



Wednesday, 12 March 2008

**AUSTRALIAN SECURITIES EXCHANGE LIMITED
 COMPANY ANNOUNCEMENTS PLATFORM
 ASX CODE USA**

MULLAQUANA – DRILLING RESULTS

As previously advised (ASX 5th March 2008) the UraniumSA drill plant has finished work at Mullaquana and commenced work on the Kingoonya Palaeodrainage System project on Friday 29th February 2008.

At Mullaquana, a total of 33 rotary mud drill holes were completed across the eastern and southern portions of the tenement and the results of this work are given below.

Drilling results

The regional reconnaissance drilling reported herein has identified two uranium mineralised trends, the Mullaquana trend (>19km, open to the east and south) and the less well-defined Nanowie trend (~6km, open to the north). Attached figure.

Within the Mullaquana trend, drilling has identified areas containing potentially economically significant sediment hosted uranium mineralisation (defined by the 0.050 m%eU₃O₈ accumulation contour). The best defined is the *Mullaquana NE - accumulation envelope No1* (an area of ~2.5 km²) and approximately 1 km to the immediate south there is another potential accumulation envelope. Neither of the accumulation envelopes is well constrained by drill hole information (locally, holes are from 0.9km to 1.6km apart) and in-fill drilling is being scheduled. Attached figure.

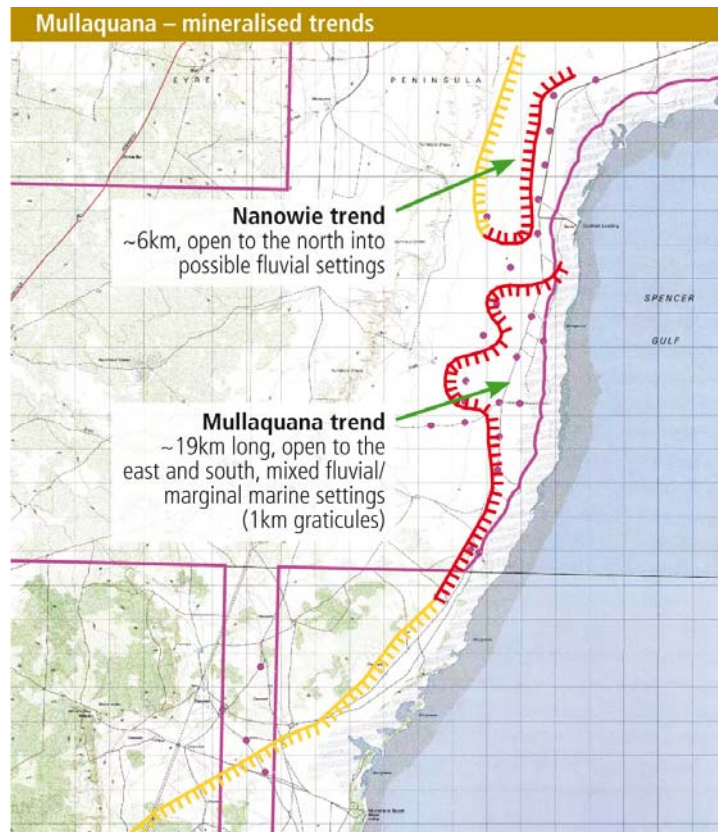
The following table lists all holes drilled to date at Mullaquana (holes MRM-001 to MRM-012 previously reported).

