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The Manager
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Dear Sir/Madam

**DRILLING IMMINENT AT THE CABBAGE TREE CREEK HIGH-GRADE
COPPER-GOLD PROSPECT**

TIMING OF ROSEBY COPPER PROJECT STUDY RESULTS

HIGHLIGHTS

Cabbage Tree Creek

Xstrata Copper has advised that, as part of the Roseby SEEP joint venture operations, a three-hole diamond drilling programme totalling 1650 metres is scheduled to commence this week at the Cabbage Tree Creek Prospect located three kilometres north north-west of the Little Eva deposit (Figure 1). The program is targeting high grade copper-gold mineralisation and will test 750 metres of a possible 1000 metre strike length. It is designed to identify zones of thicker, high grade mineralisation as well as demonstrate continuity of the mineralisation along strike.

Better results from the 2006 drilling included:

- **14m at 2.00% copper and 0.46g/t gold from 393m including, 6m at 3.19% copper and 0.81g/t gold from 393m, and**
- **14m at 1.30% copper and 0.29g/t gold from 451m**

Roseby

Results of the revised, 4Mtpa, Roseby Development Study are expected to be available for release to ASX by the end of October 2007.

DETAILED REPORT

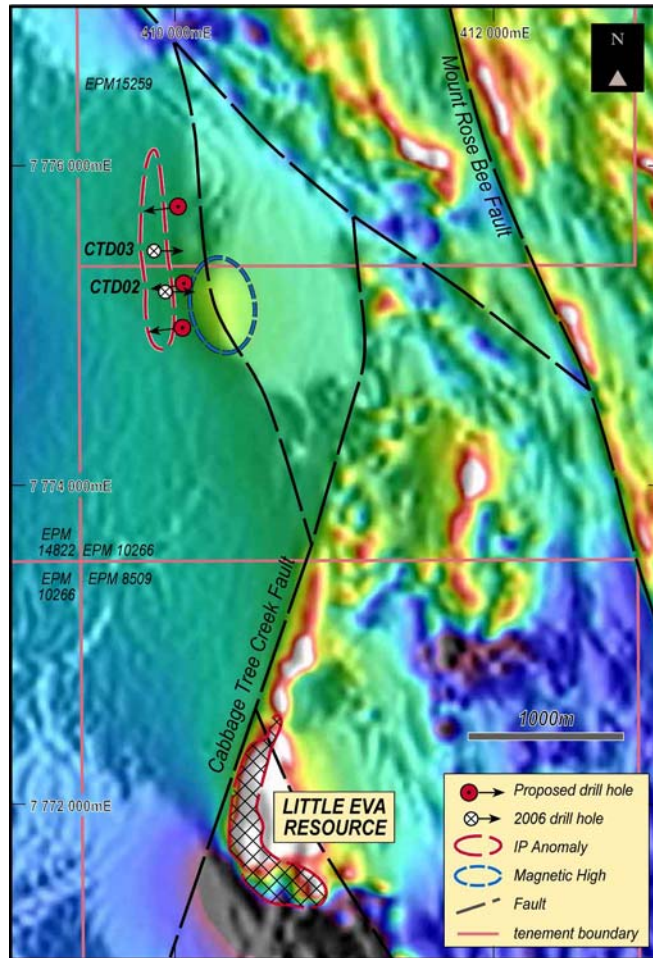


Figure 1: Location Plan showing Cabbage Tree Creek and Little Eva Prospects (superimposed on TMI aeromagnetic image)

The Cabbage Tree Creek prospect was discovered in 2006 by Xstrata Copper after the second of three drill holes intersected high-grade copper-gold mineralisation. The drilling, which was part of the Roseby Project SEEP program, was targeting an induced polarisation (IP) anomaly on the flank of a magnetic anomaly. The anomaly source is in Proterozoic bedrock beneath approximately 250 metres of Phanerozoic sedimentary cover.

