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Manager of Company Announcements
ASX Limited
Level 6, 20 Bridge Street
Sydney NSW 2000

By E-Lodgement

Uranio Limited to acquire the Imaloto Coal Project in Madagascar

Uranio Limited obtains \$3.17m additional Cash Injection

Uranio Limited ("Uranio", "the Company") announces that it has reached agreement with Coal of Africa Limited ("CoAL") and Oak Nominees Limited ("Oak Nominees") (together the "Vendors") to acquire 100% of Coal of Madagascar (Guernsey) Limited ("COM"). The consideration payable is 50 million ordinary shares in Uranio with an additional 60 million Performance Shares that are convertible into Ordinary Shares in Uranio pending exploration outcomes.

COM owns 99% of Coal Mining Madagascar SARL ("CMM"), a Madagascan registered company that holds exploration licences over the Imaloto coal field in the Sakoa Basin of Madagascar. COM also holds an associated US\$1.39m (approximately A\$2.18m) in cash. A comprehensive drill program at Imaloto has been planned and drilling is expected to commence in early 2009. The agreement is subject to final completion of due diligence by Uranio.

Uranio's major shareholder is supporting the transaction by increasing its effective stake in the Company. Subject to the completion of the acquisition of COM, Manhattan Resources Pty Ltd ("Manhattan"), a company in which Mr Alan Eggers retains a substantial shareholding, has agreed to take a placement of 14,069,800 shares at \$0.07 each to raise close to an additional \$1m in cash. Mr Eggers, Minvest (a resource investment fund managed by Mr Eggers) and Manhattan will control a combined 19.99% stake in Uranio upon completion of the acquisition and the placement.

Upon completion, the Board of Uranio will be re-structured. Representatives of CoAL, Oak Nominees and Manhattan will join the Board and one current director will resign.

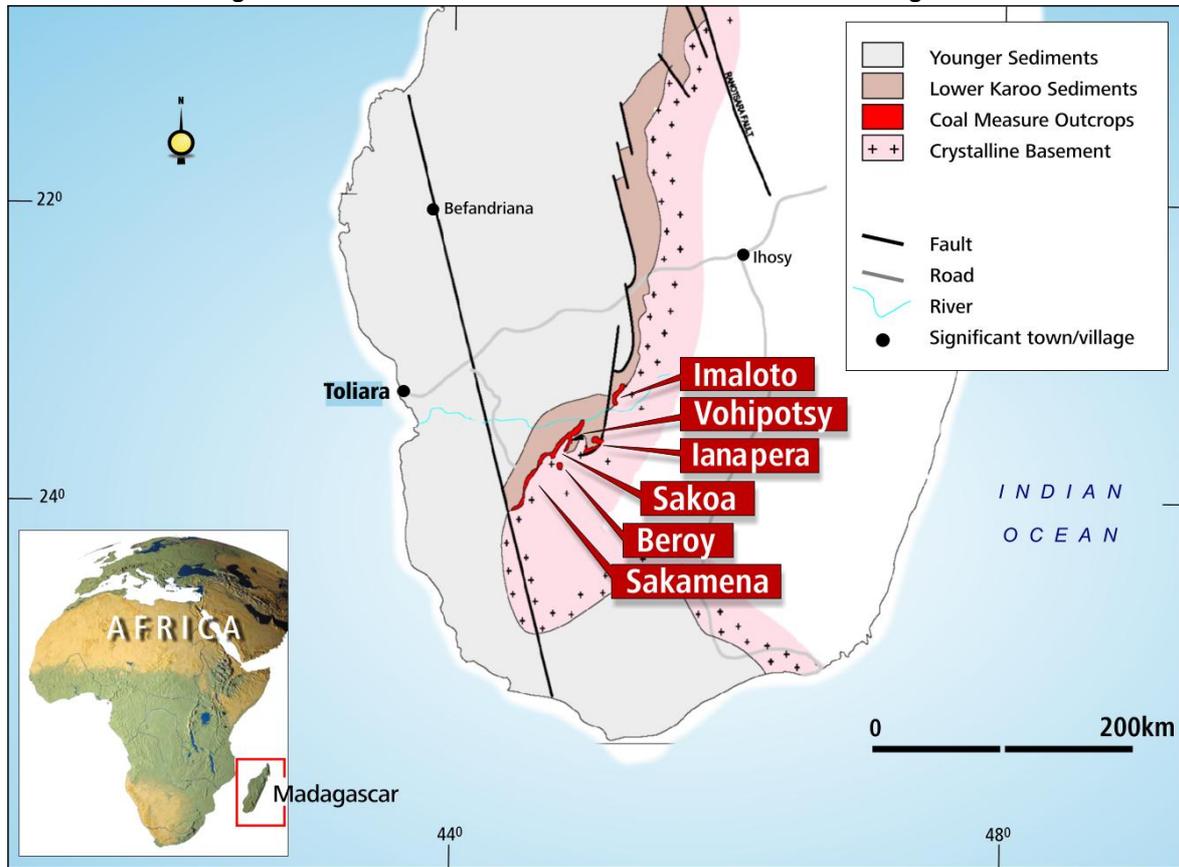
Both the acquisition of COM and the share placement with Manhattan are conditional upon shareholder approval. A Notice of Meeting and an accompanying Independent Expert's Report will be circulated to shareholders in the near future. It is envisaged that upon successful completion, Uranio will be transformed into an energy minerals exploration company with active uranium and coal projects. It is intended that Uranio will then seek to change its name to more accurately reflect its business activities.