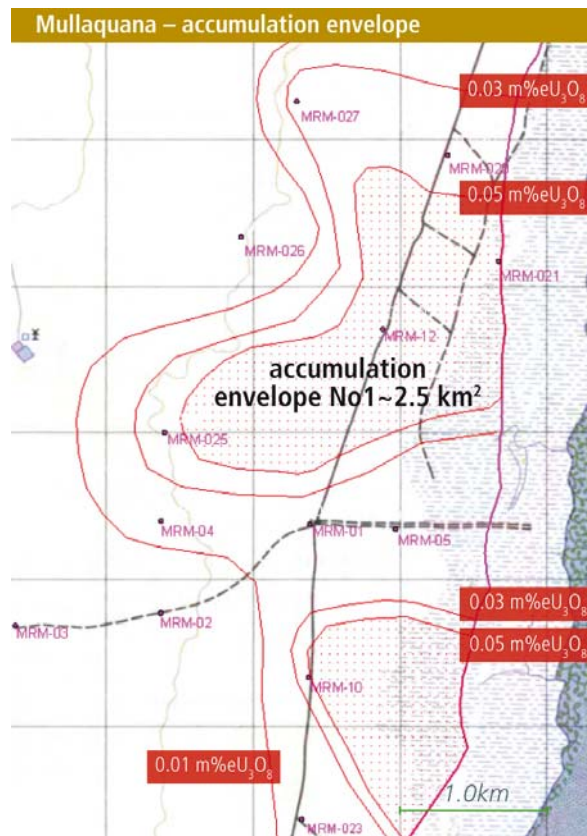
| Hole ID | Easting | Northing | intersection (meters) #1 | avg. grade (%eU ₃ O ₈) #2 | maximum grade #3 | Note |
|---------|---------|----------|--------------------------|--|------------------|-------------------------------|
| MRM 001 | 725512 | 6323551 | 1.00 | 0.011% | 0.015% | previously reported |
| MRM 002 | 724512 | 6322949 | | | | no significant mineralisation |
| MRM 003 | 723506 | 6222861 | | | | no significant mineralisation |
| MRM 004 | 724499 | 6323576 | 0.80 | 0.011% | 0.017% | previously reported |
| MRM 005 | 726095 | 6322518 | | | | no significant mineralisation |
| MRM 006 | 720609 | 6323670 | | | | no significant mineralisation |
| MRM 007 | 720237 | 6321853 | | | | no significant mineralisation |
| MRM 008 | 717907 | 6321676 | | | | no significant mineralisation |
| MRM 009 | 717808 | 6321717 | | | | no significant mineralisation |
| MRM 010 | 725506 | 6322507 | 3.00 | 0.016% | 0.029% | previously reported |
| MRM 011 | 724927 | 6319127 | | | | abandoned short of target |

| Hole ID | Easting | Northing | intersection (meters) #1 | avg. grade (%eU ₃ O ₈) #2 | maximum grade #3 | Note |
|---------|---------|----------|--------------------------|--|------------------|-------------------------------|
| MRM 012 | 726020 | 6324881 | 2.30 | 0.013% | 0.026% | previously reported |
| MRM 013 | 727100 | 6332535 | | | | no significant mineralisation |
| MRM 014 | 728320 | 6332991 | | | | no significant mineralisation |
| MRM 015 | 726974 | 6331496 | | | | abandoned short of target |
| MRM 016 | 726954 | 6331460 | | | | abandoned short of target |
| MRM 017 | 726064 | 6330505 | | | | no significant mineralisation |
| MRM 018 | 726668 | 6329501 | | | | no significant mineralisation |
| MRM 019 | 726634 | 6328487 | | | | no significant mineralisation |
| MRM 020 | 726451 | 6326067 | 1.60 | 0.022% | 0.039% | |
| MRM 021 | 726797 | 6325345 | 3.60 | 0.017% | 0.036% | |
| MRM 022 | | | | | | not drilled |
| MRM 023 | 725456 | 6321538 | 1.70 | 0.012% | 0.022% | |
| MRM 024 | 724630 | 6324500 | | | | abandoned short of target |
| MRM 025 | 724525 | 6324178 | 1.60 | 0.027% | 0.058% | |
| MRM 026 | 725047 | 6325509 | | | | no significant mineralisation |
| MRM 027 | 725390 | 6326408 | 1.70 | 0.019% | 0.040% | |
| MRM 028 | 725846 | 6327500 | | | | no significant mineralisation |
| MRM 029 | 725141 | 6328981 | 1.50 | 0.028% | 0.058% | |
| MRM 030 | 718103 | 6313620 | | | | no significant mineralisation |
| MRM 031 | 718641 | 6312774 | 2.10 | 0.013% | 0.018% | |
| MRM 032 | 717424 | 6314497 | 1.10 | 0.023% | 0.047% | |
| MRM 033 | 718545 | 6315834 | 0.50 | 0.014% | 0.019% | |
| MRM 034 | 724666 | 6319211 | 0.90 | 0.017% | 0.031% | |