Two 14 metre wide (down-hole thickness) zones of copper-gold mineralisation were intersected in the discovery hole, CTD03 (Figure 2). Mineralisation consists of chalcopyrite dominant sulphides present as veins, fracture fill, blebs and breccia matrix, hosted within quartz-dolomite altered calc-silicate and pelite. The best intersections are listed in Table 1.

Table 1: Best Drill Intercepts: Cabbage Tree Creek Prospect

HOLE No	INTERSECTION (m)			ASSAYS	
	From	To	Length	Copper (%)*	Gold (g/t)
CTD03	393	407	14	2.00	0.46
Incl	393	399	6	3.19	0.81
CTD03	424	428	4	0.66	0.15
CTD03	451	465	14	1.30	0.29

*Calculated at a 0.4 % copper cut-off. The above results include some internal waste within the mineralised zones. Where mineralised drill intersections are quoted, the quoted copper and gold assays are the weighted average of the copper and gold assays over the relevant interval. Each assay is weighted by the length of the sample. Intervals referred to are down-hole intercept lengths, not true widths. No upper copper cut-offs are applied.

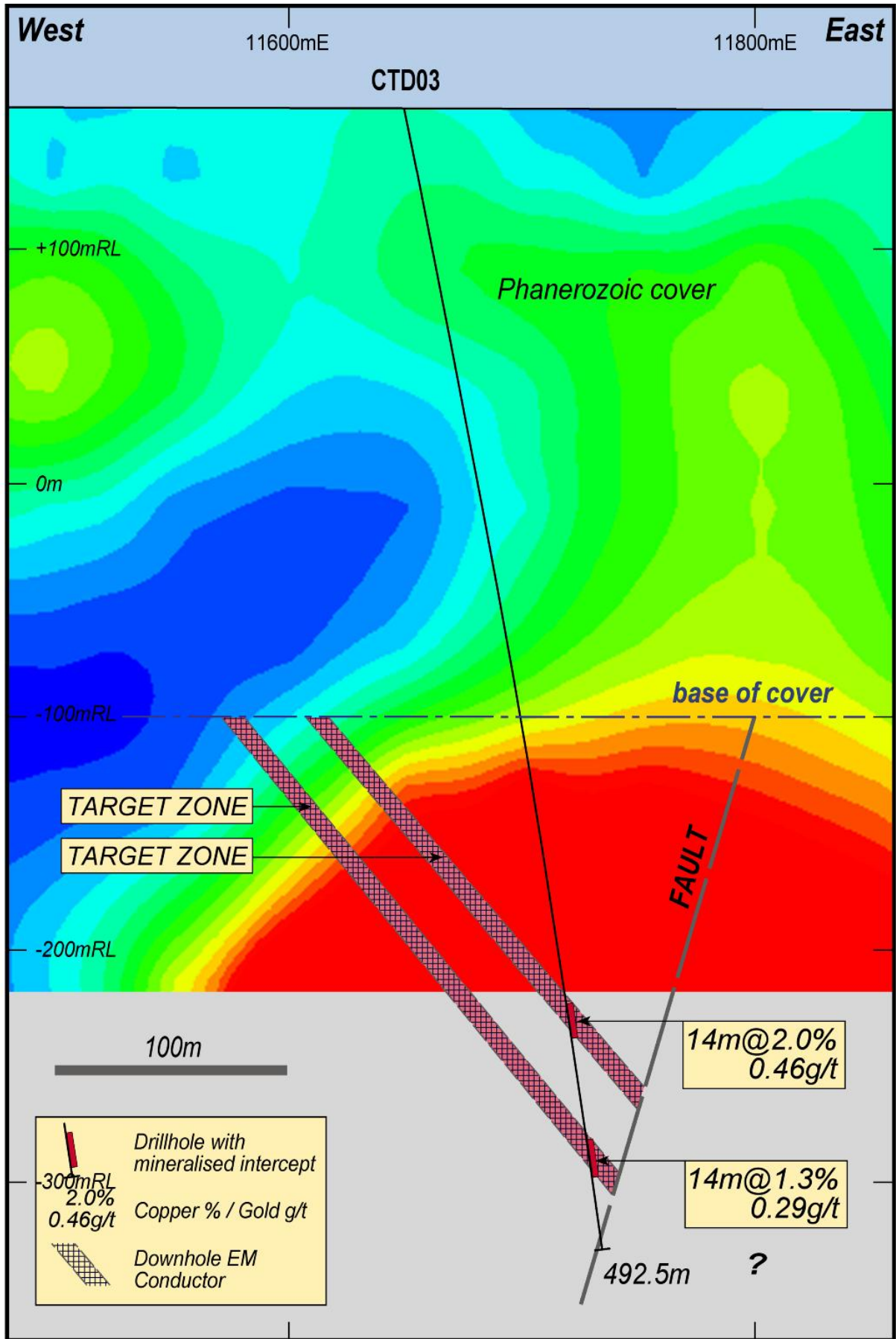


Figure 2: Summary section of Discovery hole CTD03, superimposed on Induced Polarisation conductivity image and interpreted downhole electromagnetic conductors

Copper sulphide mineralisation in drill hole CTD02 was limited to trace amounts of chalcopyrite and bornite, with the best interval returning 2m at 0.35% copper from 343m. Modelling of the geophysical data indicates CTD02 may have drilled over the top of the target horizon.

A down-hole IP survey confirmed the copper-gold mineralisation in drilling as the source of the surface IP anomaly. Modelling of down-hole electromagnetic (EM) data indicates mineralisation within CTD03 is present as a sheet dipping 55° ENE from the base of the cover sediments. The mineralisation remains open at depth as well as along strike.

An additional surface IP survey was completed in June 2007, designed to increase resolution of the anomaly at depth. This survey has demonstrated the IP anomaly associated with mineralisation in CTD03 extends at least 500 metres north and south of the discovery hole.



Peter Ingram
