

Southern Uranium Limited

ABN: 90 115 338 979

ASX CODE: SNU



ASX RELEASE

28th September 2007

SOUTHERN URANIUM ASSIGNED RIGHTS TO NORTHERN TERRITORY URANIUM PROJECTS

Southern Uranium Limited (ASX: SNU) ("Southern Uranium") has added two highly prospective projects in the Rum Jungle and Westmoreland areas of the Northern Territory (Figure 1) to its uranium portfolio. These have target potential for Proterozoic unconformity-related deposits. This style includes some of the highest grade and largest deposits in the world, as contained in the Alligator River region in the Northern Territory (e.g. Ranger) and the Athabasca Basin in Canada (e.g. Cigar Lake).

Southern Uranium has entered into a Deed of Assignment with Southern Gold Limited (ASX: SAU) ("Southern Gold") and Uranium West Pty Ltd ("Uranium West"), a subsidiary of internationally listed Crescent Gold Limited (ASX: CRE, TSX: CRA, FFT: CRE5) ("Crescent"). Under the Agreement, Southern Gold has transferred all of its rights, interests and obligations arising from its Heads of Agreement ("HOA") with Uranium West and Crescent to Southern Uranium. The assigned heads of agreement provides Southern Uranium with the ability to joint venture into the Rum Jungle and Calvert Hills (Westmoreland) projects.

Rum Jungle Project

The Rum Jungle Project (EL 24867) is located near the historical Rum Jungle uranium - copper mines (Figure 2). Rum Jungle was the Northern Territory's first uranium discovery and Australia's first large scale uranium mine and produced 3,530t of U₃O₈ at head grades ranging between 0.28% and 0.41% in the different ore bodies. The product was sold to the UK-US Combined Development Agency under contract from 1954 to 1962. The plant was decommissioned in 1971 after total sales of 3,530 tonnes of U₃O₈.

Compass Resources Limited recently defined a total resource of 18.3 Mt at 0.036% U₃O₈ at Mt Fitch, located less than 1 km outside the western boundary of EL 24867. The uranium mineralisation at Mt Fitch and elsewhere in the Rum Jungle field is hosted within Lower Proterozoic sediments that overlie the Rum Jungle Complex. The uranium mineralisation was most likely sourced from the highly uranium-anomalous Rum Jungle Complex granites, and precipitated above the unconformity at the interface between the reduced black shales and the sheared and brecciated Coomalie Dolostone.

Southern Uranium proposes to explore the two kilometres of prospective Crater Formation contact that is interpreted to pass through EL 24867 immediately SE of Mt Fitch with an associated radiometrically anomalous signature (Figure 3). Past exploration data is being compiled.

Calvert Hills Project

The Calvert Hills Project (EL 24837) is located 100km west of the Northern Territory-Queensland border (Figure 1). The tenement is situated over about forty kilometres of prospective extensions to the Westmoreland uranium field (Figure 4).

For personal use only



Uranium occurrences in the Westmoreland field have a spatial association with the unconformity between the Westmoreland Conglomerate and the underlying basement volcanics and granites. The Nicholson Granite contains anomalously high uranium and is considered to be the source of the uranium in the deposits.

Most of the tenement area is obscured by sand and soil with the presence of the prospective unconformity contact demonstrated by limited outcrops of Westmoreland Conglomerate within EL 24837 and sparse outcrops of Nicholson Granite to the southeast.

Southern Uranium plans to survey the tenement area with airborne electromagnetics to map potential uranium host rocks along the unconformity.

Heads of Agreement

Under the Terms of the HOA and amendments in the Deed of Assignment, the parties have agreed to negotiate a joint venture agreement under which Southern Uranium has the right to earn an interest in the two projects by funding exploration expenditure. Southern Uranium has been appointed as the manager for each project.

For each of the Rum Jungle and Calvert Hills projects, Southern Uranium is required to expend a minimum of \$100,000 by 31 December 2007 in order to maintain its rights to continue earning an interest in the venture and before it can decide to withdraw from the project. The minimum expenditure commitments can be transferred between the two projects provided a minimum of \$50,000 is expended on each project. For each project, Southern Uranium can earn a 50% interest by spending \$600,000 by 31 December 2008. Uranium West can then elect to maintain its interest by matching the expenditure. If Uranium West chooses not to maintain its interest at 50%, Southern Uranium can then earn a further 25% in the respective project by spending a further \$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 \$35,000,000.

