



ASX ANNOUNCEMENT

3 April 2008

DRILLING UNDERWAY AT LARGE COCKY SWAMP TARGET AS SOUTHERN URANIUM UPS CAMPAIGN PACE

HIGHLIGHTS

- Drilling commences to test the large Cocky Swamp iron oxide copper gold uranium target in the Olympic Dam district of the Gawler Craton, South Australia
- Initial interpretation of new gravity data shows numerous targets with multi-commodity potential at Jungle Dam in the north eastern Eyre Peninsula region of the southern Gawler Craton.
- Ongoing soil geochemical sampling and gravity detailing is developing a pipeline of targets throughout the prospective north eastern Eyre Peninsula region
- Airborne electromagnetic survey completed over an extensive area with unconformity uranium potential at Calvert Hills, Northern Territory
- Negotiating for additional prospective ground in Queensland and South Australia

Summary

Southern Uranium Limited (ASX: SNU) is negotiating for additional prospective ground in Queensland and South Australia to expand the scope of its aggressive exploration campaign now underway in South Australia's uranium-rich Gawler Craton.

Managing Director Mr John Anderson said the second hole of the current drill campaign had commenced at Cocky Swamp which remained the Company's highest priority target in the Olympic Dam district.

"A 300 metre percussion pre-collar has been completed and coring is now underway to test the large target predicted at a vertical depth of about 860 metres," Mr Anderson said.

After Cocky Swamp, the drill rig is designated to move to the Kimba area to test extensive, shallow targets at Jungle Dam.

"The north eastern region of the Eyre Peninsula is emerging as a high priority exploration destination," Mr Anderson said.

"Southern Uranium has a substantial tenement holding near recently discovered prospects for uranium, gold, iron ore and base metals. We are developing numerous and large targets for iron oxide systems that have potential for that spectrum of commodities and are proposing to undertake 2,500 metres of percussion and diamond core drilling during May."

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Elsewhere in the exploration portfolio, an airborne electromagnetics survey has been completed at Calvert Hills in the Northern Territory while targeting tactics are being reviewed for the Company's Rum Jungle project.

Mr Anderson said Southern Uranium was using its strong cash position in the current market to establish farm-ins and expand exposure to uranium-prospective ground.

"We are currently negotiating joint ventures in the Gawler Craton and in Queensland and we are seeking advanced exploration and resource opportunities elsewhere in Australia and overseas," Mr Anderson said.