Chairman and Managing Director

The information contained in this report that relates to exploration results has been compiled by Maurice Hoyle and John Bartlett, employees of Universal Resources Limited. Maurice Hoyle is a Fellow of the Australasian Institute of Mining and Metallurgy and John Bartlett is a Member of the Australasian Institute of Mining and Metallurgy. Maurice Hoyle and John Bartlett have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity which they are undertaking as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Maurice Hoyle and John Bartlett consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

About the SEEP Agreement

In June, Mount Isa Mines Ltd, a wholly owned subsidiary of Xstrata Queensland Limited (**Xstrata Copper**), notified Universal of their decision to exercise the SEEP Option pursuant to the Heads of Agreement – Roseby Project dated 11th March 2005.

The mineralisation which falls within the SEEP comprises primarily deeper sulphides below Universal's existing deposits at Roseby. The total footprint of the area enclosed by SEEP is approximately 174sq km of the 1,773sq km of tenements in the Roseby tenement package (Figure 3). The location of the lease package is in the Mt Isa Eastern Fold Belt of North West Queensland. The SEEP area surrounds but excludes copper and copper-gold resources, developed by Universal as part of the Roseby Copper Project, to specified depths within the SEEP area.

Xstrata Copper may earn a 51% interest in SEEP on the earlier of funding \$15 Million of exploration and related work on SEEP or by sole funding a minimum of \$10 Million of exploration work and completing a detailed feasibility study into a mining and processing operation on SEEP. This work will be managed by Xstrata Copper and completed as expeditiously as possible but in any event not later than 30th June 2012.

If Xstrata Copper earns a 51% interest in SEEP, it must then also purchase a 51% interest in the balance of the Roseby Copper Project at a price to be negotiated at the time of purchase. Should agreement not be reached, the price is to be determined by an independent valuer.

