochemically anomalous (ranging between 0.1 and 1.17ppm). Silver anomalies occurred over intersection zones of up to 76m.

UXA recommenced drilling at the Sloane Hill Prospect on 13 October 2006 at SH-5, located 3km west of SH-1.

A step-out program to intersect a potential shallow basement at a depth of approximately 200m has commenced, which will increase the Company's understanding of the prospect.

A primary source to base and precious metals may either be in cover rock or in basement, much like the Monax Mining Ltd copper discovery at Punt Hill announced in early October 2006. This was on a similarly oriented north-west trending gravity high and north-west Elizabeth Fault, approximately 250km to the south-east and 35km south of Teck-Cominco/RMG Services Pty Ltd controlled Carrapateena Cu-Au project discovery. UXA is currently drilling a similar gravity margin feature on a north-west basement trend in EL 3429 at the Sloane Hill Prospect.

Further drill holes are planned in the Winjabbie (EL 3432) and nearby Glenside (EL 3470), Oak Dam North East (EL 3494) and Roxby Downs West (EL 3428) tenements during the December 2006 quarter.

NORTHERN TERRITORY

Preliminary reconnaissance sampling and mapping identified surface secondary uranium-iron veins in granite in UXA's Ngalia Thrust tenement (EL 24566), which is located approximately 300km north-west of Alice Springs. Plans to commence drilling on this tenement have begun with a view to initiating drilling in the first half of 2007 subject to all necessary permits first being obtained.

UXA awaits the granting of five other ELs in the Northern Territory, which will be conditional upon successful negotiations with the Traditional Owners and Northern Land Council.

The grant of the Pandanus West tenement (ELA 24565) is advancing following a meeting with the Traditional Owners and the Northern Land Council near McArthur River in July 2006. UXA hopes to attend a further meeting with Traditional Owners and the Northern Land Council possibly in December 2006. It is hoped that negotiations will be finalised towards the end of 2007.

NEW SOUTH WALES

Following a review of published airborne survey radiometric anomalies, UXA visited, mapped and sampled anomalous areas within the Gulgong / Ulan South tenement (EL 6498) in NSW. Allanite bearing granite occurs in spotty outcropping along a 20km north-west structure, which contains high rare earth elements. UXA plans to conduct a shallow percussion drill program over the coming months, subject to all necessary permits first being obtained and drill rig availability.

WESTERN AUSTRALIA

The Angelo River North tenement (E52/1835) was granted in the quarter. The Yeelirrie South East tenement (E36/546) was granted in the subsequent quarter. Uranium exploration by UXA on either tenement has yet to commence.

For further information contact.



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URANIUM EXPLORATION AUSTRALIA LIMITED

ABOUT UXA Strategy and Focus

UXA's focus is on securing and exploring tenements in Australia that have the potential to yield commercial deposits of uranium, gold, silver and copper.

