

ROSEBY DFS DELIVERS SUBSTANTIAL VALUE INCREASE

Universal Resources Limited (ASX:URL, "Universal") is pleased to announce the results of the Definitive Feasibility Study ("Study") for the Company's Roseby Copper Project, located near Mt Isa, Queensland.

The results for the base-case model show a marked increase in the Net Present Value ("NPV") for the project relative to the preliminary results released late last year;

- Project NPV is now assessed as **\$282 million**, an increase of \$96 million from the preliminary study
- Life of Mine operating cashflow is now **\$970 million**, up \$477 million
- The Internal Rate of Return is **32%**, up 8%.

Universal's Executive Chairman, Mr Peter Ingram, said that the increase in project value was an impressive result for Universal.

"We are very pleased with the final study outcomes. Following this substantial uplift in the expected value of the project, we are well placed to begin final financing discussions. The study has shown that Roseby stacks up financially and technically as a project that will deliver robust returns to Universal, and future finance partners."

The estimated \$282 million NPV of the project once complete, equivalent to \$0.82 per share, far exceeds the current Universal Market Capitalisation of around \$25 million and share price of \$0.073 per share.

"Higher future copper price market expectations have played an important role in delivering the value increase. We have also had some success in reducing the expected power consumption at the project, with a direct impact on the operating surplus," continued Mr Ingram.

Estimated capital costs, including mining pre-strips, have increased by 10% to \$195.5M principally related to an increase in estimated costs of civil and earthworks for the project. Mine life post commissioning and utilising Ore Reserves only is 12.45 years. Other results from the final study are in line with the preliminary results.

A substantial amount of test-work has been undertaken for the study. This, combined with the fact that the process technology and mining methods chosen for the project are widely used and well proven, indicates there is a low risk of technical failure.

Planned production from Roseby will exceed 255,000t of copper from an area of low sovereign risk. This will enable Universal to take advantage of the dramatically improved demand for copper and the resulting strong price environment.

Universal will now circulate the completed report to a number of potential finance partners that have expressed interest in funding the project. Successful financing could allow site works to commence in the second half of 2008, targeting first production in the second half of 2009.

"We believe there is considerable scope to further enhance the value of the project through on-going optimisation programs. In particular, there is a lot of upside still to be realised

through the definition of further reserves, future throughput increases and other process improvements. The CITIC mill we have proposed to acquire is expected to have a significantly higher throughput capacity than the 4Mtpa modelled in the study,” said Mr Ingram.

The study base-case model utilises forward curves, a market derived mechanism, to determine future copper and gold prices, as well as exchange rates. These curves are often used in pricing hedging instruments for both the metals and the currency. Mining costs used are as per independent contractor pricing. Operating costs have been estimated by Como Engineers and include a 15% contingency factor. All outcomes are based on a throughput of 4 million tonnes per annum of processed ore for the life of mine, that is, without expansion to 8Mtpa.

A financial assessment of the proposed increase in throughput to 8Mtpa, by early 2012, has not been included here as the operating and capital cost estimates are not at definitive study level. However, a scoping level study has indicated capital costs of around \$100 million would be required to implement the expansion, which should result in a marginal lowering of unit operating costs.

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