

Thursday, 2 November 2006

Mr Dion Silvy
Australian Stock Exchange Limited
89 King William Street
ADELAIDE SA 5000

by fax to (08) 8216 5099

Dear Sir,

Response to ASX Price Query

We refer to a price query by the Australian Stock Exchange Limited dated 2 November 2006. UraniumSA Limited has no new information on our activities or projects that the Company has not announced which would explain the trading.

In response to the specific questions of the price query;

1. The Company is not aware of any information that may explain the recent trading pattern in the securities of UraniumSA Limited.
2. As the Company is not aware of any information that could explain the recent trading pattern, a further announcement cannot be made.
3. The Company is not aware of any other explanation for the recent price change and increase in volume of shares traded.
4. UraniumSA Limited is in compliance with the listing rules and, in particular, with listing rule 3.1.

Yours sincerely



Russel Bluck
Managing Director
UraniumSA Limited



2 November 2006

Russel Bluck
Managing Director
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Telephone 61 (08) 8216 5034
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Dear Russel

UraniumSA Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from \$0.28 on Wednesday 1 November 2006 to a high of \$0.475 today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?
2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me on facsimile number (08) 8216 5099. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m.) (E.D.S.T) on Friday, 3 November 2006.

The response must be in a form suitable for release to the market. If you have any concern about release of a response, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

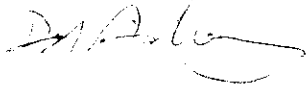
If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and the guidance note titled "Trading halts" we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Dion Silvy', with a stylized flourish at the end.

Dion Silvy
Adviser, Issuers (Adelaide)

Direct Line: (08) 8216 5034