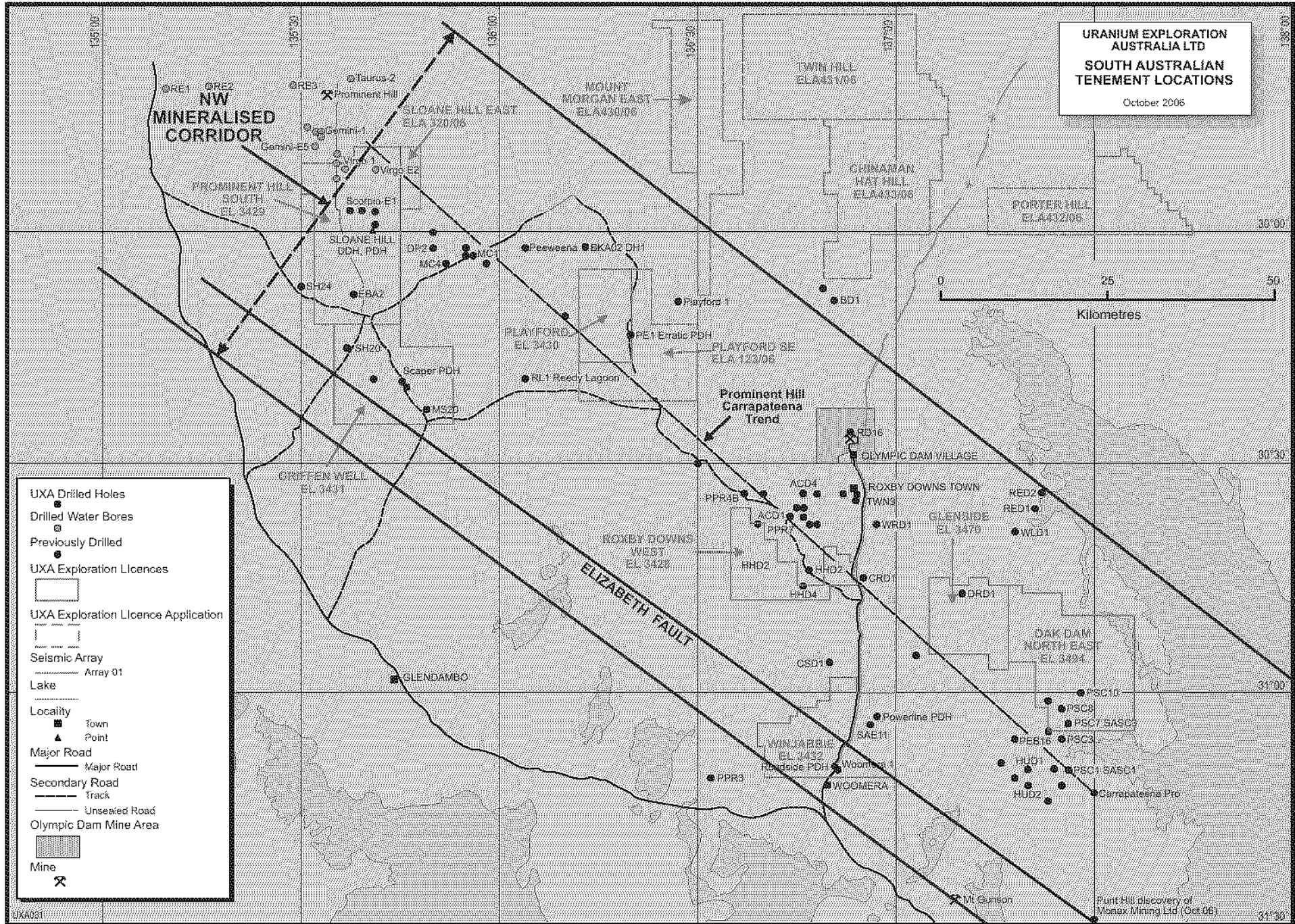
UXA lodged 22 Exploration Licence Applications (ELAs) in areas prospective for uranium and/or associated precious and base metals in South Australia, Western Australia, the Northern Territory and New South Wales. Of these ELAs:

- All thirteen South Australian tenements (seven ELs and six ELAs) are proximate to the world's largest known uranium, copper and gold deposit at Olympic Dam, South Australia.*
- Three of the South Australian tenements are close to the recent gold/copper discoveries at Prominent Hill and Carrapateena.*
- Five ELAs and one EL are in the Northern Territory. The EL is on land in which Native Title may still exist. No objections were lodged by any Native Title Claimant under the Native Title Act 1993 (Cth) to the grant of that EL.*
- An EL has been granted pursuant to the New South Wales ELA. That tenement is now known as EL 6498. This area is prospective for gold, copper and rare earths.*
- Two ELs were granted in Western Australia, known as Angelo River North (E52/1835) and Yeelirrie South East (E36/546).*
- Previous drilling by other parties has revealed uranium mineralisation at UXA's ELAs of Yeelirree South East (WA) and Katherine North (NT). UXA plans to conduct further exploration to better define this mineralisation at the earliest possible date consistent with UXA's geologists being able to access the ground once ELs are granted and other access agreements are implemented.*

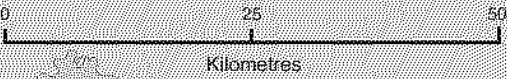
JORC Compliance Statement

Technical Information in this report is based on information compiled by Mr. David Hawley who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hawley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which the Company 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"). Mr. Hawley consents to the inclusion in this release of the information developed by him in the form and context in which it appears.

