Uranium Exploration Australia Limited

ABN 65 112 714 397

ASX ANNOUNCEMENT

Tuesday, 30 October 2007

Quarterly Activities Report - September 2007

- **UXA NOW HOLDS LARGEST EXPLORATION PORTFOLIO IN OLYMPIC DAM REGION FOLLOWING GRANT OF FOUR NEW EXPLORATION LICENCES**
- **DRILLING SET TO COMMENCE AT WINJABBIE PROSPECT, IN AREA OF PREVIOUSLY IDENTIFIED MINERALISATION**
- **UXA RAISES ADDITIONAL $2.2 MILLION TO FUND CONTINUING DRILLING PROGRAMME**

Summary

UXA continued its third campaign of drilling on its South Australian exploration licences (ELs). In July 2007, three additional holes were drilled on EL 3431 – Griffen Well. In August 2007, one hole was drilled on EL 3429 – Prominent Hill South, under the auspices of the South Australian plan for accelerated exploration (PACE) drilling partnership initiative and a grant of $50,000 awarded to UXA in December 2006. In September 2007, a single hole was also drilled on EL 3430 – Playford. Details from these drill holes are presented below.

UXA has now successfully completed a total of 5,000 metres of a planned 20,000 metre drilling programme across its exploration licences in South Australia, Western Australia, Northern Territory and New South Wales.

UXA also completed numerous geophysical surveys across several of its tenements during this reporting period, for the purpose of identifying potential drilling targets. Detailed, ground-based gravity surveys were completed on EL 3428 – Roxby Downs West, EL 3432 – Winjabbie and EL 3470 – Glenside in South Australia. In addition, airborne radiometric and magnetic surveys were conducted across EL 36/546 – Yeelirrie South East and EL 52/1835 Angelo River North in Western Australia in August 2007, as well as across EL 24566 – Ngalia Thrust in the Northern Territory in October 2007.

A geological field investigation was completed on EL 36/546 – Yeelirrie South East in September 2007, to survey the tenement in support of a drilling programme to test for the presence of calcrete hosted uranium mineralisation. A field investigation was also undertaken for EL 52/1835 – Angelo River North in October 2007 but was terminated prematurely due to rugged terrain and limited access tracks.

UXA was granted four additional ELs in South Australia in July 2007. This increased UXA's total EL holding in South Australia to 7,367 square kilometres, positioning the company as the largest EL holder within 150 kilometres of BHPB's Olympic Dam Mine on the Stuart Shelf.

As a consequence of the strategic alliance agreement between UXA and Geoscience Associates Australia (GAA), UXA has learned that the first batch of third-generation prompt fission neutron (PFN) tools has been delivered to Australia in October 2007. All of the tools in this batch are to fulfil

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sales to exploration and mining companies for their own use. Tools to be included in future batches (November-December timeframe) are expected to be available for commercial use through GAA.

UXA's joint venture partner, Newcrest Operations Limited ("Newcrest"), has launched its exploration programme on EL 3494 - Oak Dam Northeast in South Australia. Newcrest completed the first phase of detailed gravity surveys across the entire EL as part of its minimum $3 million exploration expenditure across four years to earn 75% interest in the tenement. A second phase of detailed gravity surveys are scheduled to be completed before the end of the calendar year.

Senior Appointment

In July 2007, UXA employed Mr Simon Powell as its Exploration Manager. Mr Powell has twenty years of geological and geophysical experience in the mining industry throughout Australia and has worked in numerous technical roles in exploration and mining involving uranium, copper, gold and industrial minerals. Prior to joining UXA, Mr Powell was employed by BHP Billiton where he was involved with the supervision and coordination of up to 15 drilling rigs operating 24 hours per day on the current Olympic Dam expansion project.

Exploration Activities

South Australia

Drilling continued to focus on UXA's South Australian tenements. The rationale behind this focus includes the excellent prospectivity of the Stuart Shelf where UXA's tenements are located; the proximity of UXA's tenements to known deposits such as Olympic Dam, Prominent Hill, and Carrapateena; and the State Government's open promotion and support for uranium exploration and mining (Figure 1).

