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Dear Sir/Madam,

### UNIVERSAL COMMENCES NEW DRILLING PROGRAM

Uranium and high grade copper-gold mineralisation are to be targeted in a new drilling campaign commencing within a few days' time in the Company's priority uranium and copper-gold project areas.

Both areas are within the highly prospective Proterozoic Mt Isa Inlier and within 75 km of Mt Isa and Cloncurry.

### HIGHLIGHTS

#### Mary Kathleen Project Area (MKPA) – Uranium

This area has extraordinarily good potential to host hydrothermal uranium–rare earth mineralisation similar to that mined from the former Mary Kathleen mine, located immediately adjacent to the MKPA tenements.

- A total of 1000 metres of drilling has been planned to test three anomalous areas, with peak assays from rock grab samples results as follows:

**Three Brunettes: 6.43% uranium, 1.91% cerium, 3.08% lanthanum, 0.28% yttrium**

**Mt Harold: 5.30% uranium, 3.04% cerium, 2.07% lanthanum, 0.78% yttrium**

**Mt Harold South: 4.32% uranium, 1.42% cerium, 2.33% lanthanum, 0.50% yttrium**

Each area has highly encouraging surface targets comprising gamma-ray scintillometer anomalies supported by uranium soil anomalies and assays from rock grab-samples.

#### Nil Desperandum – Copper-Gold

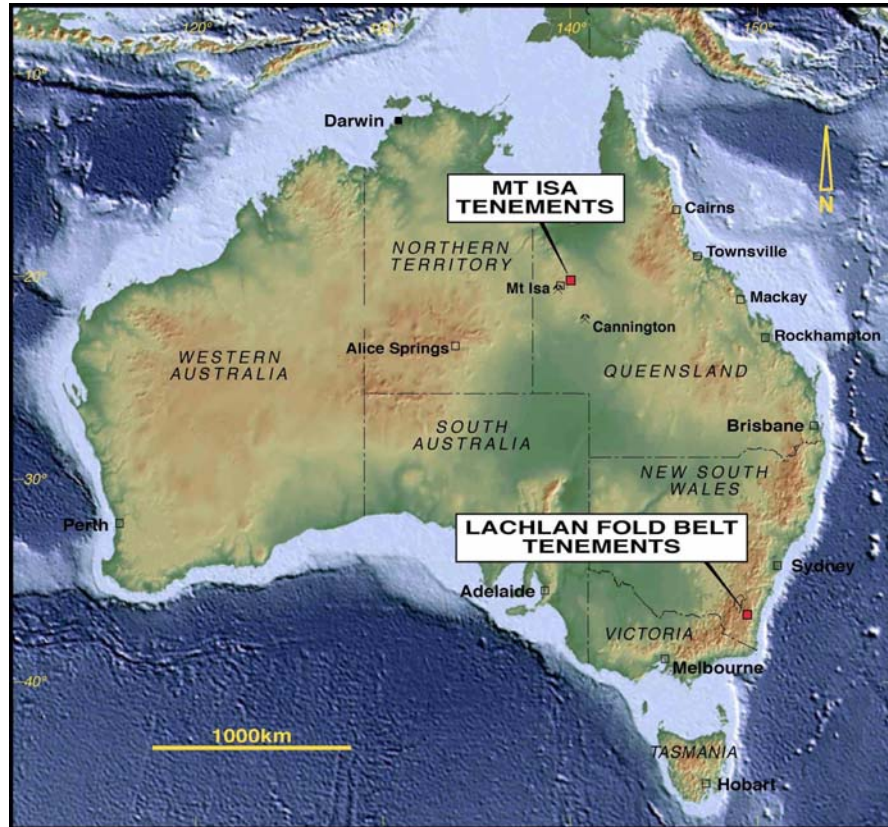
A 9 hole, 1100 metre RC and diamond drilling programme will further test the potential for this prospect to host moderate tonnages of high-grade copper-gold mineralisation.

