

SOUTHERN URANIUM LIMITED

Annual General Meeting

25th November 2008

CHAIRMAN'S ADDRESS

How the world has changed in a few weeks!

When I wrote my Chairman's letter for the Annual Report, I reported that drill rigs were difficult to obtain and opportunities for investment were rare. These conditions have reversed in a very short period.

I can report to you, though, that some things have not changed. We still have a robust cash position and we have staff and management who are committed to finding economic uranium deposits in Australia.

As with all other explorers, our share price has been savaged during the market downturn. We are in a good position to maintain our momentum, and I am confident value will return as the market for uranium strengthens in the medium term. The price of thermal coal has remained strong and that makes nuclear power more attractive economically.

I make the point that, if we are going to address the issue of raising the standard of living of the poorest people in the world, we are going to need all the forms of energy available. It is not a matter of either/or. It is a matter of all. How different forms of energy deal with carbon emissions is one issue, but meeting the energy needs of third world countries is essential.

I will now ask our Managing Director, John Anderson, to tell you more of our activities and plans for the future.

Roger Marshall OBE
Chairman