The new exploration programme for 2007 has been expanded to include plans for drilling on UXA's tenements outside South Australia. However, the majority of UXA's 2007 exploration activities are scheduled to remain in South Australia.

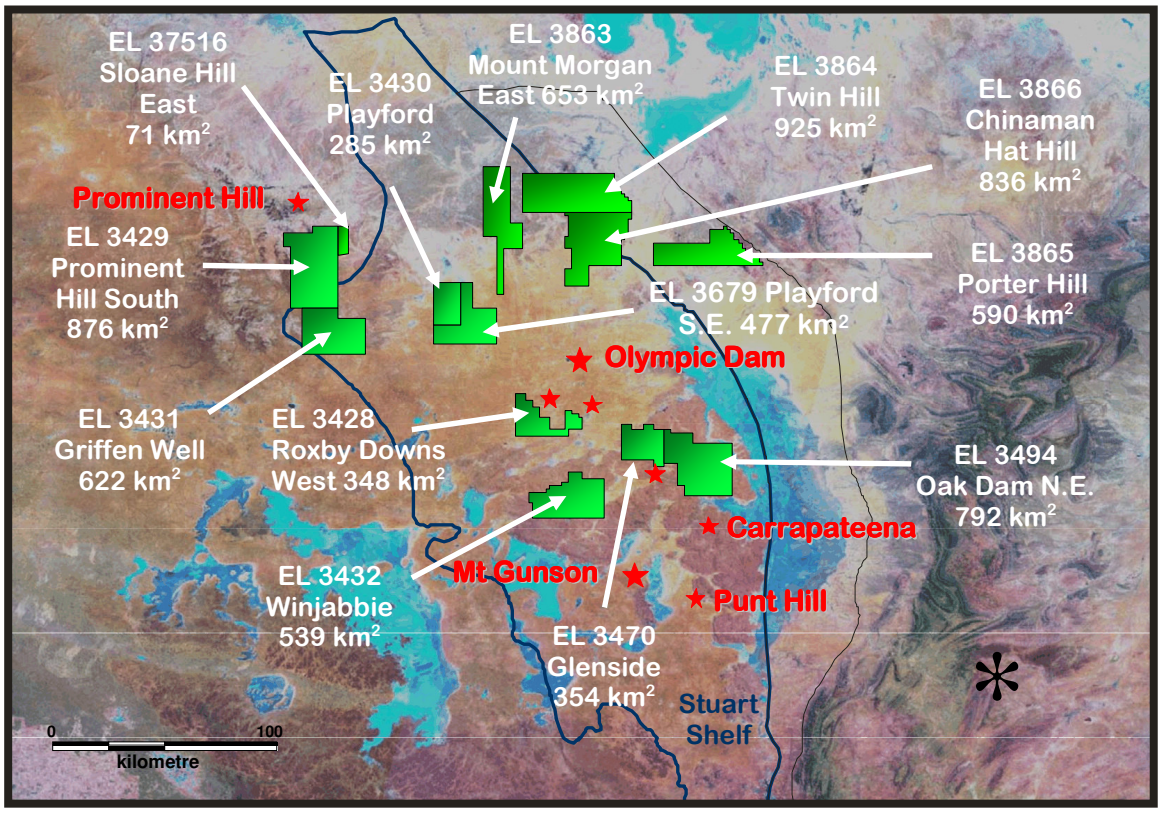
Prominent Hill South (EL 3429)
One exploration hole was drilled on EL 3429 – Prominent Hill South during this period, under the auspices of a $50,000 grant awarded in December 2006 from the South Australian PACE programme. Hole 07SH13 was drilled at Sloane Hill to a total depth of 702 metres (m). Due to limited rig capacity, 07SH13 terminated in Pandurra sequence sediment and basement lithologies were not intersected.

Preliminary spectrometer values recorded at 322m, 391m and 429m to 432m depth and all within Pandurra Formation indicate uranium values are elevated but low. Sandstone at these depths is reported to be bleached and "crumbly", indicative of structural deformation and fluid movement.

