

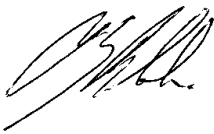
Tuesday, 12 May 2009

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

Dear Sir

We have attached a letter sent to Shareholders and Option Holders and a letter sent to Shareholders with a registered address in countries other than Australia and New Zealand.

These letters were mailed today.



Russel Bluck
Managing Director
UraniumSA Limited

12 May 2009

1 FOR 3 RIGHTS ISSUE

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Dear Shareholder and Option Holder,

The Board of UraniumSA Limited (ASX codes: USA and USAO) (**Company**) is pleased to advise that all eligible shareholders will be offered the opportunity to acquire additional ordinary fully paid shares (**Shares**) in the Company. This will be by way of a non-renounceable rights issue on the basis of one new share for each three shares (1 for 3) held on the record date of 21 May 2009, at a price of 7 cents per share. The issue price of 7 cents is a 20% discount to the closing price of 8.8 cents on Friday 8 May 2009. Shareholders also have the opportunity to apply for additional Shares to be allocated from any shortfall. The Rights Issue will raise up to approximately \$ 1,474,251 before costs and **all funds will be used for exploration.**

Since listing in October 2006 the Company has followed a clear business plan and maintained strong fiscal controls. The Company has stayed entirely focussed on uranium exploration in South Australia and runs tightly designed and executed exploration programs which are supported by efficient administration and financial systems. Shareholder funds are very carefully and effectively spent in pursuit of our objectives under the business plan and we have achieved outstanding results.

On 5 May 2009 the Company announced a maiden **Inferred Resource of uranium mineralisation** for the **Blackbush Prospect** within the Company's Mullaquana project. An ASX release is available on the Company's website at www.uraniumsa.com.au along with a presentation given by the Company at the South Australian Resources and Energy Conference in Adelaide on 5th May 2009 in relation to this project.

The Company has made this new and significant discovery at the Blackbush Prospect in a very short time frame. **Over the next two years our objective is to advance the Blackbush Prospect from its presently estimated Inferred Resource of 2,700t of eU₃O₈ (ASX 5 May 2009) towards a 100 tonnes per annum field trial for in-situ recovery mining, and to continue exploration across the Mullaquana project area as a whole to grow our asset base of uranium mineralisation.** The Company has consolidated its first-mover advantage in this new uranium district and now, through its own tenure and by Joint Venture, controls the majority of the presently recognised prospective ground.

To achieve these objectives will require additional capital and the Board believes that it is important to offer all shareholders the opportunity to acquire additional shares at this exciting time in the Company's growth and progress. Shareholders who participate can be assured that the Company will maintain its existing high standards of business and exploration control, and that **new shares acquired under the rights issue will provide funding to progress the Blackbush Prospect and the Mullaquana project.**

All Directors and the Company Secretary intend taking up their full entitlement to buy new shares. I encourage you to consider participating in the offer when the entitlement and acceptance form is mailed to you on 26 May 2009. I also recommend that you seek independent investment advice from your stockbroker, accountant or other professional adviser before making an investment decision.

We remind **listed option holders** who are not also Shareholders, that to be eligible to participate in the Rights Issue you must be a registered shareholder by the Record Date. Listed Options, of themselves, do not allow participation in the Rights Issue. Option holders who are not Shareholders could participate in the Rights Issue by either exercising their Options, or buying USA Shares on market before the Ex date of Friday 15 May 2009.

By participating in this offer rather than trading shares on-market you will be contributing directly to the ongoing work and success of the Company in exploring and developing its uranium assets.

Yours faithfully,



Tom Phillips AM
Chairman
UraniumSA Limited

Please see the reverse side of this letter for the proposed work and timetable of the offer

PROPOSED WORK

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 existing funds to maintain its ongoing Corporate activities.

BLACKBUSH PROSPECT OBJECTIVES:

- to grow the Inferred Resource¹ from its present 2,700 t eU₃O₈ (ASX 5 May 2009) 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 asset base across the entire project.

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.

TIMETABLE

EVENT	DATE
Announcement of Offer and Appendix 3B	Monday 11 May 09
First cleansing notice offer documents filed with ASX	Monday 11 May 09
Notice sent to security holders	Tuesday 12 May 09
Ex Date (date from which securities commence trading without the entitlement to participate in the Rights Issue)	Friday 15 May 09
Record Date (date for determining entitlements of eligible shareholders to participate in the Rights Issue)	Thursday 21 May 09
Offer Document dispatched to shareholders (expected date of dispatch of Offer Document, entitlement and acceptance forms)	Tuesday 26 May 09
Offer Opens	Tuesday 26 May 09
Closing Date and time 5.00 pm (CST)	Monday 15 June 09
Company to notify ASX of under subscriptions (if any)	Thursday 18 June 09
Allotment of New Shares	Monday 22 June 09
New Shares expected to commence trading on ASX ²	Tuesday 23 June 09
Dispatch holding statements ²	Wednesday 24 June 09

1. There is no certainty that all or part of an Inferred Resource can or will be converted into a Measured Resource or Reserve.

2. These dates are indicative only

Competent Person Statement

The exploration results and mineral resources reported herein are based on work and information compiled by Russel Bluck is a Member of the Australian Institute of Geoscience and an employee of UraniumSA Limited. Russel 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) and has consented in writing to the inclusion in this report of matters based on his information in the form and context in which it appears.

12 May 2009

1 FOR 3 RIGHTS ISSUE

Dear Overseas Registered Shareholder,

The Company announced a 1 for 3 Rights Issue on 11 May 2009 and the Offer Document and other information relating to the Rights Issue has been released to the ASX and is posted on the Company website at www.uraniumsa.com.au

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of the Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document.

We thank you for your continued interest and investment in UraniumSA Limited. I have also attached a copy of my letter sent today to all shareholders with a registered address in Australia or New Zealand.

Yours faithfully,



Tom Phillips AM
Chairman
UraniumSA Limited