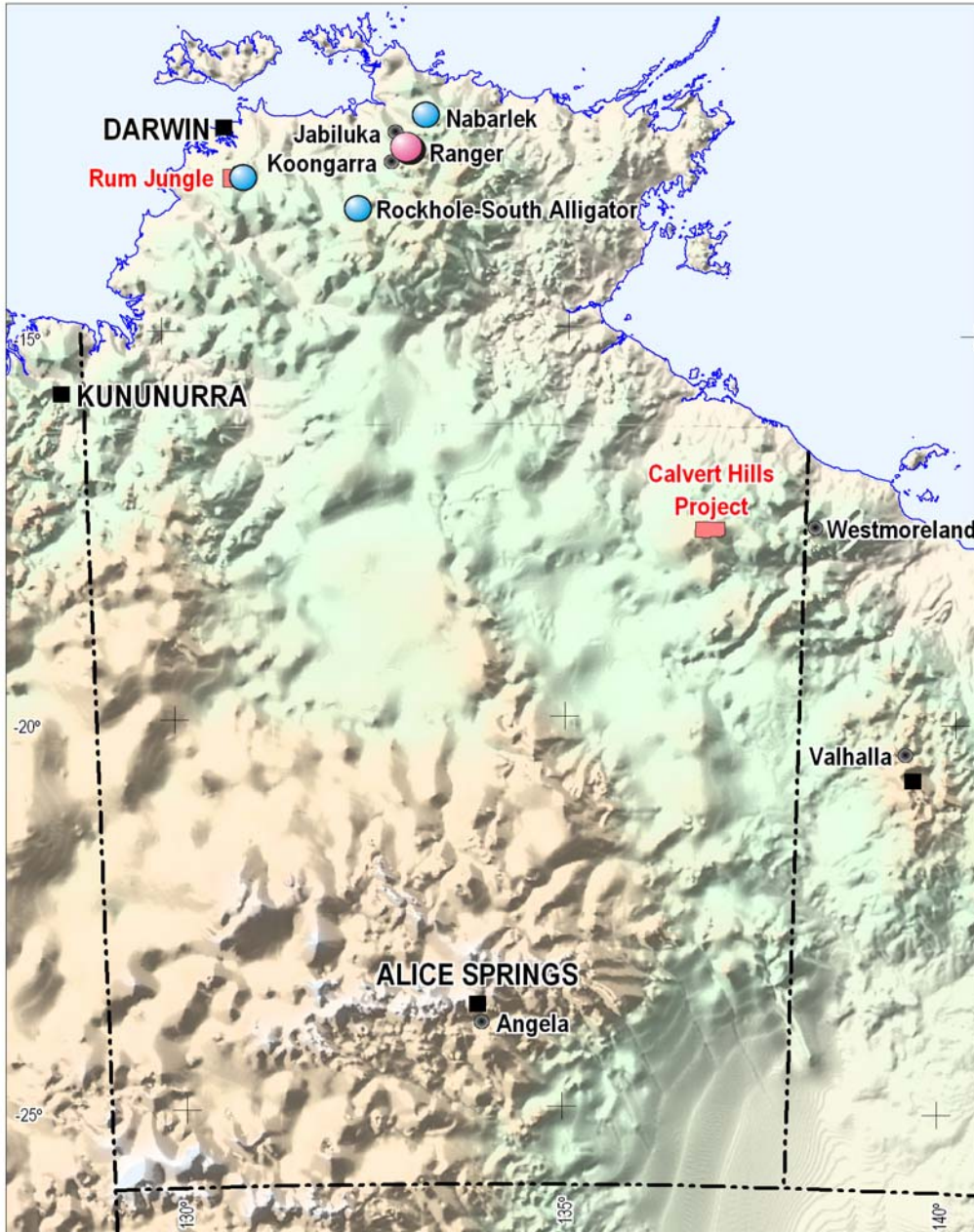
The information in this report has been compiled by John Anderson (BSc(Hons)Geol) as a full-time employee of Southern Uranium Limited and who is a member of the Australasian Institute of Mining and Metallurgy and is bound by and follows the Institute's codes and recommended practices. As a Competent Person, he has a minimum of 5 years relevant experience in the styles of mineralisation and types of activities being reported and has given written consent to the above report in the form and context in which it appears.

For further information contact:

Mr John Anderson
Managing Director
Southern Uranium Limited
Ph 07 3870 0357

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.