A larger capacity drill rig was sourced from Tom Browne Drilling (TBD) in an attempt to deepen 07SH13 and intersect basement lithologies for the purpose of evaluating the potential for unconformity related uranium mineralisation similar to Athabasca Basin style of mineralisation in Saskatchewan. After failing to re-enter 07SH13, TBD's rig was moved to UXA's previous drill hole 06SH07 which intersected patchy uranium to 68ppm between 504m and 508m within oxidised Pandurra Formation in the Sloane Hill area. TBD was successful in extending 06SH07 from 805m to 1212m. Unfortunately, rig capacity was again reached at this depth and the hole failed to reach basement, terminating in Pandurra Formation.

All core from 06SH07 was processed including geological logging, scintillometer & magnetic susceptibility measurements, specific gravity, RQD, photography, core splitting, bagging and despatch for chemical assay. Chemical assays are pending.

FIGURE 1
Location Map for UXA ELs in South Australia



Glenside (EL 3470)
In a previous drill hole in the licence area, Western Mining Company (WMC) intersected anomalous copper in Proterozoic basement lithologies. UXA is focusing on this magnetic anomaly but has additionally identified adjacent gravity and magnetic anomalies in the northwest of the tenement as potential iron oxide, copper, gold, uranium (IOCGU) targets.

Haines Surveys conducted a detailed gravity survey that covered a 10km x 5km area at 1km x 250m stations and extends out to parts of the western boundary of the tenement where virtually no previous coverage existed. Significantly, a newly discovered gravity anomaly from this survey is coincident with one of O'Driscoll's 1974 lineament targets defined during WMC's exploration prior to the discovery of the Olympic Dam deposit. However, additional survey data is required to completely define the anomaly as it was on the southern edge of the original survey. An additional lineament target in the southern portion of the tenement has sparse gravity data and is identified for infill.

Winjabbie (EL 3432)
Three areas of interest for IOCGU targets were identified on the Winjabbie tenement during the reassessment of the available geophysical information. Two areas host large magnetic anomalies and the third area was identified by Geoscience Australia as a possible hematite anomaly and potential IOCGU host. Detailed gravity surveys have been conducted on these three areas of interest by Haines Surveys.

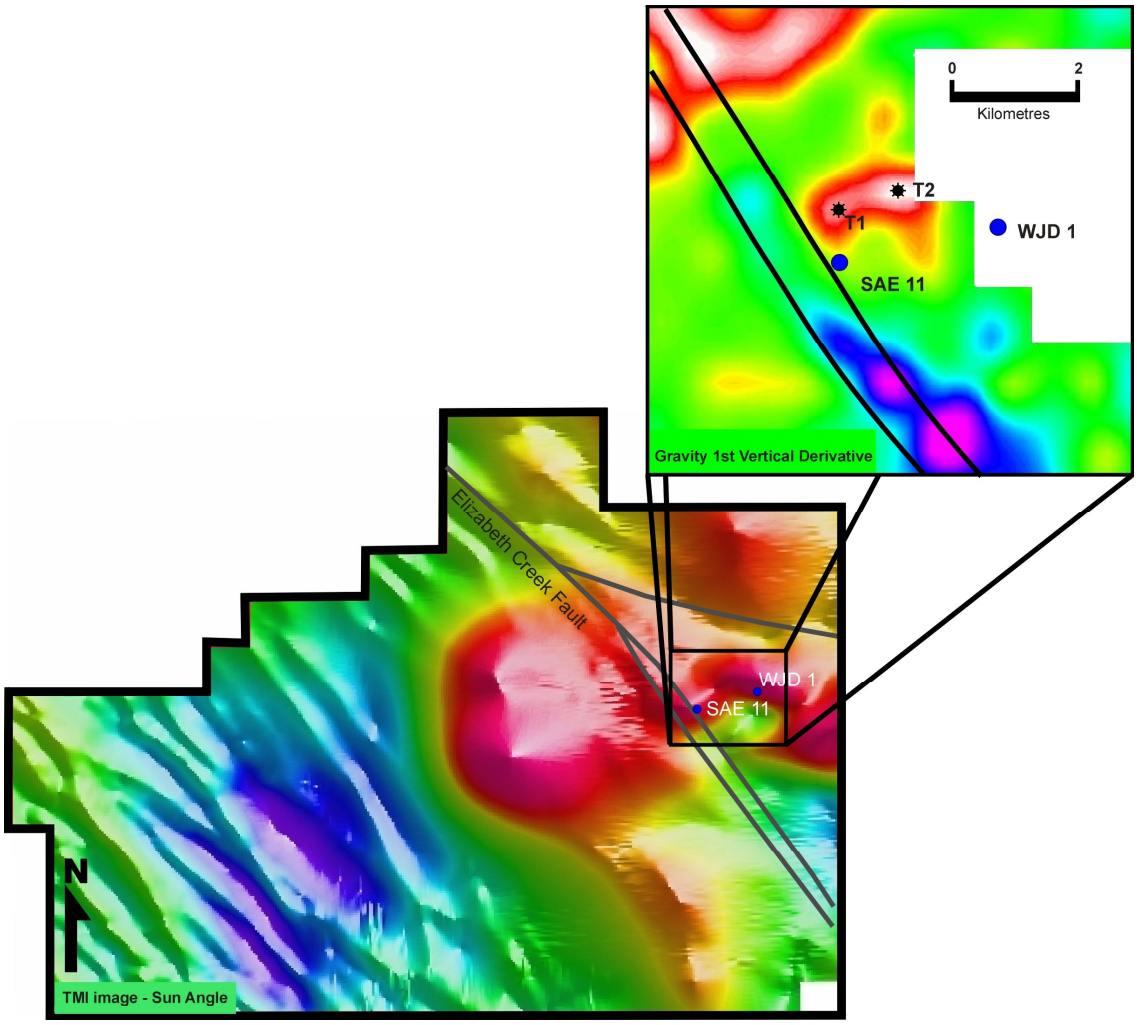
The Geoscience Australia hematite anomaly could not be identified in the detailed gravity data and is thought to have been a figment of the sparse data points and modelling process of the time, or inadequate levelling or corrections in the original data.