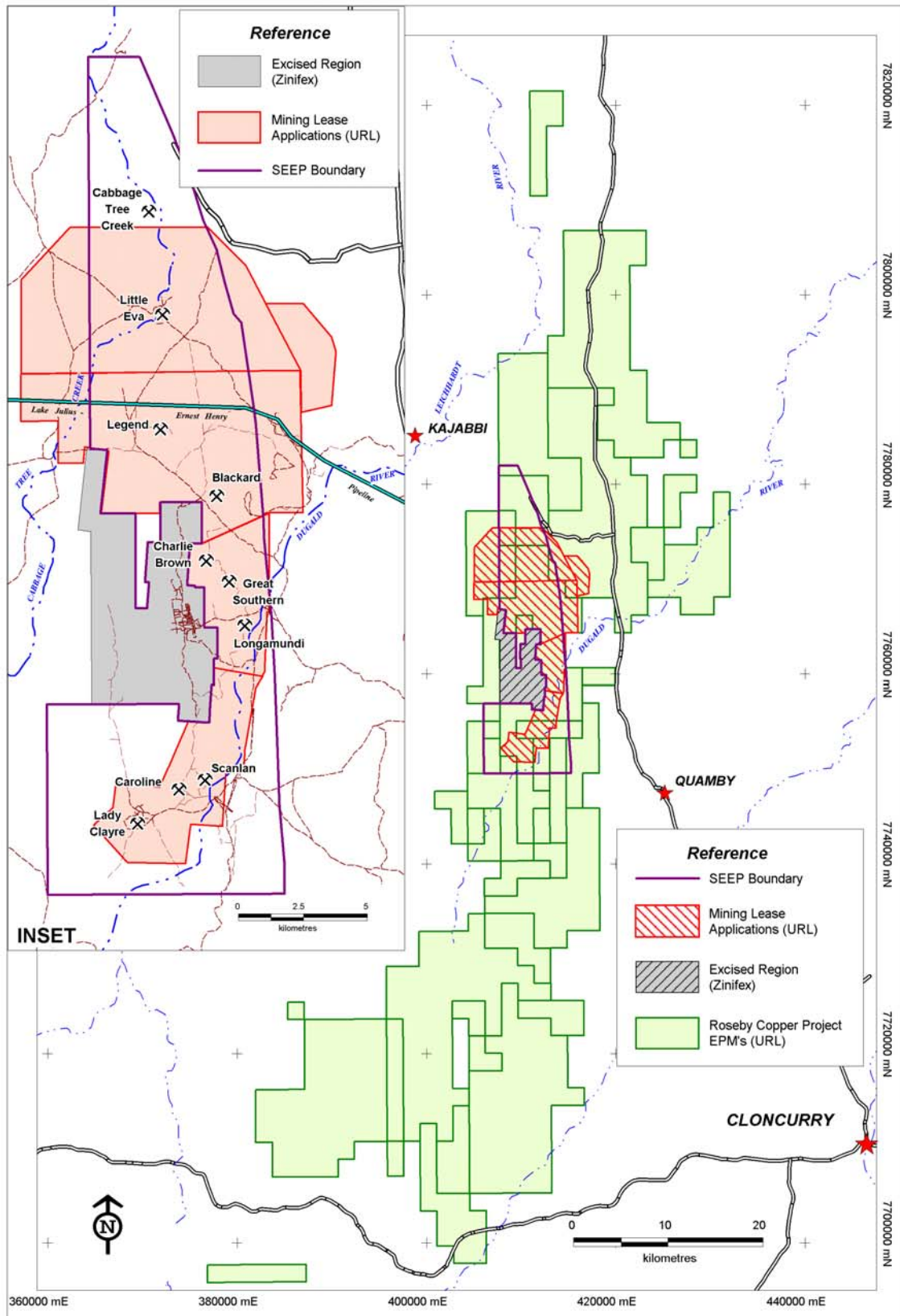


Figure 3: Location of SEEP area within Roseby Project tenements