Date: 13th February 2009

Encouraging New Jungle Dam Drill Assays

Preliminary shallow drilling of a new soil geochemical anomaly produces further encouraging silver (Ag), iron (Fe) and uranium (U_3O_8) intersections including:

- **3m @ 15.25 parts per million (ppm) Ag**
- **3m @ 2.02 ppm Au**
- **30m @ 30.4% Fe to bottom of hole (BOH)**
- **6m @ 156 ppm U_3O_8**

Results further demonstrate:

- **Highly mineralised nature of the Jungle Dam area**
- **Patterns of mineralised structures provide vectors to larger targets**
- **Validity of soil geochemical targeting for multi-commodity uranium deposits in the shallow covered East Eyre Peninsula region of the Gawler Craton.**

Follow-up work includes:

- **Preparation of another 11 targets for aircore drill testing in the Jungle Dam area**
- **Assessment of soil geochemical data for new targets within another 1,900 sq km of selected tenements in the same prospective region.**

Southern Uranium Limited (ASX Code: SNU) has received encouraging assays for a small aircore drill programme undertaken last December at the Jungle Dam project in South Australia.

The project area lies within SNU's 100 percent-owned tenement EL 3479 and was selected as a priority target area within the Moonta corridor of emerging iron oxide-related, multi-commodity uranium prospects (Figure 1). The opportunity is to apply new tactics combining gravity and soil geochemical surveying to this shallow covered and highly prospective region of the Gawler Craton.

Southern Uranium's prior identification of high uranium, silver and iron values in the bedrock at the former Jungle Dam base metals prospect (see ASX announcement of December 19 2008, "Jungle Dam and Yarlbrinda South Drilling Update") elevated the potential and targeting tactics for the immediate Jungle Dam area and the region. Twelve new targets were recently identified in the 8 x 12 km area around the Jungle Dam prospect (Figure 2).

One target (a 0.5km x 1.6km area of uranium, base metal and gold soil anomalism immediately northwest of the Jungle Dam prospect) had prior heritage clearance, so the opportunity was taken to undertake preliminary testing with shallow aircore drilling before Christmas.

The drilling intersected further gold and silver-mineralised veins adjacent to broader zones of elevated iron and uranium. These indicate a mineralised iron oxide system requiring follow-up drilling. The results also boost the company's campaign of defining and drill testing iron oxide-related uranium targets on the Eyre Peninsula.

December Aircore Drilling

A total of 14 aircore holes were drilled for an aggregate of 1,104m along three traverses of 100–200m spaced vertical holes across the soil geochemical targets (Table 1; Figure 3). All holes reached bedrock with some being extended by percussion drilling where prospective alteration was identified. The weathered bedrock was described as a variety of metamorphosed sediments and graphitic zones with variable silica, goethite, chlorite, sulphide and sericite alteration.

Assays

Sampling of the drill cuttings was undertaken at 3m intervals and submitted to ALS Laboratories for analysis by routine techniques for a range of metals. The assay results were received in late January. Anomalous intervals are summarised in Table 2.

The intersections at the bottom of holes JDAC0018 and 019 indicate a central broad zone of elevated uranium associated with thick iron-rich intervals that may connect with the uranium anomalous intervals in JDAC014.

The thin intersections of highly anomalous silver and gold in JDAC011, 012, 017 and 018 are interpreted as mineralised veins peripheral to the main hydrothermal system. The veins are interpreted to be in consistently oriented NNE and NW structures that control the location of larger targets at all scales throughout the Gawler Craton. The silver intersections in JDAC011 and 012 are likely to be extensions of the high-grade silver vein previously intersected in diamond cored hole JDDH002 (Figure 3).

The three holes (JDAC022 – 024) along the northern traverse did not intersect significant metal values.

Significance of Results

Managing Director John Anderson said the results were very positive and supported several key aspects of Southern Uranium's exploration approach on the Eyre Peninsula.

"Firstly, the likely presence of large hydrothermal systems with uranium and precious metal potential warrant further drill testing of the immediate area of the Jungle Dam prospect," Mr Anderson said.

"The precious metal intersections also firm up the model of consistent structural controls at all geological scales that enables the prediction and prioritisation of targets.

"It is also becoming more evident that geochemical targeting is a successful exploration technique for seeing targets through thin transported cover in the Eyre Peninsula region of the Gawler Craton. So preparations are underway to gain access to drill the remaining 11 targets in the immediate Jungle Dam area at the earliest opportunity."

Mr Anderson said soil geochemical data recently acquired for another 1,900 sq km of prospective tenements in the East Eyre Peninsula region was now being assessed for new targets with a similar objective of rapid follow up with first pass aircore drilling.