The detailed gravity data from one of the areas with large magnetic anomalies has been modelled and imaged to reveal a relatively large, small amplitude gravity anomaly adjacent to the magnetic

anomalies where previous drill holes intersected low grade copper mineralisation. Plans are being finalised to drill two holes into this gravity anomaly (T1 and T2 in Figure 2) in the December 2007.

Gravity data from the second area with large magnetic anomalies near the centre of the EL remains to be modelled and imaged. There is no previous drilling in this area.

FIGURE 2
Location of Winjabbie Drill Targets



Oak Dam North East (EL 3494)
This EL was the subject of a joint venture (JV) between UXA and Newcrest in May 2007. In July 2007, Newcrest commenced its exploration programme on this EL by conducting the first phase of a detailed gravity survey across the entire tenement.

Data from the first phase gravity survey (774 stations, at 1km x 1km spacing), has been processed and preliminary interpretation indicates a number of subtle (~1mGal) gravity anomalies. Phase 2 in-fill gravity survey with ~ 600 stations at 500m x 500m spacing will be completed during the December 2007 quarter, to further refine the nature of these anomalies. The Phase 2 survey data should be sufficient to assist in the selection of suitable drill targets for testing in 2008 after the completion of necessary cultural heritage surveys.

Griffen Well (EL 3431)
The final 3 drill holes (07GW03 to 07GW05) of a 5 drill hole programme were completed at Griffen Well totalling 879m rotary mud and 1083.3m diamond core. All drill holes terminated in Pandurra

sequence and basement lithologies were not intersected. No significant mineralisation was intersected.

Chemical analyses for 07GW01 have been received. Elevated copper values (max. 500ppm @ 35m depth), elevated zinc values (max. 400ppm @ 35m depth) and elevated vanadium values (max. 72ppm @ 56m depth) correlate with Boorthanna Formation and Tregolana Shale, two sedimentary sequences which unconformably overlay Pandurra Formation. Thorium (max. 21ppm @ 296m depth) is more pronounced within Pandurra Formation.

Playford (EL 3430) and Playford Southeast (EL 3679)
Detailed gravity survey data was used to model and select three initial drill targets (TPG1 to TPG3) from six areas of interest on these ELs (shown as T1 to T3 in Figure 3). Based on geological interpretation and geophysical modelling, the 3 separate targets were interpreted to occur above "basement" at a modelled depth of 600m to 800m below ground level.