notes

- #1. meters are cumulative meters grading above 0.01%e U₃O₈
- #2. grade is the length weighted average grade through the cumulative meters
- #3. maximum value is the highest interval reading within the cumulative meters





Drilling

Drilling commenced at Mullaquana on 26th November 2007 and was suspended 16th February 2008 to allow the rig to move on to scheduled work at Tarcoola exploring the Kingoonya Palaeodrainage System.

Drilling at Mullaquana is technically difficult with soft plastic clay units overlying a laterally persistent, hard, limestone unit underlain by a water-saturated sequence of lignite, unconsolidated sand and clay. The upper clay unit confines hyper-saline ground water in and below the limestone horizon and karstification is relatively common at the lower contact of the limestone - 4 holes were abandoned at this contact because of a total loss of circulation.

Holes were drilled at irregular intervals, generally ~1 km apart, with spacings ranging between 0.8 km and 2.4 km. A total of 33 holes for an aggregate total of 2,272m were completed in the program, 4 were abandoned because of circulation loss, and 10 were drilled outside what is now recognised as the prospective trends. Of the 21 holes that drilled into the target horizons, 14 intersected significant uranium mineralisation.

Information reported

The results reported are in percentage equivalent uranium oxide - % eU₃O₈. This value is derived from a down-hole gamma probe that measures total natural gamma radiation, which is then converted to a mathematical estimate of the amount of contained uranium oxide by comparison to standards of known uranium content. While the method can be subject to error arising from radioactivity derived from materials other than uranium, it is an industry accepted measure of grade for uranium deposits.

In the evaluation of its exploration results UraniumSA calculates an “accumulation” figure for each drill hole. For an individual drill hole, the “accumulation” is the sum of all of the “intercept length in meters multiplied by the average grade in % eU₃O₈ “ products from that hole using a grade cut off of 0.01% eU₃O₈ and a minimum intercept thickness of 0.30m. As the target sediments are essentially flat lying, the vertical drill hole intercepts are essentially true thickness.

An accumulation of 0.05 m% eU₃O₈ is considered to be of potential economic significance for in-situ leachable deposits in South Australia.

General information

The Mullaquana project (Exploration Licence 3652) is located on the Eastern Eyre Peninsula, some 23km south of the industrial city of Whyalla. Land tenure is privately owned Perpetual Leasehold pastoral land. The region has a stable and skilled workforce and extensive, well established infrastructure. The project is located on the coastal plain and the tenement boundary is 800m inland from the high-water line.

In South Australia, major sediment-hosted uranium deposits occur within permissive sediments of Miocene-Eocene age. At Mullaquana, uranium mineralisation has been discovered at the interface between an oxidised Miocene limestone-sandstone sequence and a reduced Eocene lignite-sand sequence localised in fault-controlled basins.

