



9th June 2009

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

Attn: The Manager – Companies

Dear Sir,

**DRILLING COMMENCES AT
LAKE BLANCHE PROJECT, SOUTH AUSTRALIA**

Uranium Equities limited ("UEQ") is pleased to advise the commencement of the planned exploration drilling programme at Lake Blanche, South Australia.

The project area lies 80 km north of the Beverley and Four Mile Uranium Deposits and comprises 7 Exploration Licences totalling 6,253 km² (Figure 1).

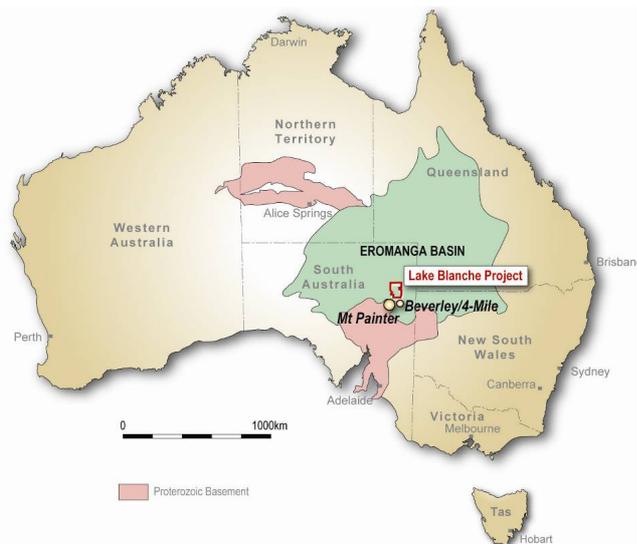


Figure 1: Lake Blanche Project Location Map

A 10 hole, 4200m, rotary drilling and wireline logging program is planned to commence in the second week of June 2009. Drilling will be located along the Strzelecki track, a major north south access route (Figure 2).

The exploration model for Lake Blanche comprises migration of uranium-rich groundwater through the permeable host sandstones of the Eromanga Basin from source rocks such as the highly-uraniferous Mt Painter Block outcropping 70km south of the project area. The uranium mineralisation style to be targeted is analogous to roll-front uranium mineralization in equivalent sedimentary basins in Kazakhstan - some 200 km from their uraniumiferous source rocks.

The proposed drilling is designed to identify favourable alteration and anomalous radioactivity within the Tertiary and Mesozoic sand sequences; the latter has never been tested for its roll-front uranium potential.

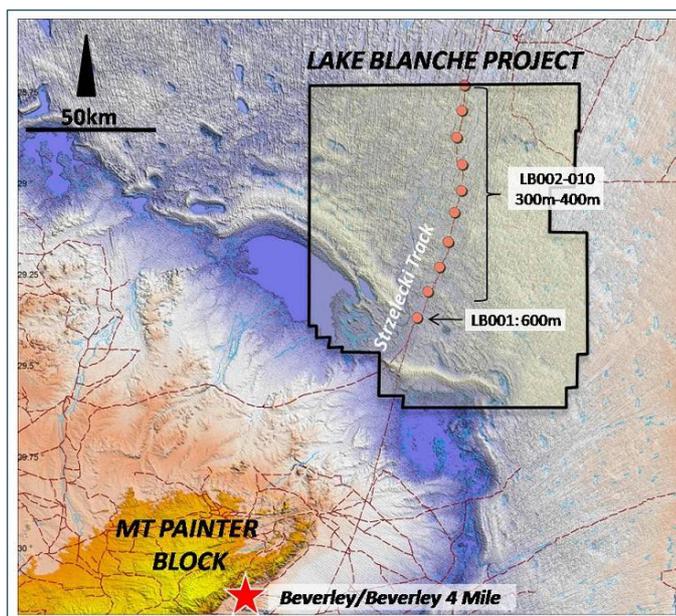


Figure 2: Drillhole locations superimposed on digital elevation model: Lake Blanche area

Agreement has been reached with the Native Title Claimants and a heritage survey completed. The project has been awarded a SA Government \$100,000 PACE grant.

Under the terms of a Joint Venture Agreement, Cameco Australia Pty Ltd ("Cameco") can earn 51% interest through exploration expenditure of \$3,500,000 over 4 years and with a minimum commitment of \$500,000. A further 9% interest can be earned through additional expenditure of \$1,000,000. (See ASX release 27th November 2008)

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 consultant to and Director 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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