

32 Beulah Road
Norwood, Adelaide
South Australia 5067



Wednesday, 3 January 2007
General Manager
The Company Announcements Office
Australian Stock Exchange

Dear Sir,

Airborne electromagnetic survey

UraniumSA Limited is pleased to announce that it has contracted with GPX Airborne Pty Ltd, a Western Australia based geophysical company, to fly an airborne electromagnetic (AEM) survey of the Company's Tarcoola, Kingoonya and Muckanippi project areas. Subject to commissioning and mobilisation issues, the survey will be flown over a period of 9 days in late February to early March 2007.

Based on the results of reconnaissance AEM surveys flown previously by Stellar Resources Ltd (SRZ) the survey will provide excellent definition of the Kingoonya Palaeodrainage System which is the principle uranium exploration target in these projects. Specialist geophysical consultants have been engaged to superintend the survey and to process the results to define structure and identify targets for drill testing.

The Company is progressing Native Title and Aboriginal Heritage issues. Drilling arrangements will be advised as they are contracted.

This notice and background information regarding the airborne electromagnetic surveys is posted to the Company web site www.uraniumsa.com.au

Yours sincerely

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

Russel Bluck
Managing Director
UraniumSA Limited