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Drilling Identifies Western Extension to Marenica Uranium Resource

KEY POINTS

- **Aircore drilling delivers early exploration success at Target MA5, located directly west of the existing Marenica resource area.**
- **Intersections as high as 259ppm eU_3O_8 over 1.4m returned from limited down-hole probing of wide-spaced drilling**
- **Broad area of near-surface, secondary uranium mineralisation defined, representing a potential western extension of the current resource**
- **Primary uranium in granites identified from initial reconnaissance work in area MA6, located on the periphery of the southern dome structure**

International uranium company Marenica Energy Limited (ASX: **MEY**) is pleased to report that a fresh round of wide-spaced drilling at its 80%-owned **Marenica Uranium Project** in Namibia, Southern Africa, has identified a significant western extension of the resource.

The excellent results reinforce the substantial exploration upside within the Marenica leases and the potential for further additions to the resource inventory, which was increased by 86% earlier this month.

Exploration Drilling

A new program comprising 5,000 metres of Aircore drilling commenced at Marenica last month. The new drilling is designed to test regional targets defined by airborne radiometrics and geological modelling. To date, 244 holes have been drilled for approximately 2,400 metres at target areas **MA4**, **MA5**, **MA9** and **MA10** (*see Figure 1*). Down-hole gamma probing of the drilling is currently underway, although only limited results are available so far.

Drilling at target area MA5 has defined a broad area of near-surface, secondary uranium mineralisation associated with shallow calcrete cover and weathered bedrock, representing a **potential western extension to the current resource**.

While only a limited number of holes at the target have been gamma-probed, initial results are encouraging, with significant intercepts shown in Table 1 below:

Table 1: Preliminary significant intercepts from Aircore drilling, Marenica Project, March 2010

Hole_ID	UTM_East	UTM_North	Dip	Azim	Depth(m)	From	To	Interval	eU3O8 (ppm)
MAC0031	488400	7578900	-90	0	5.8	3.42	4.82	1.4	211.4
MAC0035	488000	7578900	-90	0	6.0	1.29	2.69	1.4	118.3
MAC0040	487600	7578900	-90	0	6.0	2.66	4.56	1.9	112.8
MAC0043	487600	7578650	-90	0	12.0	3.85	5.25	1.4	259.2
MAC0143	487600	7578750	-90	0	3.5	1.10	2.80	1.7	143.5
MAC0144	487800	7578950	-90	0	12.0	2.42	5.42	3.0	106.4

Notes on the drilling results table

Intervals are calculated from data provided by Terratec Geophysical Consultants, using a down-hole spectral gamma-probe. eU_3O_8 values are based on total-count logging, with data collected at 10cm intervals. Intervals reported are a minimum of 1m, with lower cut of 100ppm eU_3O_8. A maximum internal waste of 2m at less than 100ppm eU_3O_8 is allowed for each interval.