"The opportunity is to select the anomalies with the best potential for large iron oxide hydrothermal systems containing multi-commodity uranium deposits," he said.

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Table 1 - Jungle Dam Aircore Drilling, December 2008						
Hole ID	**Drill Method**	**Dip**	**GDA94 Z53 mN**	**GDA94 Z53 mE**	**RL**	**Depth**
JDAC011	AC	-90	6360430	651072	230	71
JDAC012	AC	-90	6360508	650993	230	90
JDAC013	AC	-90	6360565	650926	230	89
JDAC014	AC	-90	6360645	650864	230	84
JDAC015	AC	-90	6360717	650789	230	111
JDAC016	AC	-90	6360779	650722	230	85
JDAC017	AC	-90	6360853	651139	230	70
JDAC018	AC	-90	6360932	651073	230	87
JDAC019	AC	-90	6361003	650987	230	57
JDAC020	AC	-90	6361082	650925	230	111
JDAC021	AC	-90	6361142	650871	230	73
JDAC022	AC	-90	6361855	651071	230	77
JDAC023	AC	-90	6361604	650860	230	80
JDAC024	AC	-90	6361489	650686	230	52

Table 2 - Jungle Dam – December 2008 aircore drilling Significant results from assays				
Hole ID	**Downhole Width**	**From**	**To**	**Assay**
JDAC014	3m	51	54	115ppm U_3O_8
JDAC014	6m	78m	84m BOH*	110ppm U_3O_8
JDAC018	6m	57m	63m	156ppm U_3O_8
JDAC019	15m	42m	57m BOH*	55ppm U_3O_8
JDAC017	3m	6m	9m	2.02ppm Au
JDAC018	6m	60m	66m	0.35ppm Au
JDAC011	3m	60m	63m	15.25ppm Ag
JDAC012	3m	57m	60m	10.45ppm Ag
JDAC018	30m	57m	87m BOH*	30.4% Fe
JDAC019	33m	24m	57m BOH*	29.4% Fe

