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Funding Boost for Upcoming Calvert Hills Drilling

- Government grant received to assist testing of uranium targets at Calvert Hills in the Northern Territory
- Supports potential of Southern Uranium's targets in regional covered extensions to the Westmoreland uranium field
- Plans advanced to commence drilling at Calvert Hills later this year
- Calvert Hills program launches campaign of drilling targets with potential for competitive uranium resources in the NT, South Australia and Queensland

Southern Uranium Limited (ASX Code: SNU) has successfully applied for funding in the latest round of Northern Territory (NT) Government grants to help advance frontier minerals exploration projects.

The Company has been allocated \$75,000 under Round 2 of the NT Government's Geophysical and Drilling Collaborations Program as a contribution towards the drill-testing of specified uranium targets at the Calvert Hills project. The project is being explored under joint venture with Crescent Gold Limited.

Managing Director John Anderson said the joint venture's Calvert Hills project in eastern NT had been one of just 14 to attract collaborative funding support from a total of 39 applications.

"We welcome receipt of this grant to assist our drill testing of priority targets in the regional covered extensions to the geology of the Westmoreland uranium field," Mr Anderson added.

"Work is scheduled to start at Calvert Hills by August and this program will also initiate a broader campaign of drilling by Southern Uranium for other large uranium targets in pedigree belts in South Australia and Queensland."

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The Calvert Hills project area is being explored under joint venture for unconformity uranium deposits of the nearby Westmoreland style. The area is interpreted from limited outcrops and regional geophysical data to be a thinly covered regional extension of the Westmoreland uranium field.

The Westmoreland field includes substantial known uranium deposits at Red Tree, Huarabagoo and Junnagunna so the regional potential for undiscovered quality uranium deposits is considered to be high (Figure 1).

Southern Uranium has identified prospective locations similar to the Westmoreland geological setting but under cover at Calvert Hills. This was done using modern geophysical techniques that were not available to prior uranium explorers last in the area during the 1970's.

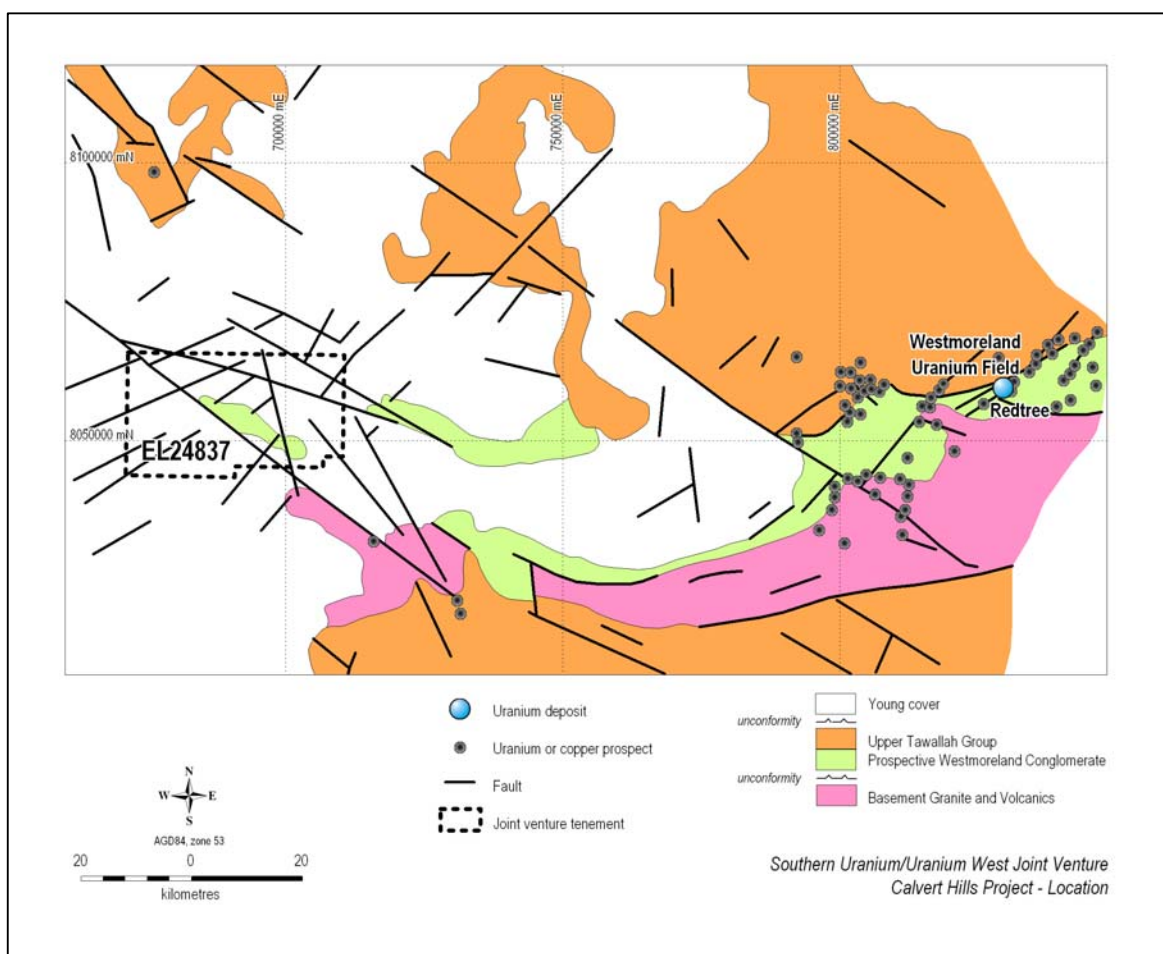


Figure 1: Calvert Hills EL24837– Map of regional geological setting

The geophysics enabled interpretative mapping of the upper Westmoreland Conglomerate that is a prospective uranium host, plus crosscutting dolerite dykes and faults that can focus uranium-rich fluids and mineralisation (Figure 2). Radiometrics enabled further prioritisation of targets where U signals possibly penetrated the thin cover.