Previously announced results included some encouraging high-grade drill intersections, viz:

- **ND010: 20 metres at 2.40% copper, 0.27 g/t gold from 111 metres**  
*Incl. 6 metres at 5.26% copper, 0.77 g/t gold from 111 metres*
- **NDR017: 19 metres at 2.32% copper, 0.56 g/t gold from 112 metres**  
*Incl. 10 metres at 3.53% copper, 0.86 g/t gold from 113 metres*
- **NDR021: 6 metres at 5.22% copper, 0.84 g/t gold from 21 metres**
- **ND012: 5 metres at 4.29% copper, 0.63 g/t gold from 113 metres**
- **ND013: 11 metres at 2.11% copper, 0.27 g/t gold from 155 metres**
- **ND005: 3 metres at 3.32% copper, 1.41 g/t gold from 29 metres**

## DETAILED REPORT

The location and geological setting of Universal's wholly owned tenements constituting the Mt Isa Regional and Roseby Projects are shown in Figures 1, 2 and 3. These tenements secure a total area of approximately 2,790 square kilometres of ground within an approximately 75 kilometre radius of Mt Isa or Cloncurry, both of which are in the Proterozoic Mt Isa Inlier mineral province in North West Queensland.



*FIGURE 1. Universal Project Locations*

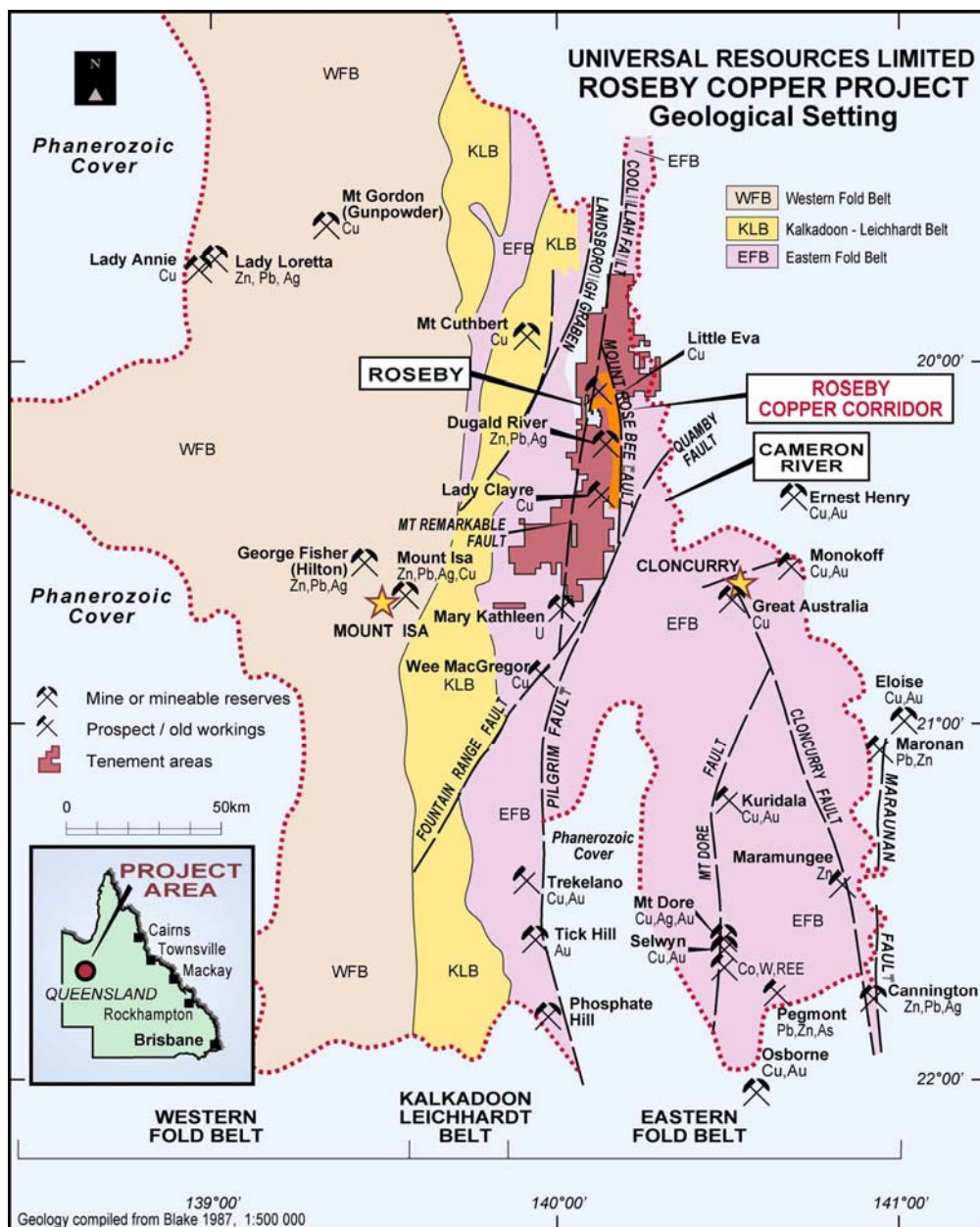


FIGURE 2. Mt Isa Geological Setting

The Mt Isa Inlier is host to a variety of major metal deposits including copper, copper-gold, zinc, silver and a plethora of uranium occurrences with significant examples known at Mary Kathleen, Valhalla and Skal. Many of the known deposits lie upon major northerly-trending faults (Figure 2).

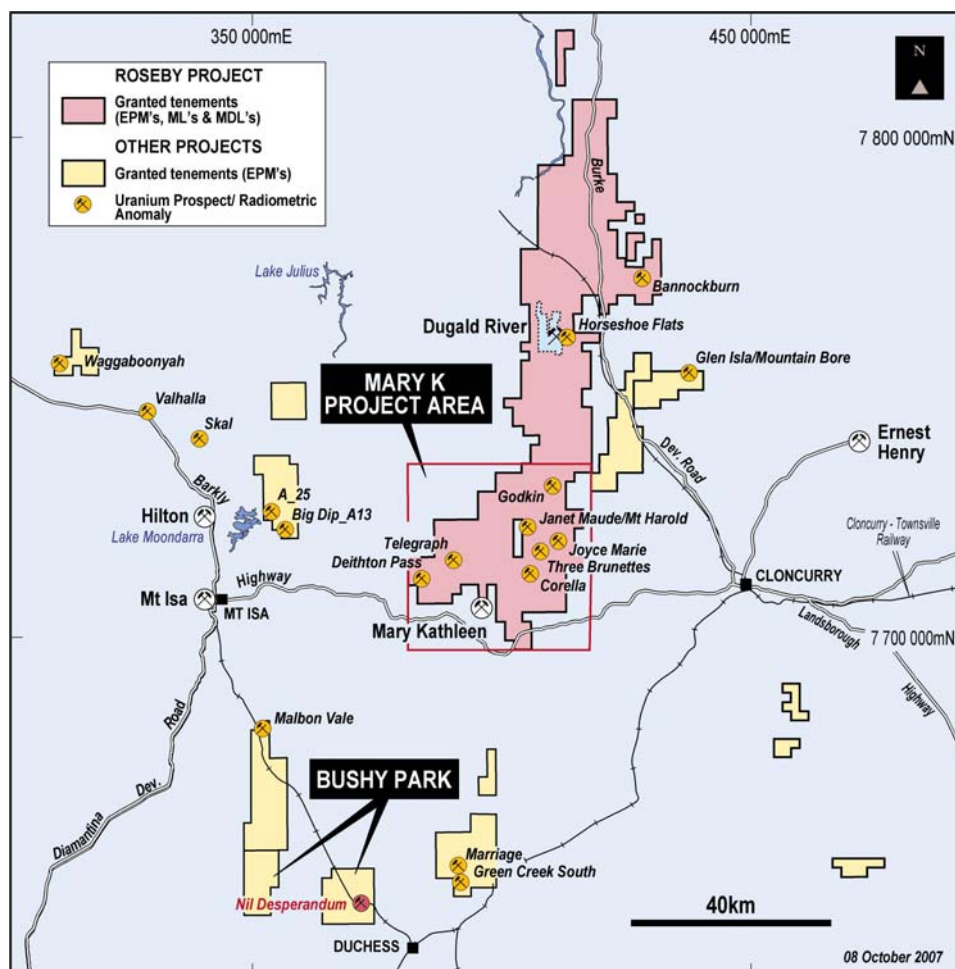
Many of Universal’s uranium prospects lie in the highly prospective Mary Kathleen Project Area (MKPA) which has several uranium anomalies that have undergone very limited previous exploration and relatively minor drill testing.

The MKPA falls within the Roseby Copper Project (RCP) tenements. Under the terms of a joint venture agreement between Universal and Xstrata Copper Limited, Xstrata Copper has the right to earn into or purchase 51% interest in the RCP on fulfilment of certain conditions.