Southern Uranium/Uranium West Joint Venture

Figure 1 – Projects Location Plan

For personal use only

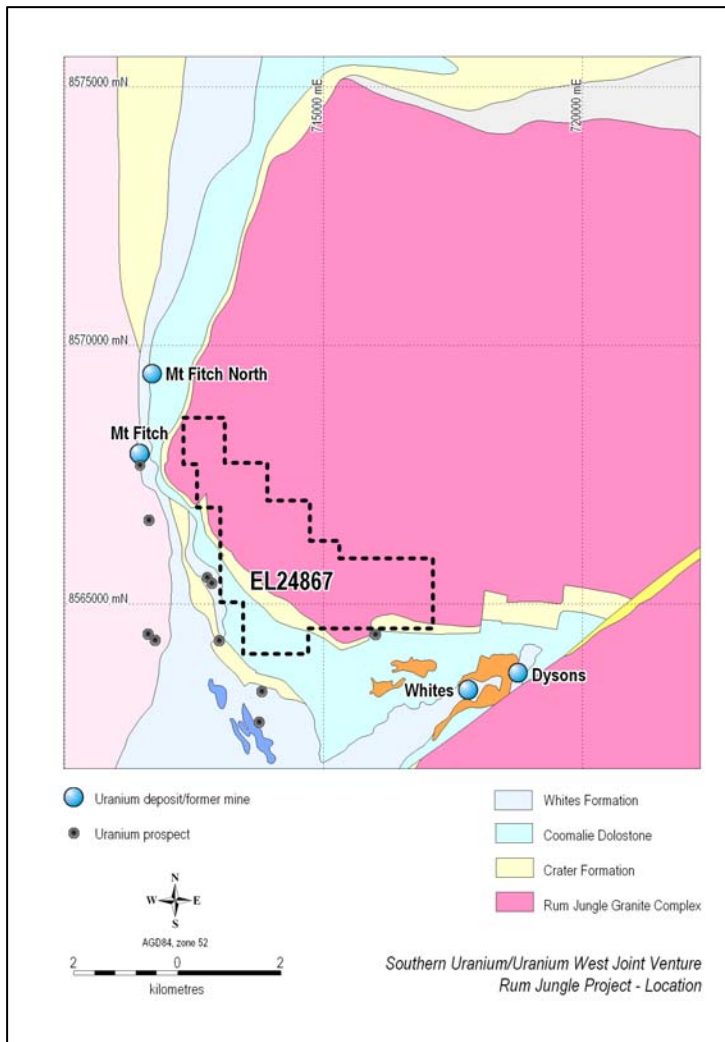


Figure 2 - Rum Jungle Project Geology and tenement location plan