SOUTH AUSTRALIA

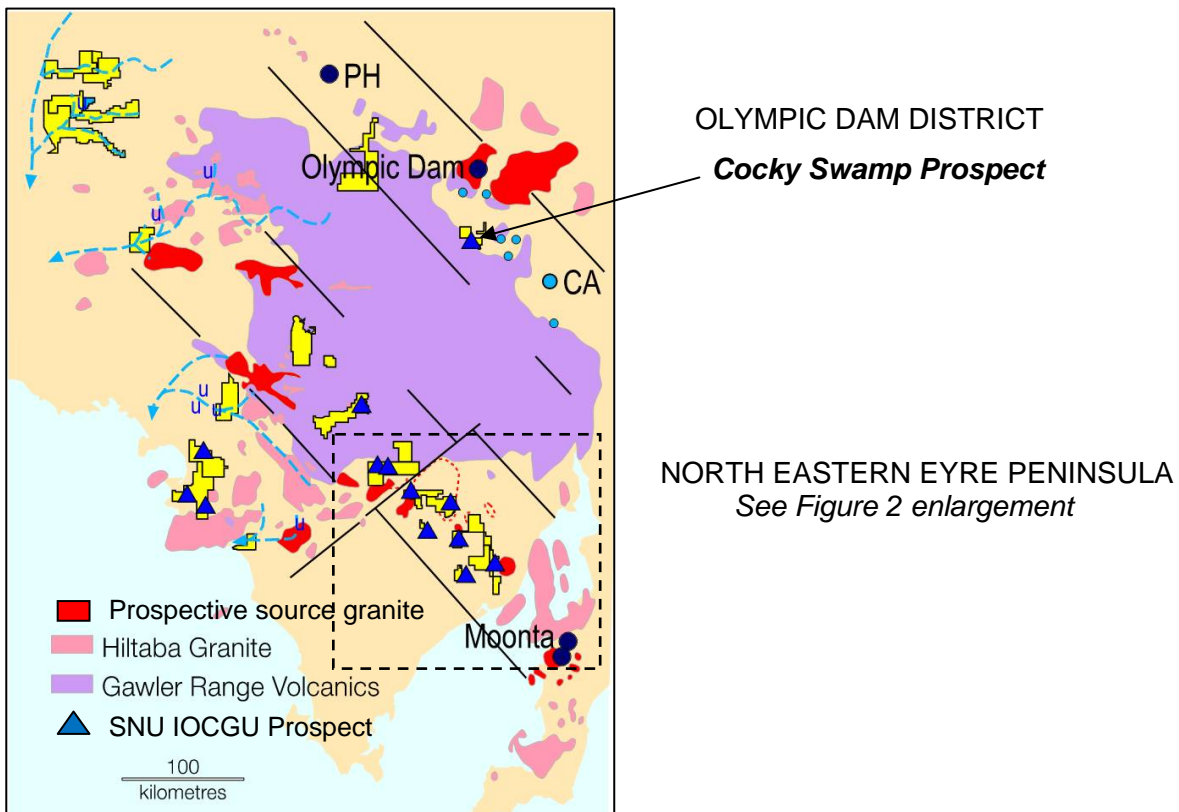
Cocky Swamp drilling commences

Drilling of the Cocky Swamp iron oxide copper gold uranium (IOCGU) target within Exploration Licence (EL) 3603 (see Figure 1) commenced last week. The project is subject to a joint venture with Uranium West Pty Ltd (Uranium West), a subsidiary of internationally listed Crescent Gold Limited (ASX: CRE, TSX: CRA, FFT: CRE5).

A 300m percussion precollar has been completed and coring is underway to test the large target predicted at about 860m vertical depth.

The hole is the second drilled using a drill rig brought into South Australia from Perth. Cocky Swamp is considered the highest priority target in the current drill campaign.

Figure 1: Regional Location Plan – Gawler Craton showing Southern Uranium tenements



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Waxings Dam drilling completed

The Waxings Dam IOCGU target was tested by the first hole undertaken in the campaign due to the timing of available access. The Waxings Dam target is defined by a gravity anomaly within EL 3594 near Kimba on the north eastern Eyre Peninsula (see Figure 2).

WD-DDH1 was collared at 618,426m E, 6,365,575m N (Zone 53, GDA94), at an azimuth of 030 degrees true, 62 degrees dip and completed at 951 metres downhole depth. The hole intersected garnetiferous gneiss however no haematitic lithologies with IOCGU affinities were observed. The core will be reviewed and assayed where warranted to reconcile the intersected lithologies with the gravity target modelled at 750 metres vertical depth.

Planned Jungle Dam drilling

After Cocky Swamp, the drill rig is designated to move back to the Kimba area to test extensive near surface targets under shallow cover at Jungle Dam. Detailed gravity data collected in January are being interpreted and collated with historic soil geochemical and limited drill data. The historic data provides support for the presence of highly prospective gravity targets under thin cover at Jungle Dam and has prompted Southern Uranium's strategy of extending the soil geochemical coverage throughout the region.

Numerous targets variously with IOCGU, uranium, base metal, precious metal or iron ore potential are being developed along the 10 kilometres long prospective trend at Jungle Dam. 2,500 metres of percussion and diamond core drilling are proposed to be undertaken during May. The Jungle Dam drilling is subject to heritage surveys planned for mid April.

Regional soil geochemical and gravity surveys in north eastern Eyre Peninsula

Regional soil sampling on a 1km grid commenced in February to complement Southern Uranium's gravity data. The data from this new tactic will enhance exploration of the prospective trends within the Moonta corridor of interpreted uranium-anomalous granites beneath the region's shallow cover. About 3,000 samples were collected thusfar over most of the northern tenement areas in the region. Soil sampling of the remaining southern tenements will recommence in mid April.

Gravity surveying is underway for the Hopcrafts Dam area on EL 3552 to complete the first pass coverage of all Southern Uranium's tenements in the region.

Infill soil and gravity surveying of the Sextus Tanks area of EL 3479 is underway at 500m station spacing. The area was selected for immediate detailing due to the proximity of uraniumiferous source granites along a possible southern extension of the Jungle Dam trend.

NORTHERN TERRITORY

Calvert Hills airborne electromagnetics completed

After prior weather and logistical delays, a 1,900 line kilometre airborne electromagnetics (AEM) survey was completed over the 822 sq km area of EL 24837 also subject to a Joint Venture with Uranium West. The area covers about 40km of prospective geological extensions to the Westmoreland uranium field located 100km to the east. The area has potential for

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unconformity style uranium deposits and the AEM survey is designed to map the prospective unconformity and uranium-trapping lithologies and structures. A consultant geophysicist is secured to undertake the interpretation however significant delays in the processing of the data are anticipated.

Rum Jungle rock chip sampling

Analyses were received for the sampling of limited outcropping ironstones undertaken late in 2007 within EL24867 also subject to a Joint Venture with Uranium West. The results did not provide ready drill targets as the base metal values are only weakly elevated with no supporting uranium anomalism. Electromagnetic geophysics and direct drill testing are being considered to test the depth extensions of the prospective north east structures interpreted from radiometric and magnetic data to cross the tenement.