At Nil Desperandum good grades and thicknesses of copper-gold mineralisation were encountered in recent drilling. The follow-up program is designed to identify extensions to thicker, high grade mineralisation and to test for new zones of similar mineralisation along strike from previous intersections.

## Planned Drilling

The uranium and copper-gold drilling project locations are shown on Figure 3.



**FIGURE 3. Drilling Project Areas**

### ***Drilling Summary***

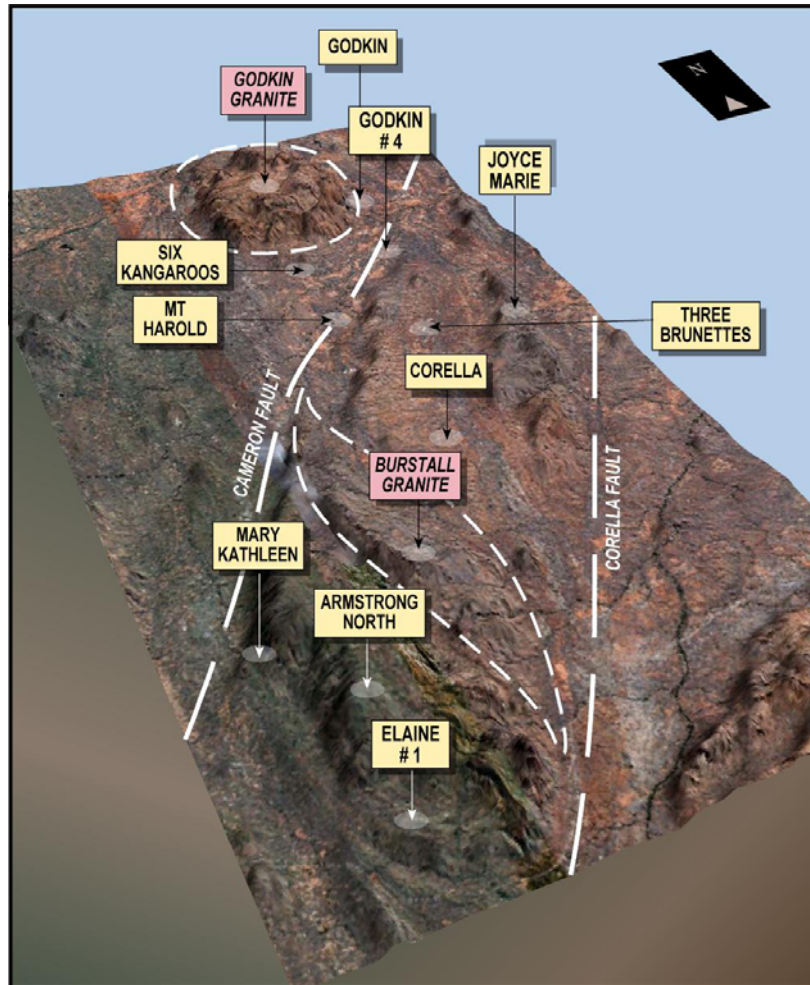
Drilling in the MKPA will be focussed at the Three Brunettes, Mt Harold and Mt Harold South radiometric anomalies and will comprise 15-18 RC drillholes for approximately 1000 metres of drilling, depending upon drilling results.

A 9 hole, 1100 metre RC / Diamond Drill programme has been planned for the Nil Desperandum copper-gold prospect, located in Bushy Park EPM 14366.

### ***MKPA Uranium Drilling***

This project area is the subject of a staged exploration campaign designed to locate an economic uranium, or base and precious metal deposit, through ongoing intensive exploration. Good potential for both styles of mineralisation exists in the MKPA.

Uranium exploration to-date has included geological mapping, ground gamma ray scintillometer surveys, rock grab sampling and soil sampling over several prospects. Strong northeast and northerly structural features are associated with mineralisation (Figure 4).