**URANIUM EXPLORATION
AUSTRALIA LTD
SOUTH AUSTRALIAN
TENEMENT LOCATIONS**
October 2006



- UXA Drilled Holes
- Drilled Water Bores
- Previously Drilled
- UXA Exploration Licences
- UXA Exploration Licence Application
- Seismic Array
- Array 01
- Lake
- Locality
- Town
- Point
- Major Road
- Major Road
- Secondary Road
- Track
- Unsealed Road
- Olympic Dam Mine Area
- Mine



TENEMENT SCHEDULE

| <i>Tenement</i> | | | <i>Status</i> | <i>Date</i> | | | <i>Area</i> | |
|-----------------|--------------------|-----------------------|---------------|--------------------|----------------|---------------|-----------------|---------------|
| <i>Number</i> | <i>State</i> | <i>Name</i> | | <i>Application</i> | <i>Granted</i> | <i>Expiry</i> | <i>Hectares</i> | <i>Blocks</i> |
| EL 6498 | New South Wales | Gulgong / Ulan South | Granted | 21/03/2005 | 4/01/2006 | 3/01/2008 | 27000 | 93 |
| EL 24564 | Northern Territory | Nabarlek West | Application | 2/02/2005 | - | - | 8388 | 25 |
| EL 24565 | Northern Territory | Pandanus West | Application | 2/02/2005 | - | - | 98800 | 305 |
| EL 24566 | Northern Territory | Ngalia Thrust | Granted | 2/02/2005 | 21/10/2005 | 20/10/2011 | 24150 | 76 |
| EL 24577 | Northern Territory | Katherine North | Application | 2/02/2005 | - | - | 22270 | 75 |
| EL 24586 | Northern Territory | Rum Jungle North East | Application | 14/02/2005 | - | - | 3500 | 13 |
| EL 24868 | Northern Territory | Nabarlek North | Application | 19/08/2005 | - | - | 22440 | 73 |
| EL 3428 | South Australia | Roxby Downs West | Granted | 21/02/2005 | 20/10/2005 | 19/10/2006 | 34800 | 118 |
| EL 3429 | South Australia | Prominent Hill South | Granted | 14/04/2005 | 20/10/2005 | 19/10/2006 | 87600 | 295 |
| EL 3430 | South Australia | Playford | Granted | 14/04/2005 | 20/10/2005 | 19/10/2006 | 28500 | 96 |
| EL 3431 | South Australia | Griffen Well | Granted | 19/04/2005 | 20/10/2005 | 19/10/2006 | 62200 | 210 |
| EL 3432 | South Australia | Winjabbie | Granted | 19/04/2005 | 20/10/2005 | 19/10/2006 | 53900 | 204 |
| EL 3470 | South Australia | Glenside | Granted | 23/06/2005 | 5/12/2005 | 4/12/2006 | 35400 | 120 |
| EL 3494 | South Australia | Oak Dam North East | Granted | 2/03/2005 | 18/01/2006 | 17/01/2007 | 79200 | 269 |
| ELA 123/06 | South Australia | Playford South East | Application | 15/03/2006 | - | - | 47700 | 161 |
| ELA 320/06 | South Australia | Sloane Hill East | Application | 28/06/2006 | - | - | 7200 | 24 |
| ELA 430/06 | South Australia | Mount Morgan East | Application | 11/09/2006 | - | - | 65290 | 219 |
| ELA 431/06 | South Australia | Twin Hill | Application | 11/09/2006 | - | - | 92490 | 310 |
| ELA 432/06 | South Australia | Porter Hill | Application | 11/09/2006 | - | - | 59010 | 198 |
| ELA 433/06 | South Australia | Chinaman Hat Hill | Application | 11/09/2006 | - | - | 83650 | 281 |
| E36/546 | Western Australia | Yeelirrie South East | Granted | 4/02/2005 | 8/10/2006 | 7/10/2011 | 17055 | 56 |
| E52/1835 | Western Australia | Angelo River North | Granted | 16/02/2005 | 2/08/2006 | 1/08/2011 | 18860 | 60 |