

Southern Uranium Limited

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COCKY SWAMP IOCGU DRILLING TO PROCEED NEAR WOOMERA

HIGHLIGHTS

- **Upgraded large and high-priority IOCGU target in SA's Olympic Dam district**
- **Woomera access approved for drilling**
- **Driller contracted to commence late February**

Southern Uranium Limited (ASX: SNU) ("Southern Uranium") is pleased to announce the drilling of a deep diamond core hole will commence late this month to test the promising Cocky Swamp iron oxide copper gold uranium ("IOCGU") target in SA's Olympic Dam district.

Located between Woomera and Olympic Dam, the Cocky Swamp target is buried beneath 865 metres of cover sediments and is primarily defined by gravity geophysical data collected at the surface. The margin of the target was drilled in 1980 by WMC with a single vertical diamond core hole that established the IOCGU potential of the target.

The target is secured under Exploration Licence ("EL") 3603. The EL is held 100% by Sunthe Uranium Pty Limited, a wholly-owned subsidiary of Southern Uranium. The EL is subject to a Joint Venture whereby Uranium West Pty Limited, a wholly-owned subsidiary of Crescent Gold Limited, may earn to 50% interest by sole funding the current program. Southern Uranium is the operator of the Joint Venture.

The drill program can now proceed following completion of Defence research activities at the Woomera Test Facility ("WTF") and approval this month by the WTF Director granting site access until mid April.

The high-priority Cocky Swamp target has been upgraded in recent months. The target was remodelled and enhanced using the infill ground gravity and magnetic data collected during 2007.

The new model supports the view that the only prior drill hole, CSD-1 drilled by WMC in 1980, did not test the interpreted main target. The hole instead intersected the modelled position of a secondary flat-lying tabular body ("sill") of dense rocks. At this position, CSD-1 intersected 123 metres of haematite and magnetite altered volcanics. The volcanics are variably brecciated, contain sporadic copper sulphides and have high densities of up to 3.73 grams per cubic centimetre. These densities are consistent with the modelled densities represented as Specific Gravity ("S.G") on the following plan and section.

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Best analyses reported by WMC were 4 metres of 0.54% copper and isolated maxima of 0.65 parts per million ("ppm") gold and 6 ppm silver. Elevated values of iron (maximum 34.6 % Fe) and uranium (maximum 34 ppm U₃O₈) were also reported. CSD-1 is interpreted to have intersected peripheral mineralisation extending along the sediment-basement unconformity from a larger body of iron-rich mineralisation that is the main IOCGU target at the Cocky Swamp prospect.

The top of the main target is situated about 850 metres below the surface with areal dimensions of about 1200 metres by 150 metres.

Managing Director John Anderson said the modelled body had a steep, northerly dip and an estimated density of 3.7 grams per cubic centimetre.

"These parameters are encouraging for the modelled body to be a high-density breccia-style haematite copper gold uranium deposit with dimensions similar to those of the mined Prominent Hill deposit," he said.

The centre of the main target is being prepared for testing with an inclined 1,250m diamond core hole collared at a site cleared by heritage surveys. It is anticipated the top of the target will be intersected about 1,000m down the hole.

Wallis Drilling is contracted to commence the drill hole late in February.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by John Anderson (BSc(Hons)Geol) who is a member of the Australasian Institute of Mining and Metallurgy and is bound by and follows the Institute's codes and recommended practices. Mr Anderson is a full-time employee of Southern Uranium Limited. 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 contact:

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Southern Uranium Limited is a uranium-focussed resources company with a strong platform of active exploration properties and drill targets in the highly prospective Gawler Craton of South Australia.

