

DRILLING COMMENCES AT BREMER BASIN URANIUM PROJECT

HIGHLIGHTS:

- **6000m drilling program commences at Bremer Basin Uranium Project,**
- **250km strike of known uranium mineralisation,**
- **Multiple target zones of Mulga Rock and Beverly type uranium deposits identified within clearly mapped palaeochannels,**
- **Previous drilling intersected significant uranium mineralisation associated with carbonaceous sand and redox changes, and**
- **Program Co-funded by the Western Australian Government**

Australian based uranium exploration and development company Uranex NL (ASX: UNX) ("Uranex" or "the Company") has commenced a 6,000m aircore drilling program at the Company's 100% owned Bremer Basin Uranium Project, located north of Esperance in Western Australia, that covers a total area of approximately 1,300km² (Figure 1).

The Company is targeting sedimentary, redox related uranium deposits in palaeochannels of the Bremer Basin over a total strike extent of 250km.

Multiple target zones similar to the Mulga Rocks (55.4Mt @ ~490ppm for 27,100 t U₃O₈) style deposits found in the Gunbarrel Basin in Western Australia, and Beverley (7.7 Mt @ 2,700ppm for 21,000 t U₃O₈) style deposits found in the Frome Embayment in South Australia, have been systematically identified.

This new drilling programme builds upon a successful Helicopter Borne Electromagnetic Survey (HEM) to identify the palaeochannels and two phases of scout aircore drilling. Significant uranium mineralisation associated with carbonaceous sand and redox changes was identified from these programmes.

Uranium mineralisation including 2m @ 185ppm U₃O₈, including 1m at 248 ppm U₃O₈, was identified from previous first pass scout drilling.

A co-funding grant of \$67,000 has been awarded to Uranex by the Western Australian Government in support of this programme, reinforcing the Company's view of the Project's prospectivity.

The initial phase of this programme is anticipated to take approximately two (2) weeks to complete with the remainder to be completed in early 2011.

This new drilling program in Western Australia is running concurrently with a 5000m drilling program at the Mkuju Uranium project in Southern Tanzania, which adjoins Mantra Resources Limited's Mkuju River Project (MRP), where a Mineral Resource of 84.3 million pounds @ 464ppm U₃O₈ has been defined at the Nyota Prospect (Nyota).

Results of both programs will be released to the market as they become available.

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 ASX Code: **UNX**

Number of Shares

 123.8M Ordinary Shares
 4.4M Unlisted Options
 4.34M Partly Paid Shares

Market Capital

A\$22.9 Million (@0.185c)