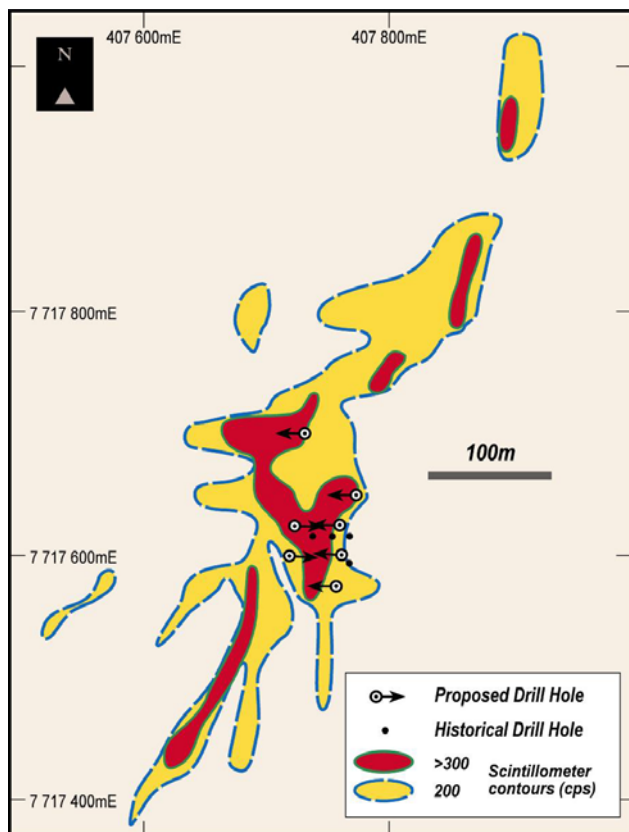


**FIGURE 4. MKPA Uranium Prospects and Structures**

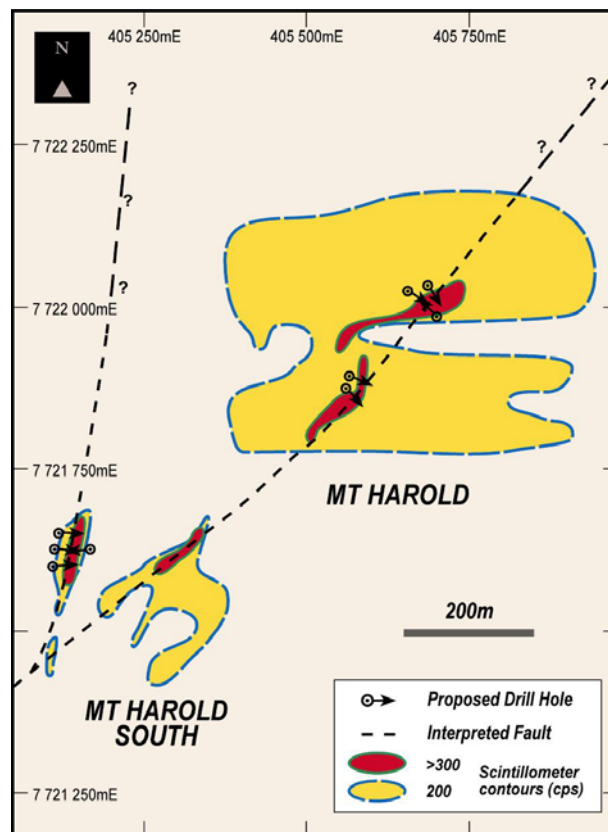
Three prospects, the Three Brunettes, Mt Harold and Mt Harold South, have been selected for drill testing. For this programme, drilling has been constrained to shallow depths to try to establish the nature, geometry, and controls of mineralisation to provide guidance for deeper, follow-up drilling.

Drilling will commence at the Three Brunettes prospect, where surface scintillometer surveys have defined a north-northeast trending radiometric anomaly, defined by the 200 counts per second (cps) contour, over a strike length of 700 metres hosted within highly altered calc silicate rocks (Figure 5). Mineralisation appears to be localised within a steeply plunging anticlinal fold closure. Past exploration appears to be limited to a few costeans and drill holes. However, no reports of this drilling have been located.

Mt Harold and Mt Harold South lie along a major northeast trending fault structure and form a series of radiometric anomalies over a strike length of almost one kilometre (Figure 6). At Mt Harold, two discrete anomalies have been defined along the northeast structure, however it is likely that transported cover is masking the full extent of the anomaly. Historical exploration at Mt Harold has included costeaning and limited drilling which reportedly failed to test target mineralisation due to equipment limitations.