The first of these three targets was drilled by Tom Browne Drilling in September. Drill hole 07PD01 intersected crystalline basement at 892m and was drilled to a total depth of 1,010m. No obvious mineralisation was identified in the core; however, chemical assays of core sample were pending at the time of filing of this report.

Results from this hole suggest that determination of basement depth using gravity is relatively accurate. However, the cause of the modelled gravity anomaly (TPG1) was not intersected at the predicted depth between 600m and 800m. Revised modelling is in progress in an attempt to explain the target gravity signature prior to drilling targets TPG2 and TPG3. This involves forward modelling of various geologic scenarios.

A revised geological and structural interpretation of lithologies within Playford and Playford South East tenements is in progress incorporating data acquired from 07PD01 and revised geophysical modelling.

Drill core sampling and analyses for approximately 950m of core included geological logging, scintillometer & magnetic susceptibility measurements, specific gravity, RQD, photography, core splitting, bagging and despatch for chemical assay. No initial anomalous scintillometer readings were recorded.

Infill gravity data has highlighted additional potential drill targets in addition to the two remaining targets of TPG2 and TPG3.

Sloane Hill East (EL 3751)
This is a relatively small EL that was acquired as an add-on to the Sloane Hill drilling programme. Due to the lack of positive drill results on the Sloane Hill prospect to date, no work has been undertaken during this reporting period on EL 3751.

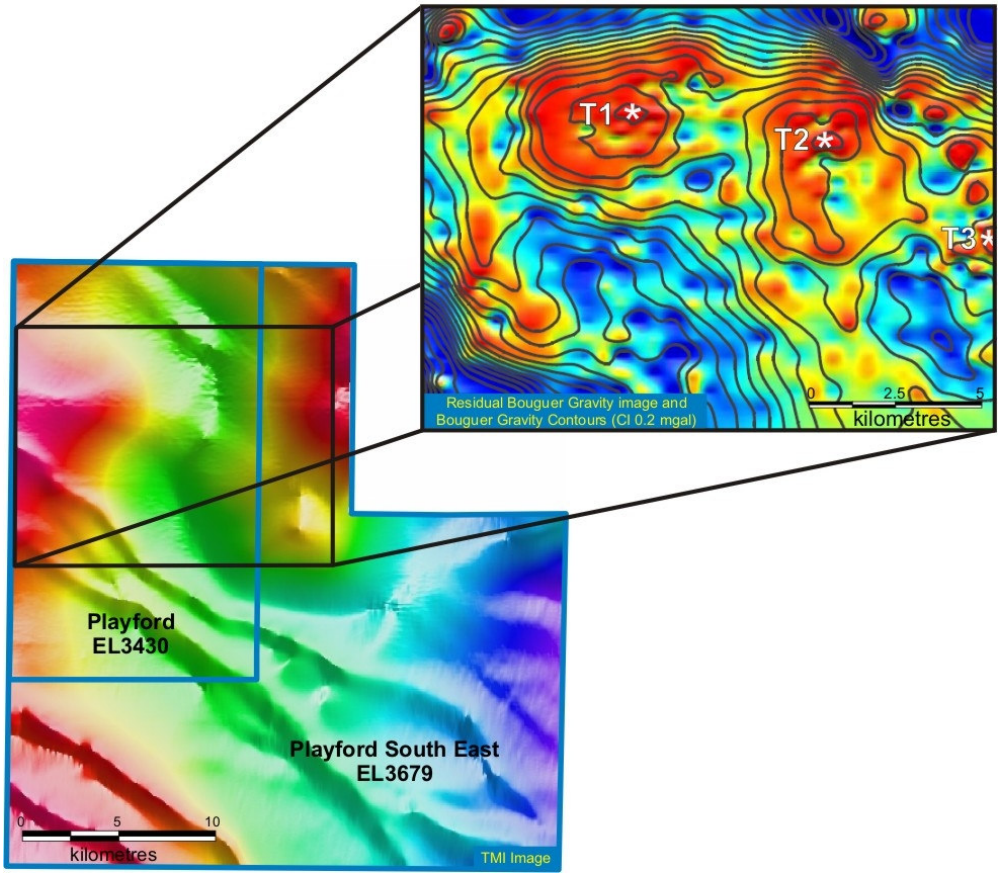
Roxby Downs West (EL 3428)
Two areas of interest were identified on the Roxby Downs West tenement during the reassessment of the available geophysical information. One area was identified by Geoscience Australia as a potential hematite rich anomaly, and the second, larger area, with potential adjacent gravity and magnetic anomalies.

