



ASX RELEASE

4 March 2008

Southern Uranium Signs Joint Venture With Uranium West To Explore The Rum Jungle And Calvert Hills, N.T.

Southern Uranium Limited (ASX Code: SNU) today announced the execution of Exploration Joint Venture Agreements with Uranium West Pty Ltd, covering Rum Jungle and Calvert Hills (Figure 1), in the Northern Territory. Uranium West is a 100% owned subsidiary of internationally-listed Crescent Gold Limited.

Both these highly prospective projects have target potential for Proterozoic, unconformity-related deposits. This deposit style includes some of the highest grade and largest uranium deposits in the world – such as Ranger in the Alligator River region of the Northern Territory and Cigar Lake in Canada's Athabasca Basin.

Southern Uranium and Uranium West have entered into Farm-In and Joint Venture Agreements for each tenement to explore for minerals within the tenement.. Southern Uranium will manage the Joint Ventures. Uranium West will remain the registered holder of the tenements.

The execution of the agreements follows the announcement on 28th September 2007, where Southern Uranium entered into a Deed of Assignment with Uranium West and Southern Gold Limited.

Southern Uranium's Managing Director John Anderson said the terms of the 'Initial Phase' for each project area had been renegotiated with Uranium West since the announcement on 28th September 2007, and have now been completed to the satisfaction of Uranium West.

"The 'Initial Phase' required Southern Uranium to expend a minimum of A\$50,000 at Rum Jungle (EL24867) and a minimum of A\$150,000 at Calvert Hills (EL24837) by 31 December 2007 in order to maintain rights to continue earning an interest from the venture," Mr Anderson said.

"A first pass geological mapping program at the Rum Jungle project was completed in November, including rock sampling and spectrometer surveying. Laboratory analysis of the rock samples and other new data is expected to be available by the end of March 2008."

The Rum Jungle project (EL24867) applies to an 8km² area between the historical Whites and Dysons uranium-copper mines and the Mount Fitch uranium deposits in the Rum Jungle field (Figure 2).

The project area covers about two kilometres of the prospective basal unconformity between the Rum Jungle granite complex and the overlying Crater Formation. Historical records show only six drill holes in the project area with no uranium assays reported.

The recent geological mapping program covered the entire project area. The program selected prospective outcrops of structures and gossans for concurrent rock sampling and hand spectrometer surveying on local grids.



The airborne electromagnetic survey of the Calvert Hills project at Westmoreland, contracted for December 2007, has been postponed due to contractor and weather delays. It has been rescheduled for March, subject to weather conditions.

During the 'First Earn-In Phase' of the Exploration Joint Venture Agreements Southern Uranium can earn a 50% interest for each project by spending A\$600,000 on each project, by 31 December 2008. This amount is inclusive of the 'Initial Phase' expenditure. Uranium West can then elect to maintain its interest by matching the expenditure.

Southern Uranium can then earn a further 25% in the 'Second Earn-In Phase' if Uranium West chooses not to maintain its interest at 50% in the respective project by spending a further A\$400,000 by 30 June 2009. Uranium West has the right to maintain its interest at 25% by matching Southern Uranium's expenditure, or it may choose to be diluted to a 10% interest, at which time it can convert its interest to a free carried interest. Southern Uranium has the right to purchase the Free Carried Interest at any time for A\$35,000,000.

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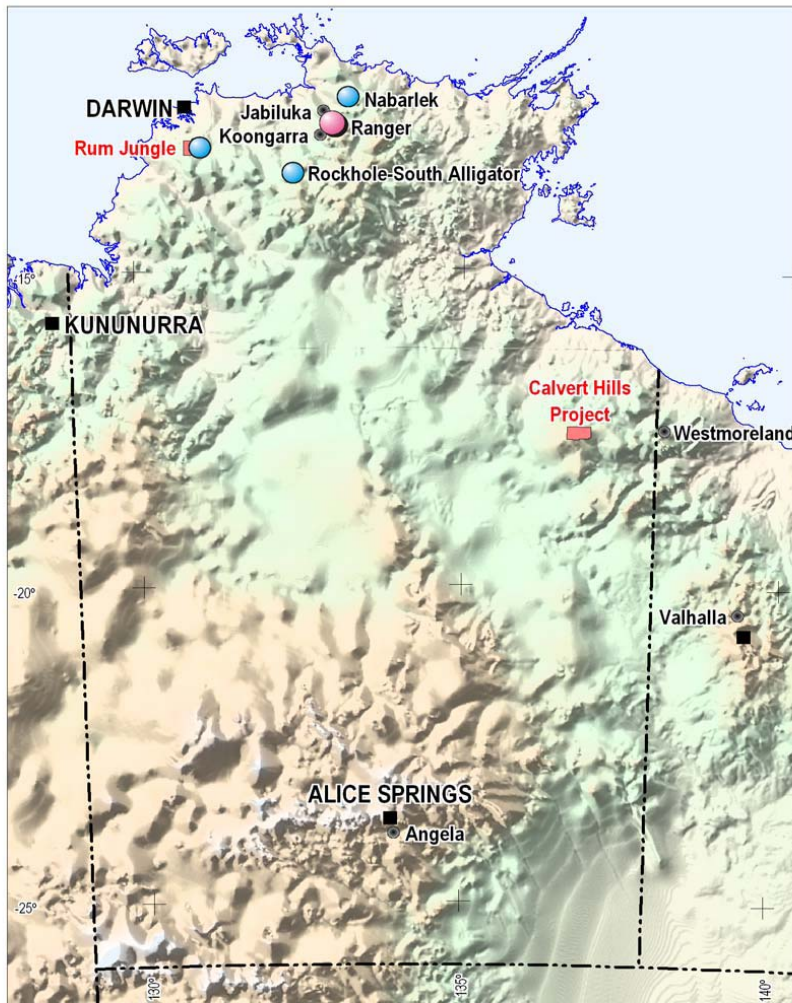
Southern Uranium Limited is a uranium resources company with a strong platform of active exploration properties and drill targets in the highly prospective Gawler Craton of South Australia.





The Company aims to expand its exploration and development activities to competitively participate in the growing uranium resource industry.

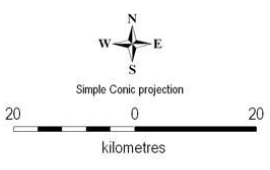
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Figure 1 : Project Location



-  Uranium mine
-  Uranium mine, former
-  Uranium deposit
-  Joint venture tenement



Southern Uranium/Uranium West Joint Venture

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Figure 2 : Rum Jungle Project Area

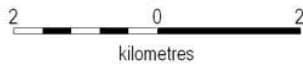


- Uranium deposit/former mine
- Uranium prospect

- Whites Formation
- Coomalie Dolostone
- Crater Formation
- Rum Jungle Granite Complex



AGD84, zone 52



Southern Uranium/Uranium West Joint Venture
Rum Jungle Project - Location

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