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AUSTRALIAN SECURITIES EXCHANGE LIMITED
COMPANY ANNOUNCEMENTS PLATFORM
ASX CODE USA

FOLLOW-UP DRILLING PLANNED BY URANIUMSA ON KINGOONYA PALAEODRAINAGE TARGETS

Scheduled drilling completed at Tarcoola, Kingoonya & Muckanippie

A follow-up drilling program is being planned by UraniumSA Limited (USAL) on three uranium projects in South Australia's north, following completion of the bulk of the Company's exploration drill programs over the acreages.

UraniumSA announced today it would conduct systematic follow-up drilling for potential economic grades and thicknesses of uranium mineralisation on anomalous intersections identified in the Company's just completed exploration drilling of the Tarcoola, Kingoonya and Muckanippie project areas in the Kingoonya Palaeodrainage System (KPS).

In both the Tarcoola project (the Stellar Resources Ltd Joint Venture – ASX code SRZ) and Kingoonya project (which includes the Marathon Resources Ltd Joint Venture – ASX code MTN), drilling returned significantly anomalous intersections associated with permissive sediment assemblages in geological settings with good size potential.

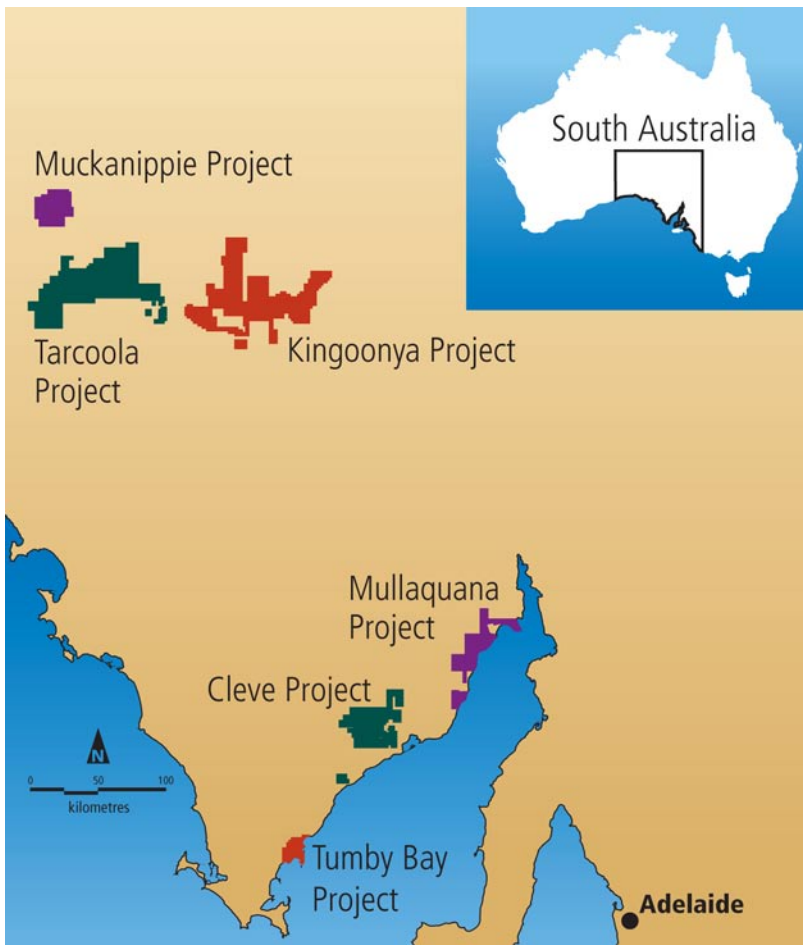
“Only a small part of the Company's prospective area in the KPS have been drill tested despite having our own drill plant working on the project since March this year,” UraniumSA's Managing Director, Mr Russel Bluck, said.

“Results from the holes completed to date have, however, enabled UraniumSA to continually improve our ability to interpret AEM data and to better target prospective zones within the KPS. The anomalous intersections obtained demonstrate that our exploration methodology is working and confirm that the Company has an excellent opportunity for new uranium discoveries.”

Work on the Muckanippie project was significantly impacted by ground access and maintenance problems, with the majority of the scheduled program now being held over until later this year.

The follow-up work within the KPS project areas will be carried out when the Company's drill plant returns to the KPS after working on UraniumSA's Mullaquana uranium prospects, further to the south near Whyalla on South Australia's Eyre Peninsula.

The rig is currently mobilising to Mullaquana from the KPS projects and will operate there for at least the next six months to continue a systematic regional drilling schedule.



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. The mineralised trend has been traced out by drilling for 11km and remains open in both directions.

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

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 2005 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2005 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.