Detailed gravity surveys have been completed. Following data processing and interpretation, secondary infill surveys may be recommended before drill targets are finalised.

Mount Morgan East (EL 3863), Twin Hill (EL 3864), Porter Hill (EL 3865) and Chinaman Hat Hill (EL 3866)
All four of these ELs were granted EL status on 30 July 2007 for a period of one year. All are located to the north of the Olympic Dam Mine and east of Prominent Hill mine development. Open file data is being sourced and reviewed.

Marcollat (EL 3013)
No additional field work was undertaken during this period on EL 3013. Magnetic susceptibility and density measurements were completed for 07CR01. These data have been recorded in UXA's database and will be used for future geophysical modelling. Six previously analysed samples from 07CR01 were analysed for nickel and platinum group elements, however, no anomalous values were recorded.

FIGURE 3
Location of Playford/Playford S.E. Drill Targets



Northern Territory

Ngalia Thrust (EL 24566)
A brief field trip was conducted to this tenement in August following a meeting with the Central Land Council (CLC) to finalise details of an exploration agreement between UXA and the CLC regarding EL 24566. Following the field trip a decision was made to conduct airborne radiometric and magnetic surveys across the entire EL. Those surveys were conducted by GPX Geophysics in October. The data from these surveys is being processed and will be used to select drilling targets.

Pandanus West (ELA 24565), Rum Jungle NE (ELA 24586), Katherine North (ELA 24577, Nabarlek North (ELA 24868), and Nabarlek West (ELA 24564)
UXA continues to work with the Northern Land Council (NLC) to expedite the granting of these five licence applications in the Northern Territory to EL status. This process hinges on successful meetings and negotiations with the Traditional Owners of the land. These meetings are scheduled and facilitated by the NLC. Typically the process requires at least two meetings with Traditional Owners on each licence application before approval is given to the grant of an EL.

An initial meeting was held with Traditional Owners in July 2006 regarding ELA 24565 – Pandanus West. A second or follow-on meeting has not been scheduled.

An initial meeting was also held in April 2007 regarding ELA 24577 – Katherine North. A second or follow-on meeting has not been scheduled.

An initial meeting was scheduled for September 2007 regarding ELA 24586 – Rum Jungle North East. This meeting was postponed by the NLC one week before the meeting based on the inability of some Traditional Owners to attend the meeting. The meeting was reschedule for 1 November but was also postponed for the same reason as the earlier meeting.

An initial meeting was scheduled for October 2007 regarding ELA 24564 – Nabarlek West. This meeting was postponed by the NLC one week before the meeting based on the inability of some Traditional Owners to attend the meeting. This meeting has been tentatively rescheduled for 28 November 2007.

An initial meeting is scheduled for 28 November 2007 regarding ELA 24868 – Nabarlek North.

New South Wales

Gulgong / Ulan South (EL 6498)

There were no field activities on this tenement during the reporting period. GEOS Mining has been engaged to undertake preliminary mapping and sampling on this tenement. This work will focus on rare earth elements (REE), platinum group elements (PGE) and gold occurrences in this area as well as investigating several radiometric anomalies that may be associated with REE.

Western Australia

Angelo River North (E52/1835)

Airborne magnetic, radiometric and DTM surveys were completed over E52/1835 - Angelo River North. The data set has been received and appears to be of outstanding quality and detail compared to open file data. Several uranium anomalies have been highlighted. One anomaly is clearly related to the large NW-trending fault shown on the map in the UXA prospectus which shows anomalous uranium along much of its length. The other main anomalies lie 2 km to the NNE.

A geological field trip was conducted in October to follow up on these radiometric anomalies. However, due to rugged terrain and limited access tracks, the field crew was not able to reach the target areas of the EL. A follow-up trip will be scheduled and will involve helicopter support.