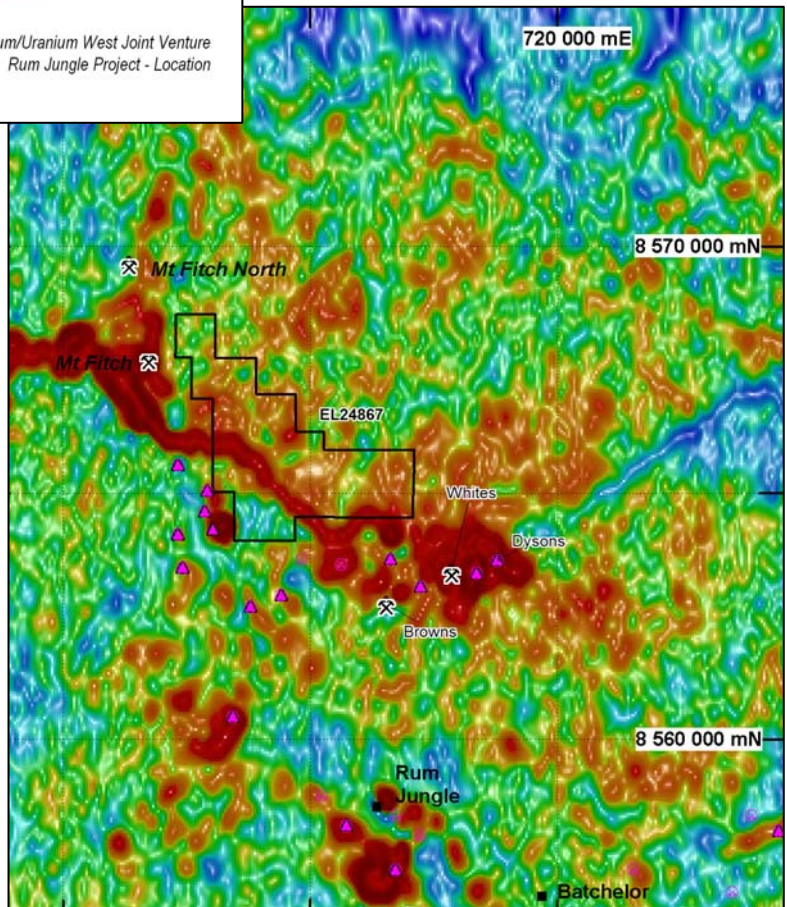


Figure 3 - Rum Jungle Uranium radiometrics plan

For personal use only

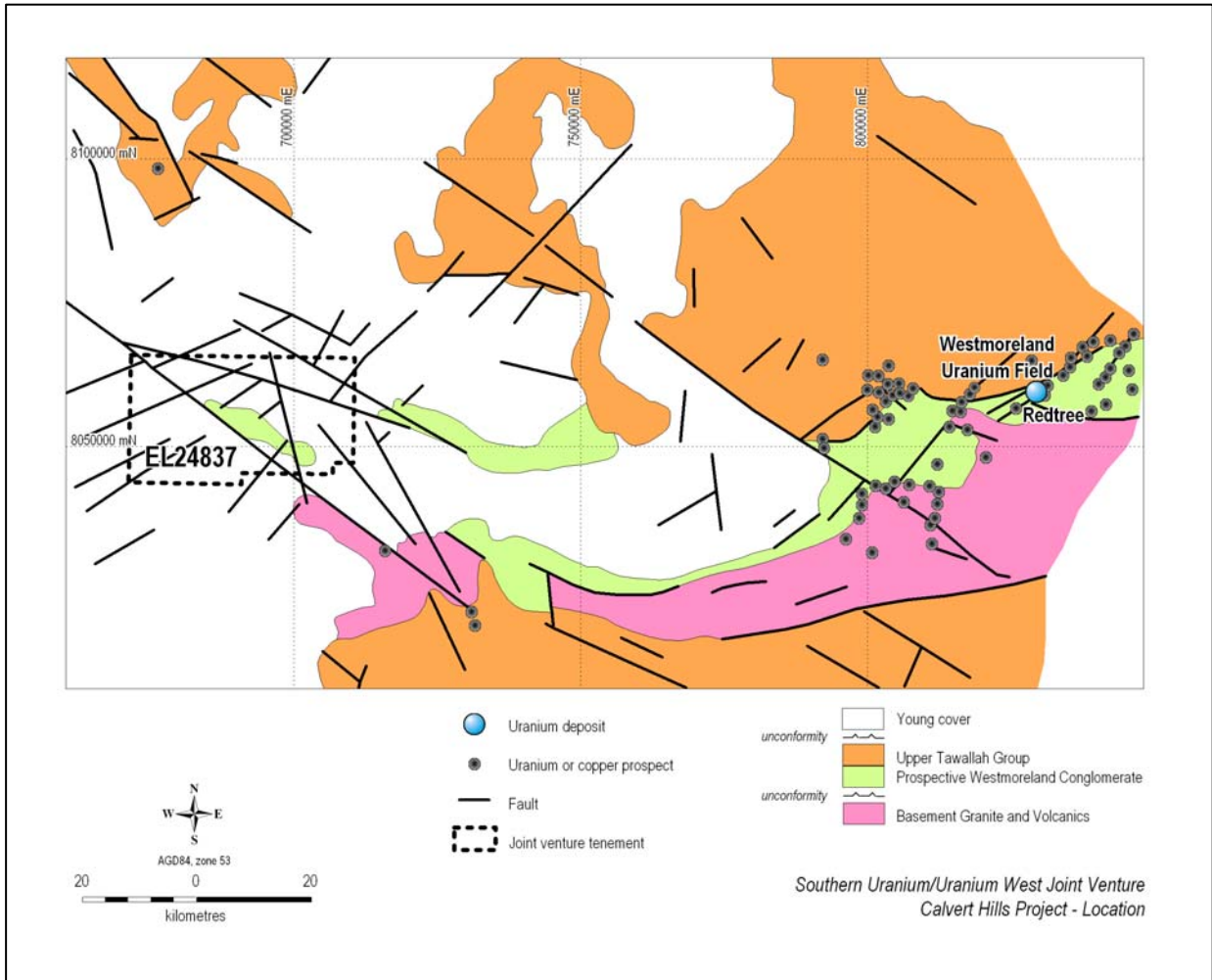


Figure 4 – Calvert Hills Project
Geology and tenement location

For personal use only