



12th September 2008

Australian Securities Exchange Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Attn: The Manager – Companies

Dear Sir,

NABARLEK MINING LEASE

EXPLORATION COMMENCES

Uranium Equities (“UEQ”) is pleased to advise that it has received all the necessary Government and Traditional Owner approvals required to commence exploration within the recently acquired Nabarlek Mining Lease N962 (Refer to ASX release dated 1st July 2008).

A total bank guarantee of \$1.8m has been established to cover the legacy rehabilitation obligations. This amount is within UEQ expectations.

Exploration Background

MLN 962 covers the previously mined Nabarlek uranium deposit, which was discovered in 1970. The mine produced a total of 24.4 million pounds U_3O_8 at Australia’s highest average grade of 1.84% U_3O_8 (40.5 lb/tonne U_3O_8) over the period 1978 to 1988.

Our records show that a highly successful exploration program was carried out early in the period 1973 to 1981. Following that program, exploration has been conducted in campaigns of limited duration. Further drilling was undertaken in 1983-1984 and in 1994 in the area of the open pit only.

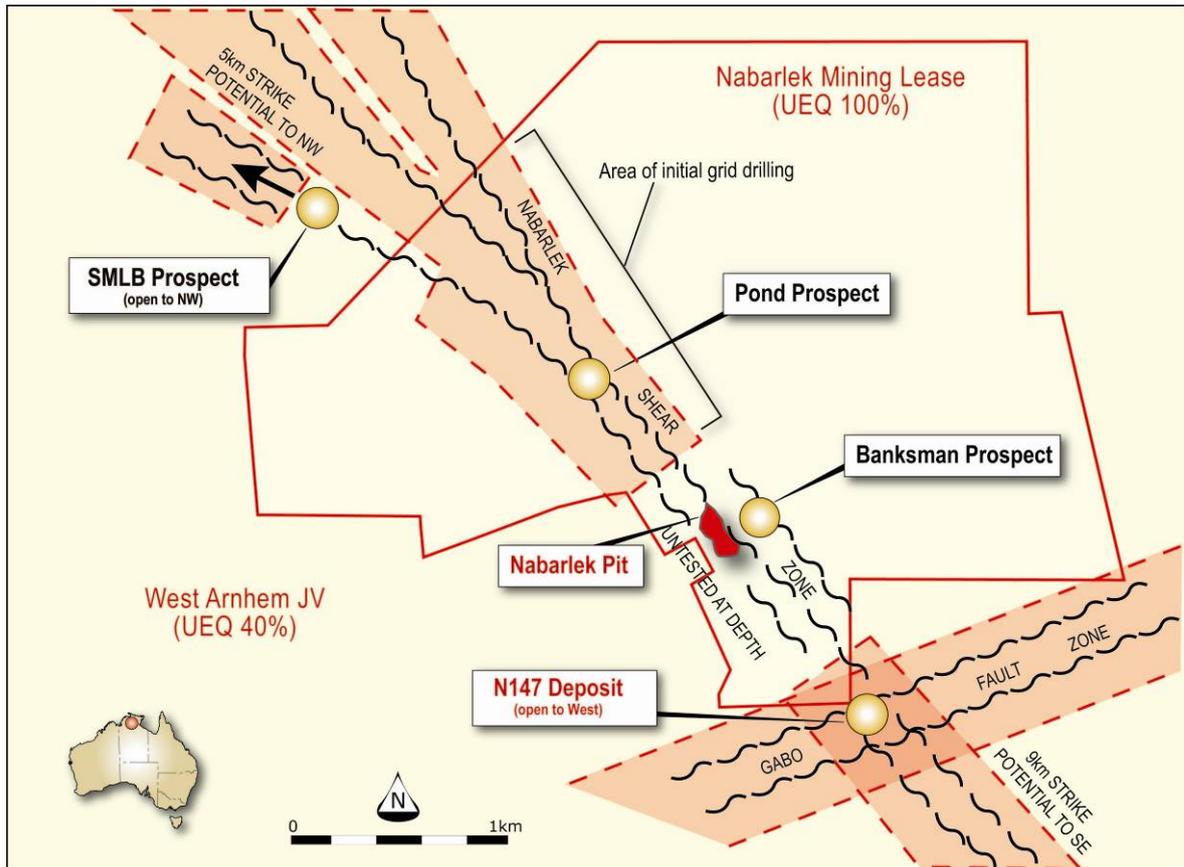
Since 1994, remote sensing and airborne geophysical surveys have been completed over MLN 962 but no significant drilling or geological sampling has been completed.

Exploration Program

The Nabarlek deposit was a small, very high-grade orebody 200m long, 15m thick and 70m deep. The mineralisation is steeply dipping and contained within the Nabarlek Shear Zone.

A review of existing exploration data has identified over 3km of largely untested strike of the Nabarlek Shear Zone within the mine lease.

Areas of exploration potential are shown in the figure below.



Nabarlek Mining Lease - Exploration Targets

A priority area (termed the “Pond Prospect”) which extends along the shear north-west of the pit to the lease boundary has had limited exploration drilling. Initial exploration will involve shallow aircore geochemical drilling. Anomalous areas will be targeted with reverse circulation drilling.

The Banksman Prospect, 200m east of the pit, within a sub-parallel structure, has returned 22m @ 675ppm U_3O_8 from 21m in one hole¹. The anomaly is open to the north. Reverse circulation drilling is planned to test for extensions of this mineralisation.

Drilling is planned beneath the open pit to test for potential extensions to and repetitions of the Nabarlek ore body both down dip and down plunge.

Exploration is planned to commence in mid September with up to two drilling rigs following the establishment of the field camp.

In commenting on this progress, David Brunt, Executive Director said:

“The Nabarlek ML is perhaps the most significant high-grade brownfields uranium exploration opportunity in Australia. There has been no on-ground exploration in the current higher uranium price environment and no exploration drilling since 1994, yet it contains some readily identified targets.

We are pleased with the cooperation provided by the various government agencies and the Traditional Owners of the area to secure access in a short time frame. This has enabled the planned rapid execution of the initial exploration program during the balance of the current dry season.

¹ Laboratory analysis of percussion drill samples (Drill hole NAR0226).

We are excited about the prospects of locating further high-grade uranium in this portion of the Alligator Rivers Uranium Province."

Yours faithfully,



MARK CHALMERS

Managing Director

The information in this report that relates to Exploration Results is based on information compiled by Mr David Brunt, a full-time employee of Uranium Equities Limited, who is a Fellow of the Australasian Institute of Mining and Metallurgy Inc. Mr. Brunt has sufficient experience in the field of activity being reported to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, and consents to the release of information in the form and context in which it appears here.

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