Yeelirrie South East (E36/546)

Regional radiometric surveys over this tenement highlight several radiometric anomalies in the northern and southern areas of this licence area. In August, detailed airborne radiometric and magnetic surveys were conducted over the entire tenement to provide a better understanding of these anomalies.

Preliminary data from the magnetic and radiometric surveys was received from Fugro. The airborne survey was flown NS at 100m line spacing and covered the entire tenement. Modelling, imaging and interpretation of the geophysical information is underway.

A reconnaissance field inspection of E36/546 - Yeelirrie SE was undertaken 26-29 August 2007. Radiometric uranium only “anomalies” were located in the field to determine if they were associated with calcrete as is evident at BHPB’s Yeelirrie resource.

Elevated scintillometer values within E36/546 appeared to correlate at ground surface with lag gravel comprising quartz and basement lithic fragments. There appeared to be little or no anomalous uranium associated with surface calcrete. Scintillometer values within this tenement ranged from 10cps to 200cps and anything over 100cps was considered to be elevated.

Several shallow holes were dug using a hand spade. Typically, scintillometer values were found to double from ground surface values to approximately 300mm below ground surface (e.g. a scintillometer value of 50cps at ground surface coincided to 80cps to 120cps at approximately 300mm depth).

A shallow drilling programme is being planned to test for uranium in subsurface calcrete and sediments.

Corporate Activities

In July 2007, Uranium Exploration Australia Limited (ASX:UXA) issued an additional 6.26 million shares at $0.35 per share (raising $2.2 million) as part of the underwriting of the Shareholder Participation Plan (SPP) which closed on 1 June 2007. Funds raised from the SPP are to fund the expanded exploration programme which commenced in June 2007.

UXA embarked on a marketing campaign through road shows in Sydney and Melbourne in July 2007. The road shows were designed to raise the profile of the company with institutional investment firms, analysts and media representatives. In addition, UXA sponsored a marketing booth at this year's 'Excellence in Mining and Exploration' conference in Sydney in September 2007, with the Managing Director also presenting to the delegates. The presentation materials from both these events were released to the ASX prior to being presented and are available on UXA's website.

UXA's 2007 annual general meeting (AGM) has been scheduled for 27 November 2007 and will be held at the Jamison Hotel on Jamison Street, Sydney. For those unable to attend the AGM in person, a recording of the meeting by Boardroom radio will be available on UXA's website on 29 November 2007.

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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. 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 km^2 and are predominantly located in areas of known mineral deposits.

UXA TENEMENT SCHEDULE

Tenement			Status	Date			Area	
Number	State	Name		Application	Granted	Expiry	Hectares	Blocks
EL 6498	New South Wales	Gulgong / Ulan South	Granted	21/03/2005	4/01/2006	3/01/2008	26910	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	19/10/2007	34800	118
EL 3429	South Australia	Prominent Hill South	Granted	14/04/2005	20/10/2005	19/10/2008	87600	295
EL 3430	South Australia	Playford	Granted	14/04/2005	20/10/2005	19/10/2008	28500	96
EL 3431	South Australia	Griffen Well	Granted	19/04/2005	20/10/2005	19/10/2007	62200	210
EL 3432	South Australia	Winjabbie	Granted	19/04/2005	20/10/2005	19/10/2008	53900	204
EL 3470	South Australia	Glenside	Granted	23/06/2005	5/12/2005	4/12/2008	35400	120
EL 3494	South Australia	Oak Dam North East	Granted	2/03/2005	18/01/2006	17/01/2008	79200	269
EL 3679	South Australia	Playford South East	Granted	15/03/2006	18/12/2006	17/12/2007	47700	161
EL 3751	South Australia	Sloane's Hill East	Granted	28/06/2006	19/04/2007	18/04/2008	7200	24
EL 3863	South Australia	Mount Morgan East	Granted	11/09/2006	30/07/2007	29/07/2008	65290	219
EL 3864	South Australia	Twin Hill	Granted	11/09/2006	30/07/2007	29/07/2008	92490	310
EL 3865	South Australia	Porter Hill	Granted	11/09/2006	30/07/2007	29/07/2008	59010	198
EL 3866	South Australia	Chinaman Hat Hill	Granted	11/09/2006	30/07/2007	29/07/2007	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