NEW BUSINESS DEVELOPMENT

Southern Uranium is using its strong cash position in the current market to establish farms and expand exposure to uranium prospective ground. Joint ventures are being negotiated in the Gawler Craton and North Queensland.

Advanced exploration and resource opportunities are being sought elsewhere in Australia and overseas. Several leads are being followed up after the Company's strong presence at the Prospectors and Developers Association of Canada convention in Toronto in early March.

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

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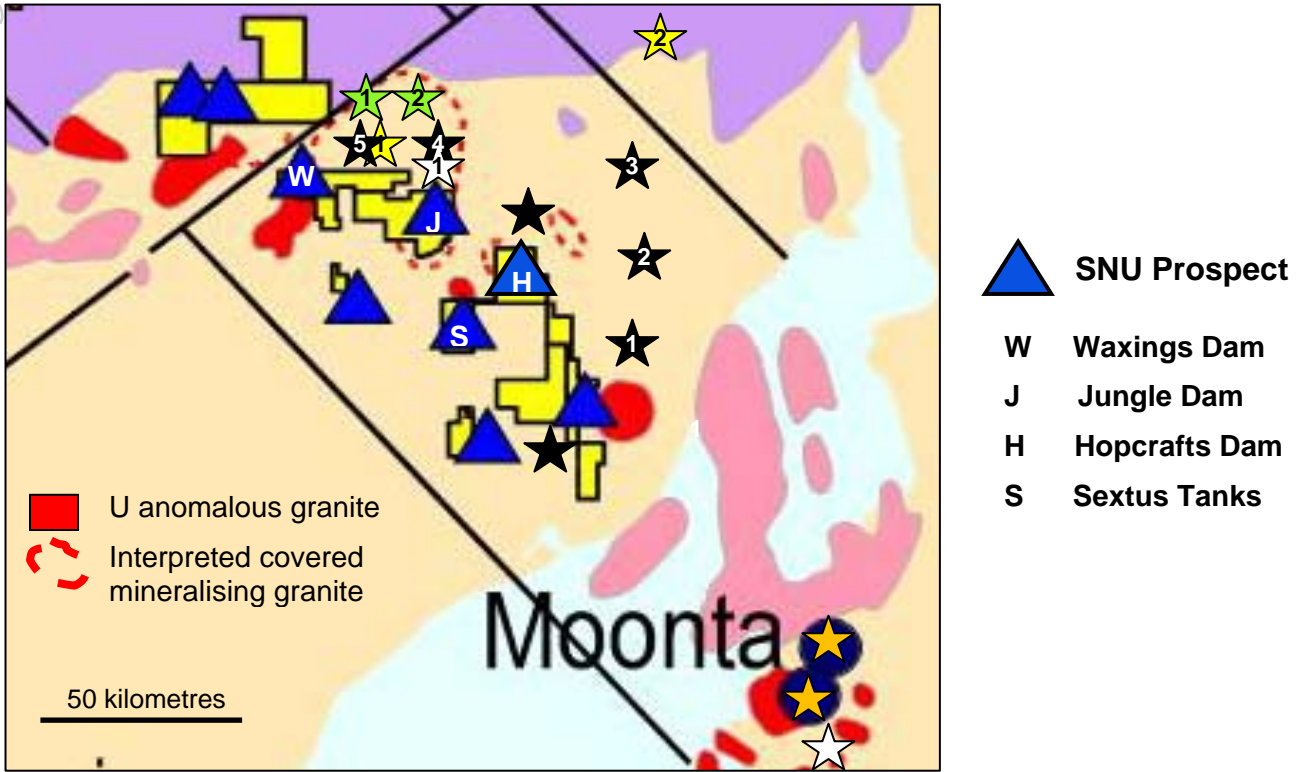
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Southern Uranium Limited is a uranium-focussed resources company with a strong platform of active exploration properties and drill targets in the highly prospective Gawler Craton of South Australia.

The Company aims to grow into a major uranium explorer and developer by seeking uranium opportunities globally.



Figure 2: Regional Location Plan – north eastern Eyre Peninsula showing tenement and prospect positions within the mineralised Moonta corridor



Mineral Occurrences

- ★ Iron Oxide Copper Gold (Moonta historic mines)
- ★ Iron Ore (1- Iron Duke mine; 2- Iron Baron mine; 3- Iron Knob; 4- Hercules prospect; 5- Weednanna prospect)
- ★ Lead Zinc Silver (1- Menninnie Dam; 2- Telephone Dam)
- ★ Gold (1- Weednanna; 2- Parkinsons Dam)
- ★ Uranium (1- Wilcherry Prospect)

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