Board of Directors

 Johann Jacobs
 Chairman

 Matthew Gauci
 Managing Director

 Stephen Hunt
 Non-executive Director

 Frank Poullas
 Non-executive Director

 Mark Chalmers
 Non-executive Director

 John Nethersole
 Company Secretary

Figure 1: Bremer Basin Uranium Project Location

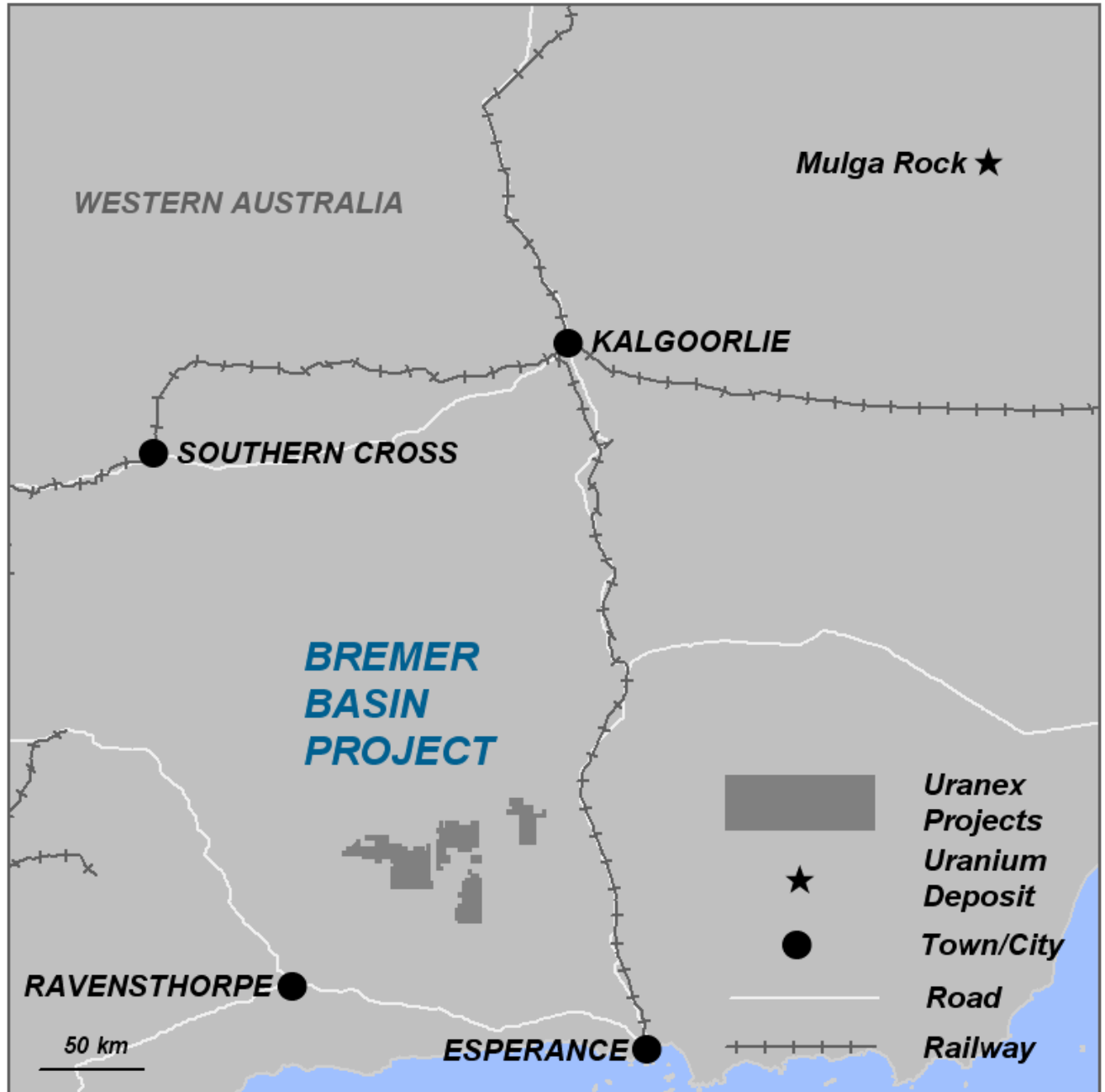


Figure 2: Uranium prospective palaeochannel identified from (HEM) over 250km

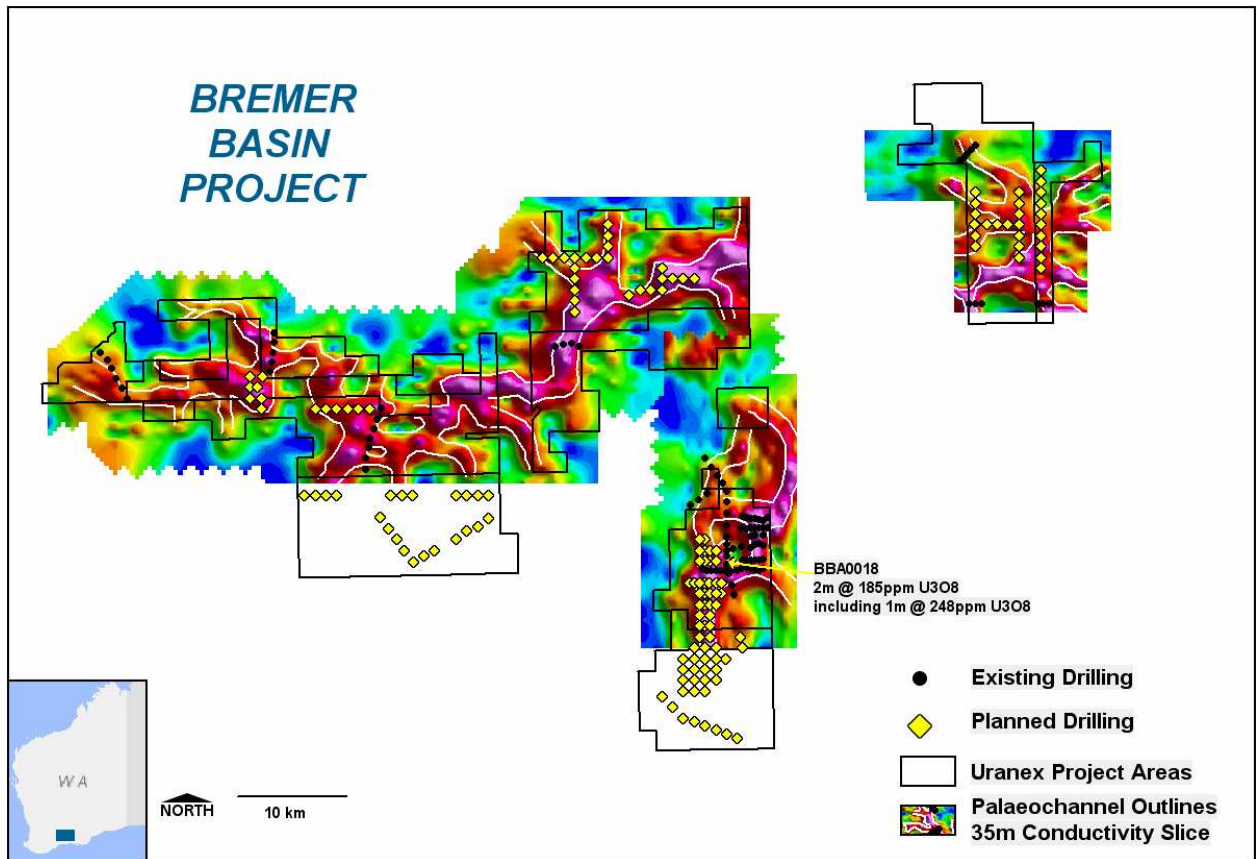
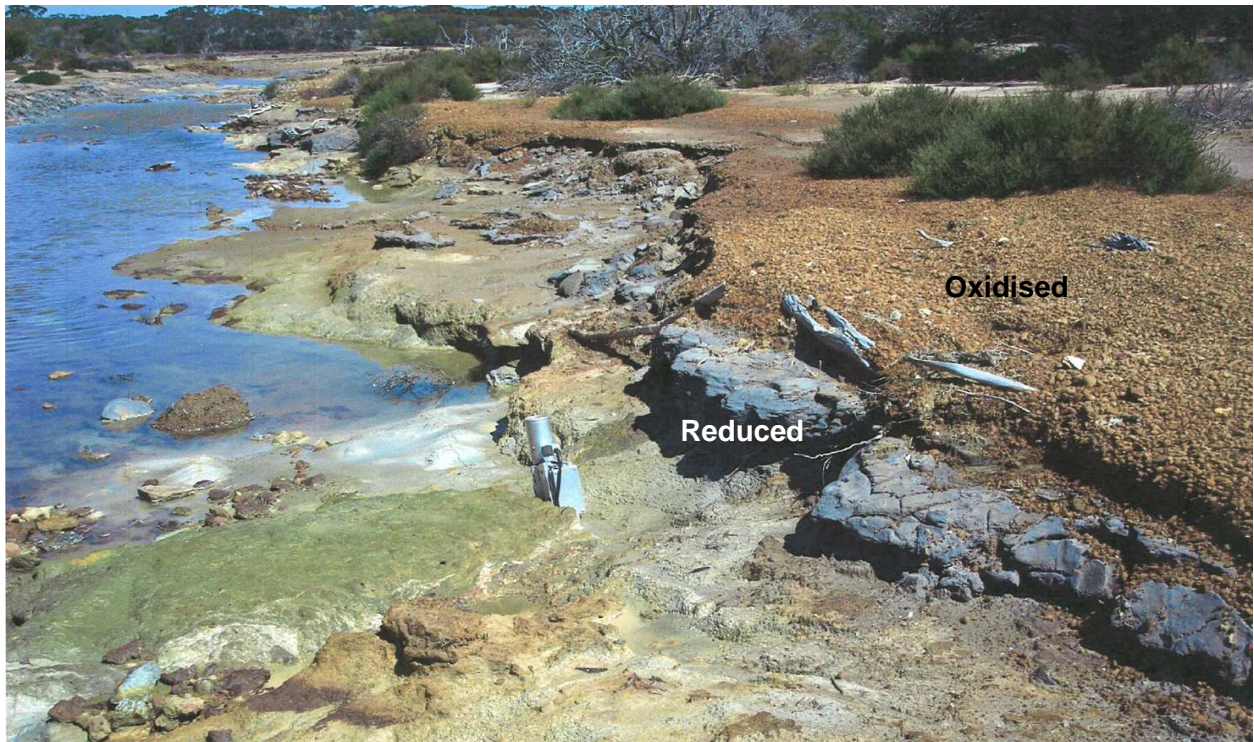


Photo 1: Visible redox conditions within project





Matthew Gauci
Managing Director

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Information in this report relating to exploration results is based on data compiled by Mr. Brendan Borg who is a Member of the Australasian Institute of Mining and Metallurgy, and who is a full-time employee of the Company. Mr. Borg has sufficient relevant experience to qualify as a Competent Person under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Borg consents to the inclusion of the data in the form and context in which it appears.