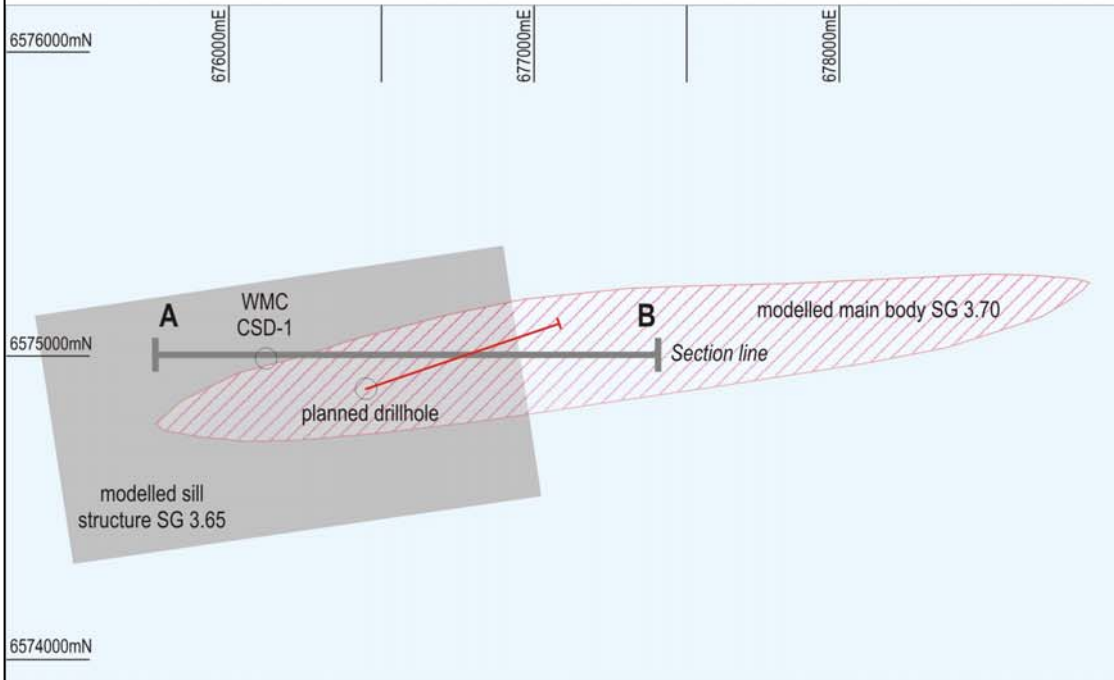
The Company aims to grow into a major uranium explorer and developer by seeking uranium opportunities globally.



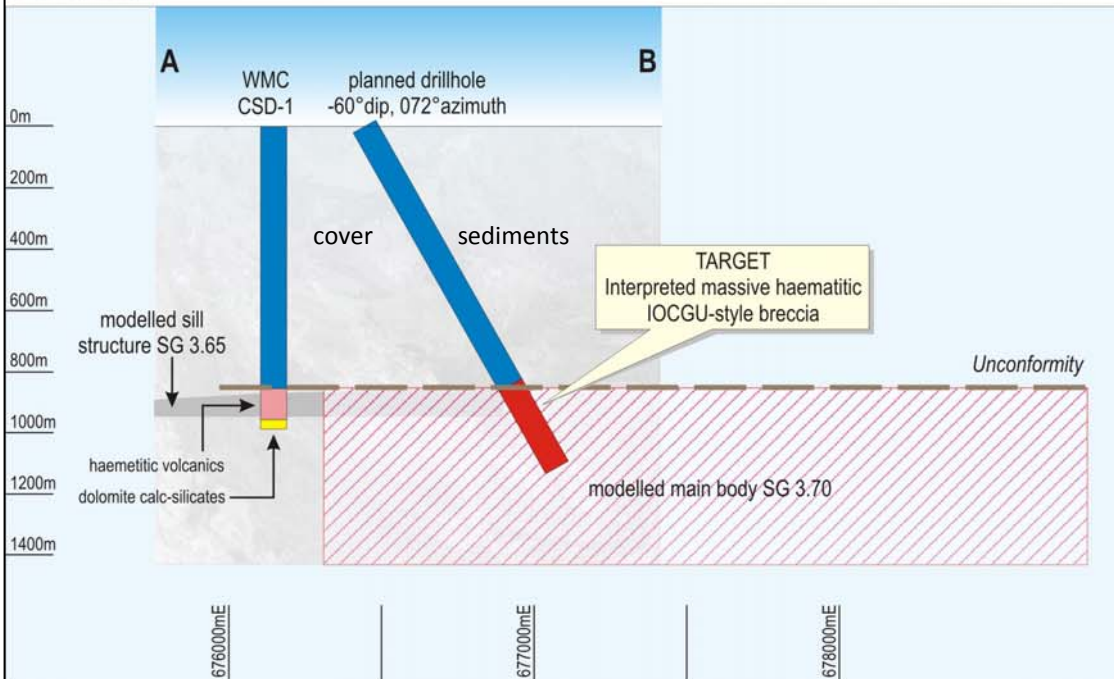
EL3603 - Oak Dam Cocky Swamp drill target



Plan



Section



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