



23 July 2008

SOUTHERN URANIUM'S MAIDEN MOVE INTO WA THREE SPRINGS FARM-IN AND JOINT VENTURE AGREEMENT FINALISED

Highlights

- **Three Springs exploration licences (E70/3034 to E70/3037) granted.**
- **All conditions precedent satisfied.**
- **Southern Uranium will manage the Joint Venture.**
- **Historical data review and exploration program during 2008.**

Southern Uranium Limited (ASX: SNU) is pleased to announce the final condition precedent has been satisfied for the Farm-in and Joint Venture agreement with Uranium Equities Limited (ASX: UEQ) for the Three Springs Project in Western Australia.

Highly elevated uranium levels measured in groundwater combined with host rocks favourable for uranium deposition indicate potential for uranium roll front style deposits at Three Springs

Southern Uranium must expend A\$458,000 to earn a 50 per cent interest in the four tenements, approximately 300km North of Perth and southeast of the coastal town of Dongara. (Figure 1).

The Company's exploration plans include a review of historical data and an airborne radiometric and magnetic geophysical survey.

The farm-in arrangement in Western Australia, builds on Southern Uranium's extensive land holdings in South Australia, the Northern Territory and Queensland.

The final condition precedent satisfied for the Three Springs Joint Venture is the granting of four Exploration Licences (E70/3034 to E70/3037) to GE Resources Pty. Ltd (a subsidiary of Uranium Equities Limited) by the Western Australian Department of Industry & Resources.

During the 1970s, previous explorers investigated the water bores and springs within the project area after a landowner reported a radiometric response when testing groundwater with a hand held scintillometer. Subsequent testing of the water returned uranium values of between 28 and 360 parts per billion ("ppb") uranium against a background of approximately 1ppb uranium.

Groundwater with elevated levels of uranium flow through prospective host rocks with the potential to precipitate uranium from the groundwater in sandstone and roll front style deposits. In particular, the Yarragadee Formation contains beds of coal and conglomerate that offer oxidation-reduction (“redox”) interfaces that are favourable for uranium deposition.

Additionally, the lithological and structural contacts between the Mullingara Gneiss and the surrounding Proterozoic rocks are prospective for unconformity-style uranium mineralisation.

The Project area also covers a Tertiary palaeochannel draining the Yilgarn Craton. The palaeochannel is also intersected by the Darling Fault. This palaeochannel will be investigated for its potential to host calcrete-hosted uranium mineralisation similar to that found further east at Yeelirrie.

The terms of the agreement, to earn 50% interest in each exploration licence, require Southern Uranium to expend the following amounts on exploration within one year of the granting of the exploration licences, July 2009.

Southern Uranium will be entitled to a transfer of its 50% interest in each tenement as soon as the Company has expended the exploration commitment for that tenement.

Southern Uranium will manage the Joint Venture, until the last earn-in period has been completed.

The information in this report relating to exploration results has been compiled by David Jones BSc., MSc. Mr Jones is a full-time employee of Vidoro Pty Ltd, a consultant to Southern Uranium Limited, and is a Fellow of the Australasian Institute of Mining and Metallurgy. He is bound by and follows the Institute's codes and recommended practices. He has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Anderson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

For further information:

Mr John Anderson
Managing Director
Southern Uranium Limited
Ph: 07 3870 0357

Media:

Simon Jemison
Principal Consultant
Three Plus
Ph: 07 3503 5700

Southern Uranium Limited is committed to becoming a major developer of uranium resources through exploration and commercial acquisition and is seeking advanced projects globally.

Figure 1 : Three Springs - Regional Location Map

