

UraniumSA Ltd
ABN 48 119 978 013
32 Beulah Road
Norwood, South Australia 5067
Australia
Phone +61 (0)8 8132 0577
Fax +61 (0)8 8132 0766
executive@uraniumsa.com.au
www.uraniumsa.com.au

Monday, 26 November 2007



**AUSTRALIAN SECURITIES EXCHANGE LIMITED
COMPANY ANNOUNCEMENTS PLATFORM**

ASX CODE USA

Drill rig commences work

An Adelaide uranium company is reaping the first benefits of its decision to import a drilling rig from the United States to overcome the severe shortage of rigs which is playing havoc with Australia's mineral exploration schedules.

ASX-listed UraniumSA announced today the imported and fully refurbished Mayhew 1000 rotary mud rig had commenced its first drilling program – on the Mullaquana uranium target, south of Whyalla in South Australia.

“This milestone will allow us to continuously explore and drill our properties without dealing with the debilitating constraints and frustrations the shortage of suitable drill rigs is causing industry-wide,” UraniumSA's Managing Director, Mr Russel Bluck, said today.

“This is an enviable and almost unprecedented position to be in for a junior uranium explorer,” Mr Bluck said.

“Being in complete control of all our operations will allow UraniumSA to rapidly amend and re-prioritise our drilling programs on the basis of daily results, and thereby enhance the opportunities for discovery of commercial mineralisation.

“Significantly, it allows us to control the quality and cost of our drilling and logging operations, and that is a significant cash conserving opportunity that will enable a more extended and intensive drilling program from our exploration budget.”

The new rig has completed the first hole of a short program at Mullaquana, which hosts basement uranium-copper prospects and uranium roll-front s prospects within the Kanaka Beds of the Pirie Basin.

On completion of the Mullaquana campaign, the rig will be relocated further north to Tarcoola where UraniumSA has established an operating base. The first holes into the Tarcoola portion of the Kingoonya Palaeodrainage System will be drilled before Christmas, with drilling to recommence in January after the holiday break. The rig will then be continuously drilling out the 340km of identified palaeodrainage within the UraniumSA tenements.

“We anticipate that the rig will be able to drill and log one or two holes each day, dependant on the depth and ground conditions of each site, and that some 300 holes will be completed each year,” Mr Bluck said.

The Mayhew rig is the key component of a complete exploration plant which includes a purpose built logging truck equipped with GeoVista down-hole logging tools. The GeoVista tools have been calibrated at PIRSA test pits, and Mr Bluck said this will enable UraniumSA to report its exploration results in eUppm - equivalent Uranium parts per million.



The UraniumSA Mayhew 1000 rig drilling hole MRM-01 at Mullaquana



About UraniumSA Ltd

UraniumSA is an Adelaide-based uranium-only explorer specialising in palaeochannel or rollfront and unconformity styles of uranium mineralisation within a substantial portfolio of properties in South Australia's Gawler Craton. The focus of the rollfront uranium search is within its substantial tenement holding over the highly regarded Kingoonya Palaeodrainage System which hosts the Warrior and Ealbara uranium prospects in adjoining tenements. On the eastern seaboard of Eyre Peninsula, UraniumSA's acreage features altered and potentially uranium mineralised unconformities of the style which host the majority of current world uranium production.

The Company's growth strategy is founded on a well established collaborative business model and a balanced vision for the development of its exploration assets. The Company is pioneering long-term technical and educational relationships with key potential stake holders and project partners in China and elsewhere and is well placed to generate, in time, significant value to our shareholders.

The exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr. R.G. Bluck (Member of the Australian Institute of Geoscience) who has more than twenty years experience in the field of activity being reported. 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.

Russel Bluck
Managing Director
UraniumSA Limited