

11 May 2009

General Manager
The Company Announcements Office
Australian Securities Exchange

Dear Shareholder,

1 FOR 3 NON-RENOUNCEABLE RIGHTS ISSUE

HIGHLIGHTS

- 1 for 3 non renounceable Rights Issue at 7 cents per share to raise up to \$1,474,251 before costs. The issue price was a 20% discount to the closing price of 8.8 cents on Friday 8 May 2009.
- Issue available to all registered holders of UraniumSA Ltd shares holding as at the record date of 21 May 2009.

RIGHTS ISSUE DETAILS

The Board of UraniumSA Ltd (ASX:USA) ("*Company*") is pleased to announce details of a Non-renounceable Rights Issue to be made available to shareholders to raise a total of up to approximately \$1,474,251 (before costs), through the issue of up to approximately 21,060,741 new fully paid ordinary shares in the Company at an issue price of 7 cents per share.

Capital raised through this Rights Issue will be used by the Company to explore the Mullaquana project and to advance the Blackbush Prospect towards a field leach trial for in-situ recovery mining.

The Directors of the Company have determined that it is appropriate that all shareholders have the opportunity to participate in the Company's growth and progress by raising capital through the path of a Rights Issue.

Shareholders will be invited to subscribe for shares pursuant to the issue on the basis of one share for every three shares held at 5pm (CST) on the record date of 21 May 2009 at an issue price of 7 cents per share. Investors who wish to take part in the Rights Issue who are not currently shareholders may purchase shares prior to the ex-entitlement date.

Only shareholders whose registered address is in Australia or New Zealand will be eligible to participate.

The Directors confirm there is currently no information to be disclosed which is excluded information (as defined in section 708AA(8) of the Corporations Act) which would reasonably be required for the purpose of making an informed assessment by investors and their professional advisers, of:

- the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
- the rights and liabilities attaching to the relevant securities.

The Rights Issue will not be underwritten. However, the Directors, at their discretion, may offer any shortfall to shareholders to whom offers were made under the Rights Issue for up to three months after the close of the offer. Any shortfall placed by the Directors shall be at not less than the offer price of 7 cents per share.

The Rights Issue Offer Document has been filed with the ASX on 11 May 2009 and has also been posted to the Company's website .

USE OF FUNDS

Funds raised by the rights issue will be used to advance the Blackbush Prospect and continue the exploration of the Mullaquana project area. The Company has sufficient funds to maintain its ongoing Corporate activities.

BLACKBUSH PROSPECT OBJECTIVES:

- to grow the resource from its present 2,700 t eU₃O₈ to ~3,500 t eU₃O₈ by infill drilling and other development work
- and advance the project towards a field leach trial for in-situ recovery mining.

MULLAQUANA PROJECT OBJECTIVES:

- to continue exploration across the entire project area.
- with the aim of continuing to grow the resource base across the entire project to ~5,000t eU₃O₈.

For the foreseeable future the Company will focus its entire attention on the Mullaquana project. The other projects in the Company's exploration portfolio will receive sufficient attention to maintain them in good standing.

Please find attached Appendix 3B application for the issue of a maximum of 21,060,741 Ordinary Shares (subject to any options being exercised) resulting from the Non-renounceable Rights Issue available to all registered holders of UraniumSA Limited ordinary shares as at the record date of 21 May 2009.

For further information please contact:

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