*BOH – Interval to bottom of hole

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.*

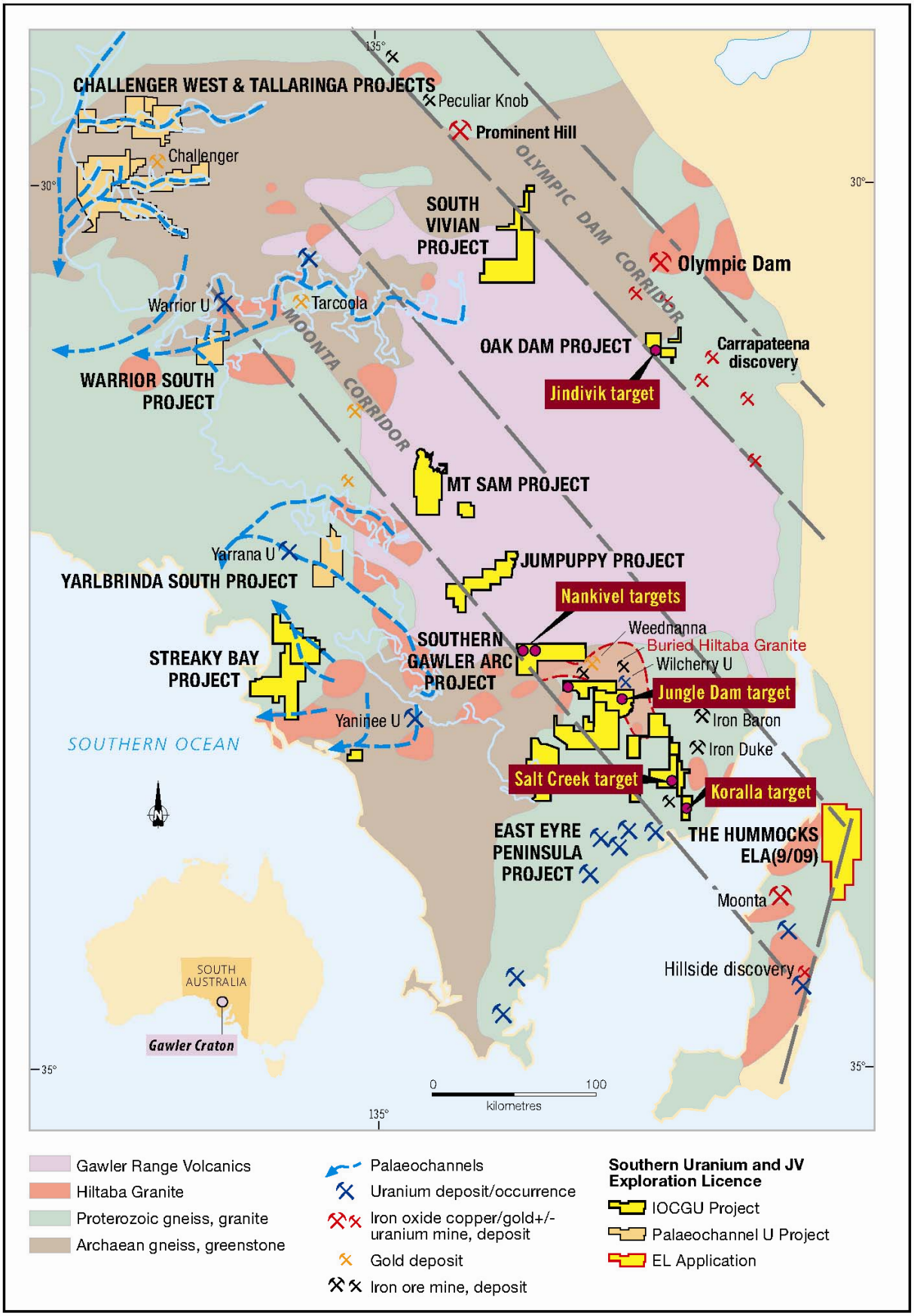

Figure 1: Map of the Gawler Craton showing the location of the Jungle Dam prospect and East Eyre Peninsula tenements