The three highest priority targets were selected for immediate drill-testing and this work was nominated for the Company's successful grant by the Northern Territory Government. Six 200m holes are proposed to test the targets with 100m percussion pre-collars and 100m diamond tails. The drilling is expected to start by August.

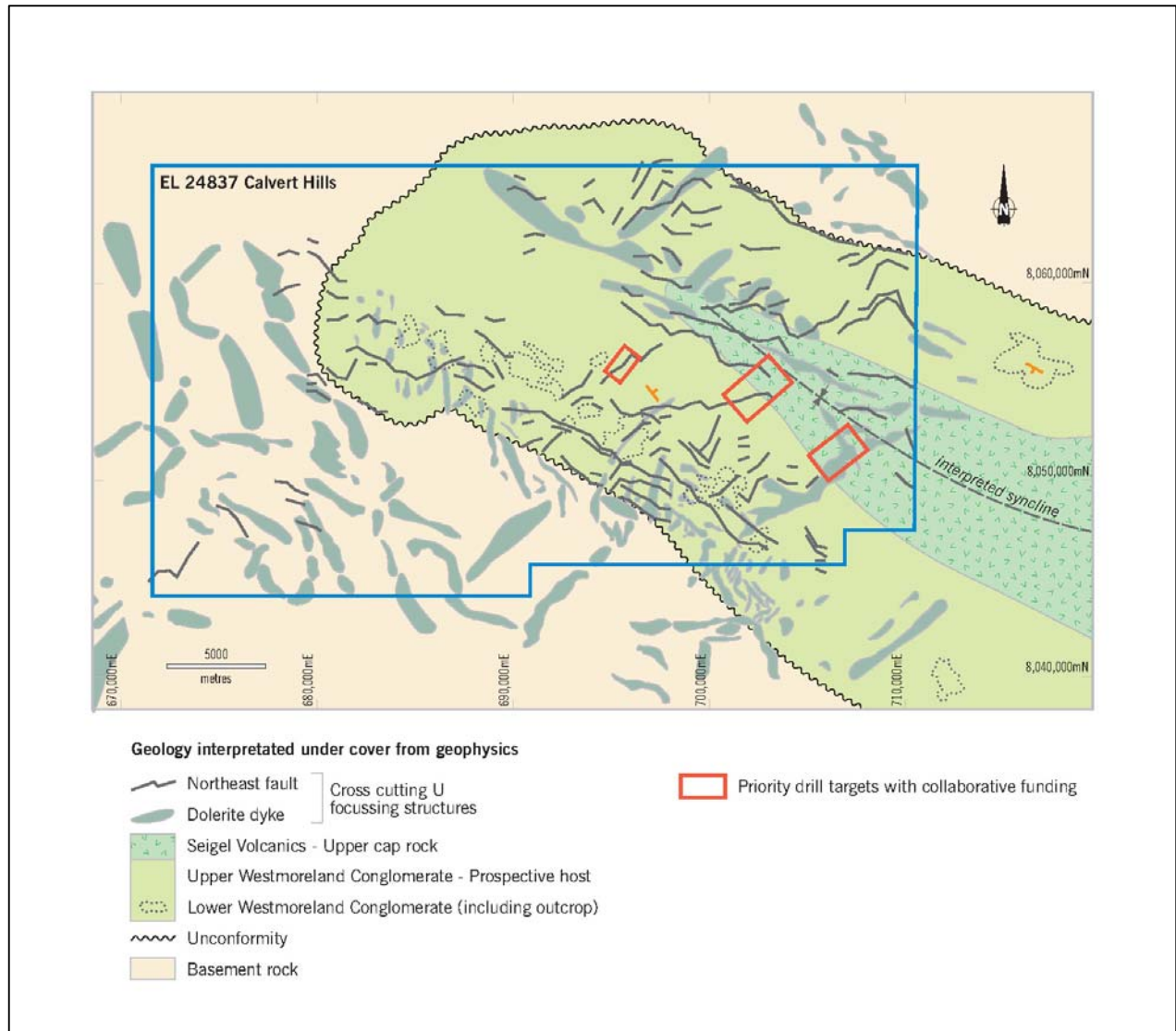


Figure 2: Calvert Hills Project – Interpretive geological map showing the location of prospects for upcoming collaborative drilling

The drilling aims to test for large uranium systems under the thin cover by confirming the geological interpretations and by intersecting initial indications of uranium mineralisation.

Exploration under Calvert Hills EL24837 is managed by Southern Uranium in a joint venture with a subsidiary of Crescent Gold Limited. Both parties hold 50% interest with Southern Uranium earning to 75% by another \$400,000 expenditure on exploration.

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Competent Person Statement: *The information in this report that relates to Exploration Results 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.*

Southern Uranium Limited is a uranium-focussed resources company with a strong platform of active exploration properties and drill targets in pedigree uranium belts of Australia.

The Company aims to grow into a major uranium explorer and developer by discovering new large resources that will compete for the anticipated gap in uranium supply as more countries move to nuclear power as a secure and clean source of electricity.