Forward program

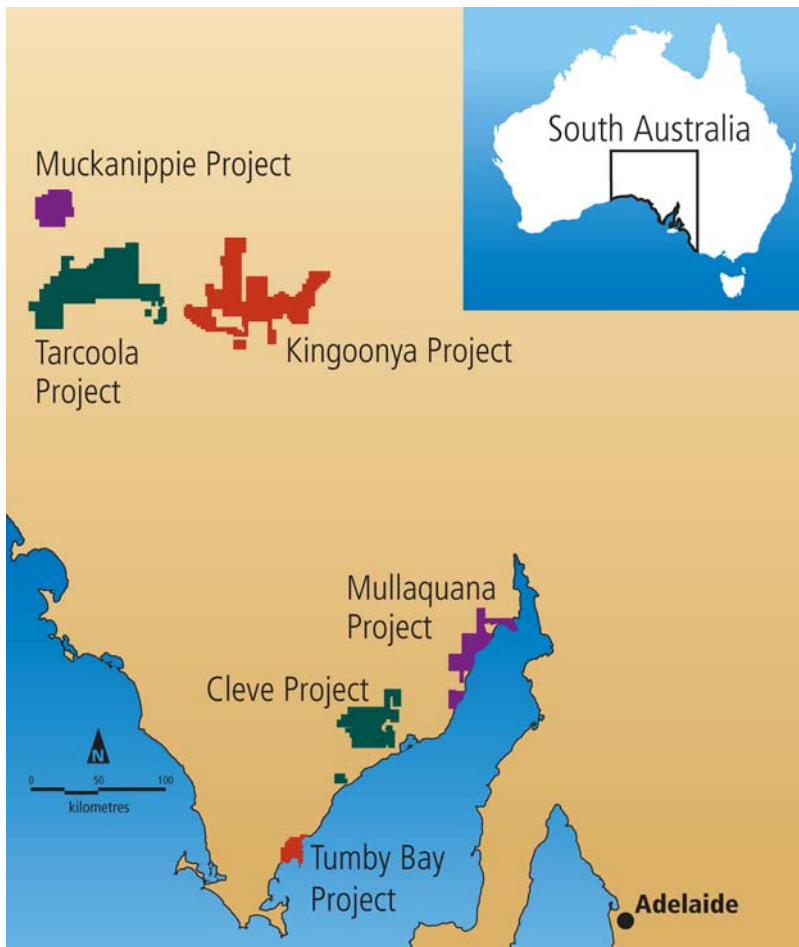
The immediate objectives at Mullaquana are to complete the drill out of the presently recognised Mullaquana and Nanowie uranium mineralised trends, and to commence in-fill drilling of the Mullaquana NE accumulation envelopes No 1 while defining other accumulation envelopes.

The shape and location of the sedimentary basins that host the uranium mineralisation is not well understood and an airborne electromagnetic survey will be flown to assist in mapping the basement architecture.

The Company is designing and scheduling the above work.

UraniumSA is negotiating terms for Joint Ventures with adjoining tenure holders. Further information will be provided when formal documentation is completed.

About UraniumSA Ltd



UraniumSA is an Adelaide-based uranium-only explorer specialising in sediment-hosted and unconformity styles of uranium mineralisation within a substantial portfolio of properties in South Australia's Gawler Craton.

The Company has discovered sediment hosted uranium mineralisation at Mullaquana. Two uranium mineralised trends have been identified and partially drilled out – they remain open along strike.

The Kingoonya Palaeodrainage System is the focus of the tenement portfolio. It hosts the Warrior and Ealbara uranium prospects in adjoining tenements. AEM surveys by USA have mapped out the architecture of the palaeodrainage system. Systematic exploration drilling of the palaeodrainage has commenced and will continue for the foreseeable future.

UraniumSA owns and operates its own Mayhew 1000 rotary mud drill rig, associated drilling plant and a down hole logging unit. This enables the Company to maintain a continuous program of drill testing of its exploration tenure.

Russel Bluck
Managing Director
UraniumSA Limited

A handwritten signature in black ink, appearing to read 'R. Bluck'.

The exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr. Russel Bluck a Member of the Australian Institute of Geoscience and an employee of UraniumSA Limited. Mr Bluck has sufficient experience relevant to the style of mineralisation and type of deposits being considered and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2004 Edition). Mr Bluck consents to the inclusion in the report of matters based on his information in the form and context in which it appears. It should be noted that the abovementioned exploration results are preliminary.