**FIGURE 5. Proposed Drilling Three Brunettes Prospect**



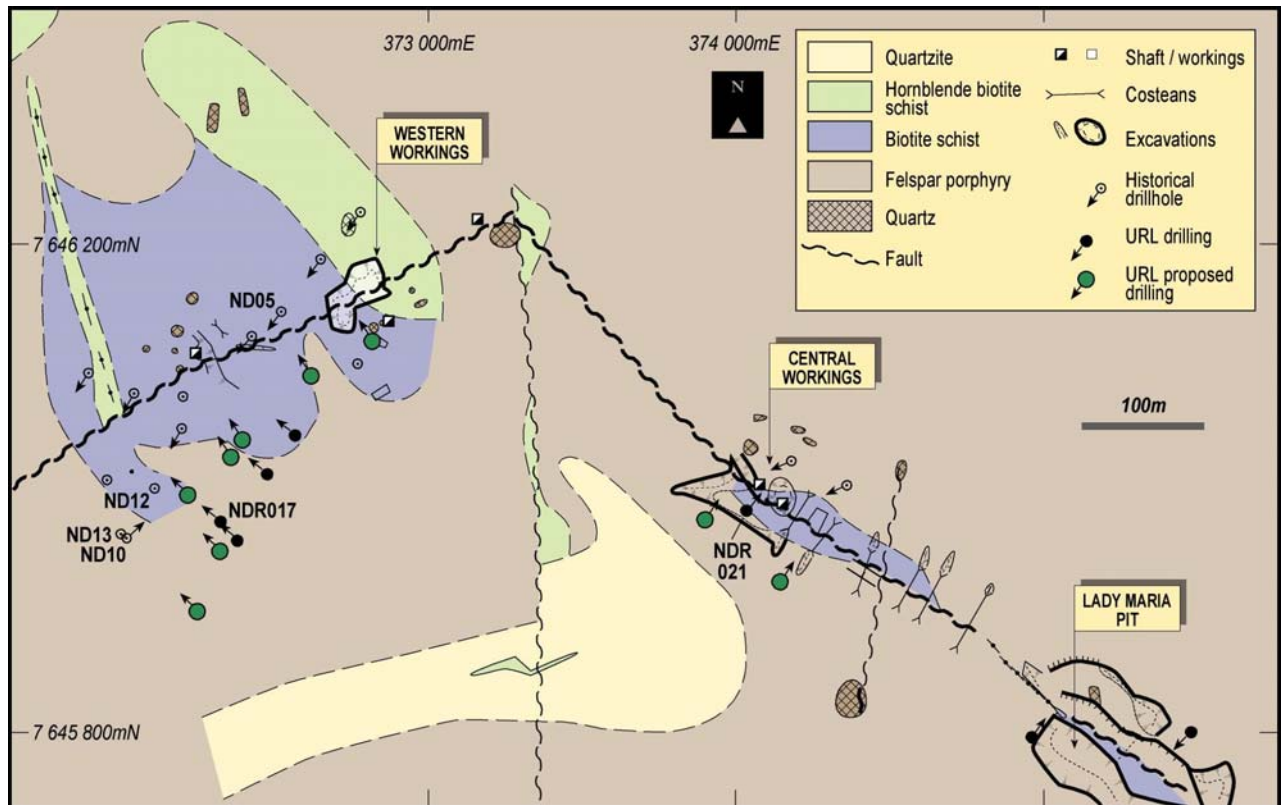
**FIGURE 6. Proposed Drilling Mt Harold Prospects**

Mt Harold South is a new anomaly. It is interpreted to be located on a north-trending splay fault from the main northeast structure. The radiometric anomaly is present over a strike length of 100 metres, before passing under cover to the north. Soil sampling has defined a weak uranium-in-soil anomaly over a strike length of 300 metres, supporting and extending the radiometric anomaly. There is no evidence of previous exploration of this anomaly.

### ***Nil Desperandum Copper-Gold Drilling***

Previous drill intersections in holes ND10, 12, 13 and NDR017 in the Nil Desperandum structure and in NDR021 beneath the central workings of the Lady Maria workings (Figure 7), indicate the presence of pitching shoots or pipe-like deposits, averaging approximately 10 metres in thickness, within an envelope of low grade mineralisation up to 40m thick.

Drilling is designed to test for continuity along strike and at depth of the high-grade mineralisation and to test for zones of blind mineralisation at shallow depths along strike.



**FIGURE 7. Proposed Drilling Nil Desperandum**

**Summary**

Drilling is expected to commence in approximately four day’s time. Fully certified assay results from these programmes will be announced as soon as they become available.

**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.*