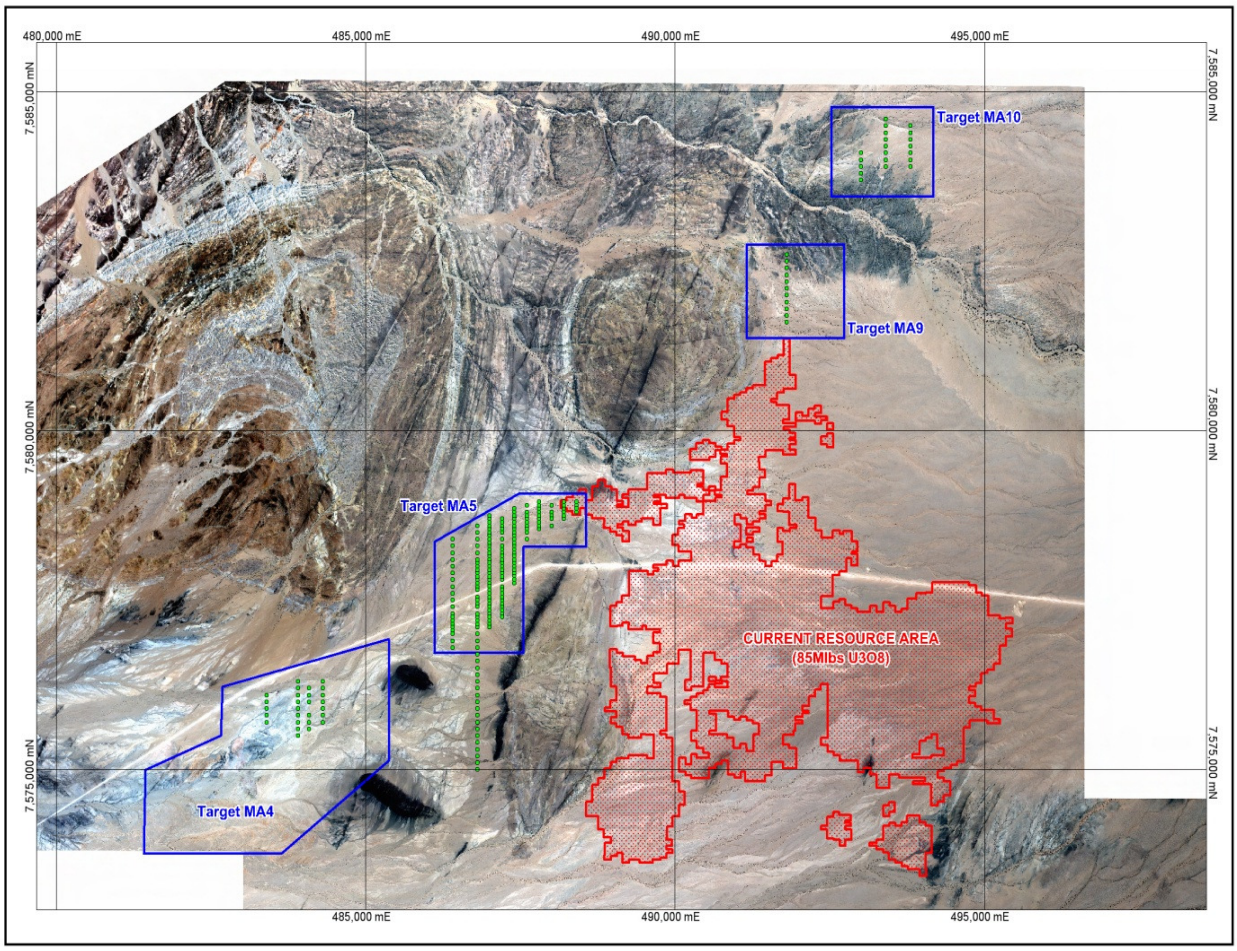


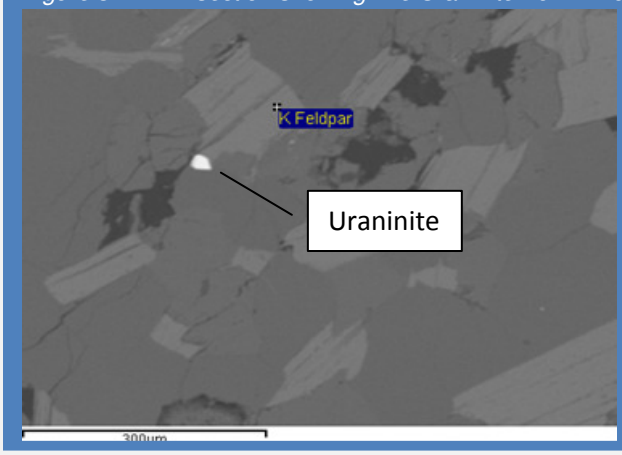
Figure 1: Status of regional Aircore drilling, Marenica Project, March 2010 (Green circles represent drill-holes completed to date)

Geological Mapping

Reconnaissance of the southern target area MA6 has commenced, with initial observations indicating that the airborne radiometric anomaly defining the target is associated with anomalous leuco-granites (*see Figures 2 & 3*), on the periphery of the Southern Dome structure.

Figure 2: Anomalous granite from target MA6

Figure 3: Thin section showing fine Uraninite from MA6



Mapping and ground surveys at the target area will be completed during April, with a view to defining drill targets for potential granite-hosted uranium mineralization.

This indicates the potential for primary uranium mineralisation hosted in the granites in this area, opening up an exciting new exploration front at the Marenica Project.

"*These are exciting results from a relatively early stage of the new drilling program*," said Marenica Energy's CEO, John Young.

"*Wide-spaced aircore drilling has defined a zone of near-surface mineralisation immediately west of the resource zone which will be priority focus for resource drilling moving forward*.

"*Also of note is the potential for primary uranium mineralisation at Target Area MA6 in the Southern Dome area. The discovery of primary uranium deposits would be a company-changing event for Marenica and remains a key objective for our exploration programs in parallel with work to progress the current resource towards production*."

Mallee Agreement

The further amount payable under the Mallee agreement following a new JORC resource being defined at the Marenica Uranium Project has now been agreed at $648,400 + GST details of payments under the Mallee agreement on the delineation of uranium resources is set out in the half year financial statements.

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Notes

Information in this report that relates to exploration results is based on information compiled by Dr Erik van Noort, who is a Member of the Australian Institute of Geoscientists. Dr van Noort is a full-time employee of West Australian Metals Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr van Noort consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Where eU3O8 is reported it relates to values attained from radiometrically logged boreholes. The probe has been calibrated at the Pelindaba Calibration facility in South Africa. Down-hole spectral gamma logging/probing of drill holes provides a powerful tool for uranium companies to explore for, and evaluate, uranium deposits. Such a method measures the natural gamma rays emitted from material surrounding a drill hole out to around 0.5 metre from its centre - the gamma probe is therefore capable of sampling a much larger volume than that which would normally be recovered from a core or RC hole. These measurements are used to estimate uranium concentrations, with the assumption being that the uranium is in (secular) equilibrium with its daughter products (or radio-nuclides) which are the principal gamma emitters. If uranium is not in equilibrium (viz. in disequilibrium) – as a result of the redistribution (depletion or enhancement) of uranium and/or its daughter products - then the true uranium concentration in the holes logged using the gamma probe will be higher or lower than those reported in the announcement. Preliminary testwork completed for the company by ANSTO Minerals indicates that the Marenica deposit is in secular equilibrium (viz. disequilibrium is not apparent).