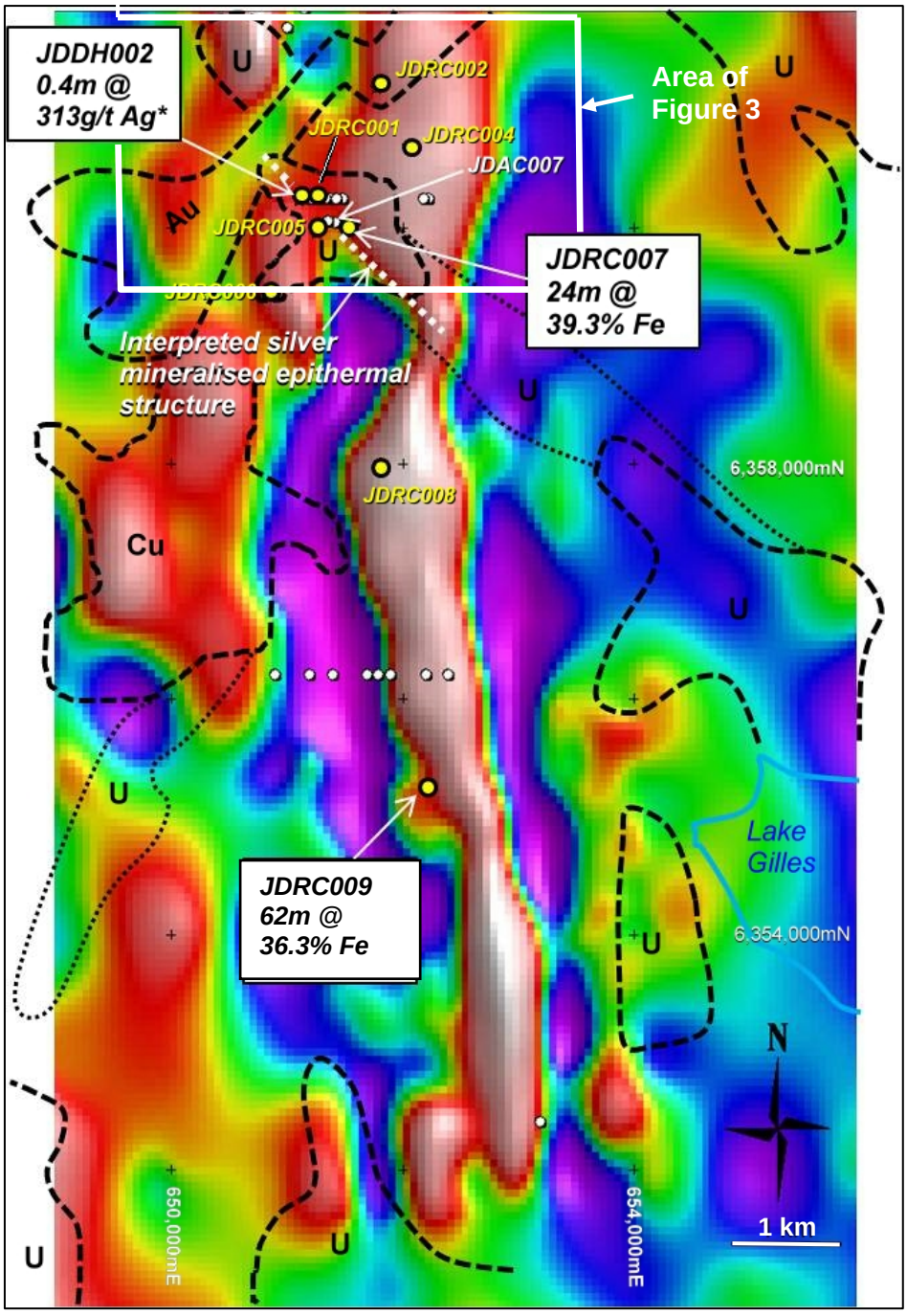

Figure 2: Gravity plan of Jungle Dam area overlain by key geochemical targets (heavy black dash) and anomalous trends (lighter black dash). The location of the December aircore drilling is within the inset representing Figure 3.
Also:-
White dots - 1994 Acacia aircore drilling
Yellow dots – SNU August 2008 drillholes. Prior significant 2008 analyses are labelled (*NB - poor drill sample).

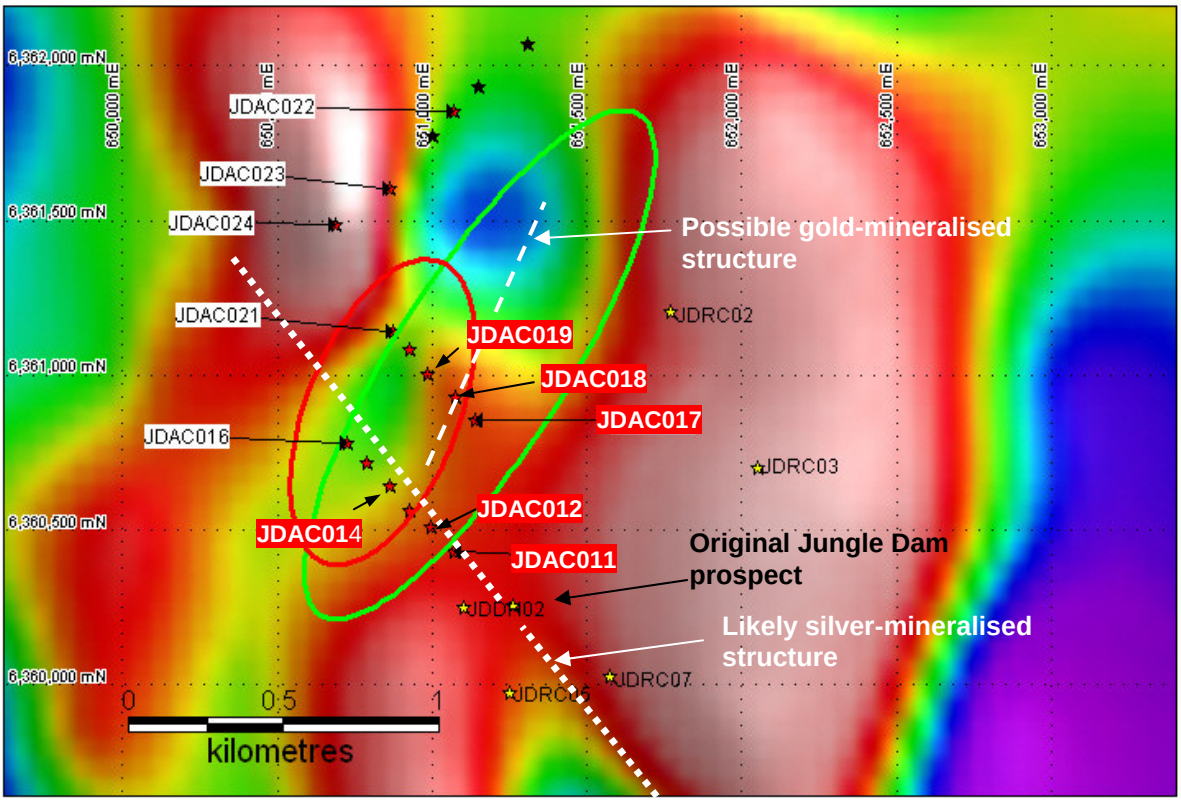

Figure 3: Plan of December 2008 aircore drilling (red stars) over the gravity image. Holes listed in Table 2 are highlighted with red labels. The geochemical targets tested by the new drilling are represented as red and green ellipses.
Also:-
Black stars – Acacia 1994 aircore drilling testing magnetic anomalies for base metal mineralisation
Yellow stars - SNU August 2008 percussion holes and diamond hole JDDH02 at the original Jungle Dam base metals prospect.