The Sakoa Coal Basin and Recent Transactions

The acquisition of COM will deliver to Uranio a number of prospective mineral exploration licences (ELs) in Madagascar. The primary assets of COM are US\$1.39m in cash and (via its holding in CMM) the ELs covering the Imaloto coal deposit in the Sakoa Basin, which have been accumulated by CMM over the past year. Imaloto

is the northernmost of the six known coal deposits in the Sakoa Basin (see Figure 1), one of the most prospective remaining undeveloped high quality coal regions in the world.

Figure 1: Coal Fields within the Sakoa Basin of Southern Madagascar



The Sakoa coal deposits were first discovered in 1908 and some mining took place at the main Sakoa coal field during World War Two. As a result, the Sakoa field is the most explored and well understood of the coal fields in the Sakoa Basin. It has been found to contain a number of thick coal seams (up to 6m), a number of which are export quality thermal coal. The French Bureau of Research Geology and Mines has estimated that the entire Sakoa Basin could contain up to two billion tonnes (Bt) of thermal coal. Coal exploration in the Sakoa Basin is being conducted by a number of companies, including Straits Resources Ltd (“Straits”) and Asia Thai Mining Company Ltd (“ATM”).

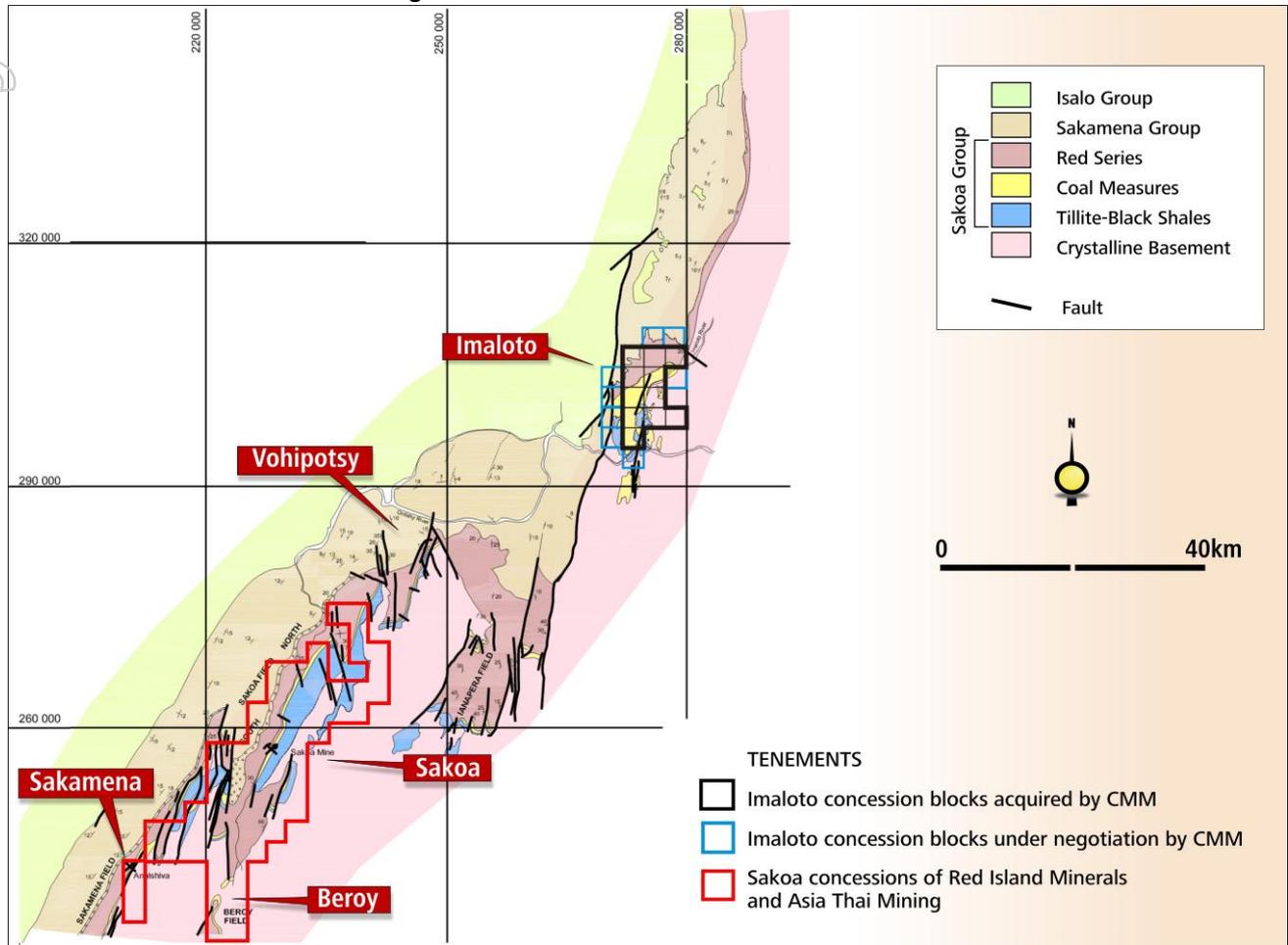
Large transactions involving ELs in the Sakoa Basin coal fields have occurred or were proposed in 2008, reflecting the significant potential of the region in terms of both the volume and quality of the coal resource:

- In January, Straits Resources paid US\$45m to Red Island Minerals (RIM) for 33.5% (100% equivalent: US\$134m) of RIM’s interests in the Sakoa coal field and an option over the remaining 66.5%
- In August, Straits announced they would sell this 33.5% interest and option to Straits Asia Resources for US\$92.1m (based on an Independent Expert’s Report in its Information Memorandum), valuing the entire Sakoa interest now held by Straits and RIM at US\$275m, however this transaction has now been postponed in the face of turbulent market conditions.
- In June, ATM, a private coal mining company based in Thailand, purchased the Madagascan exploration interests of Canada’s Pan African Mining Corp, including their ELs over some of the coal fields in the Sakoa Basin, for US\$159m.

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The major coal EL holdings of both Straits/RIM and ATM are shown in the map of the coal deposits of the Sakoa Basin in Figure 2.

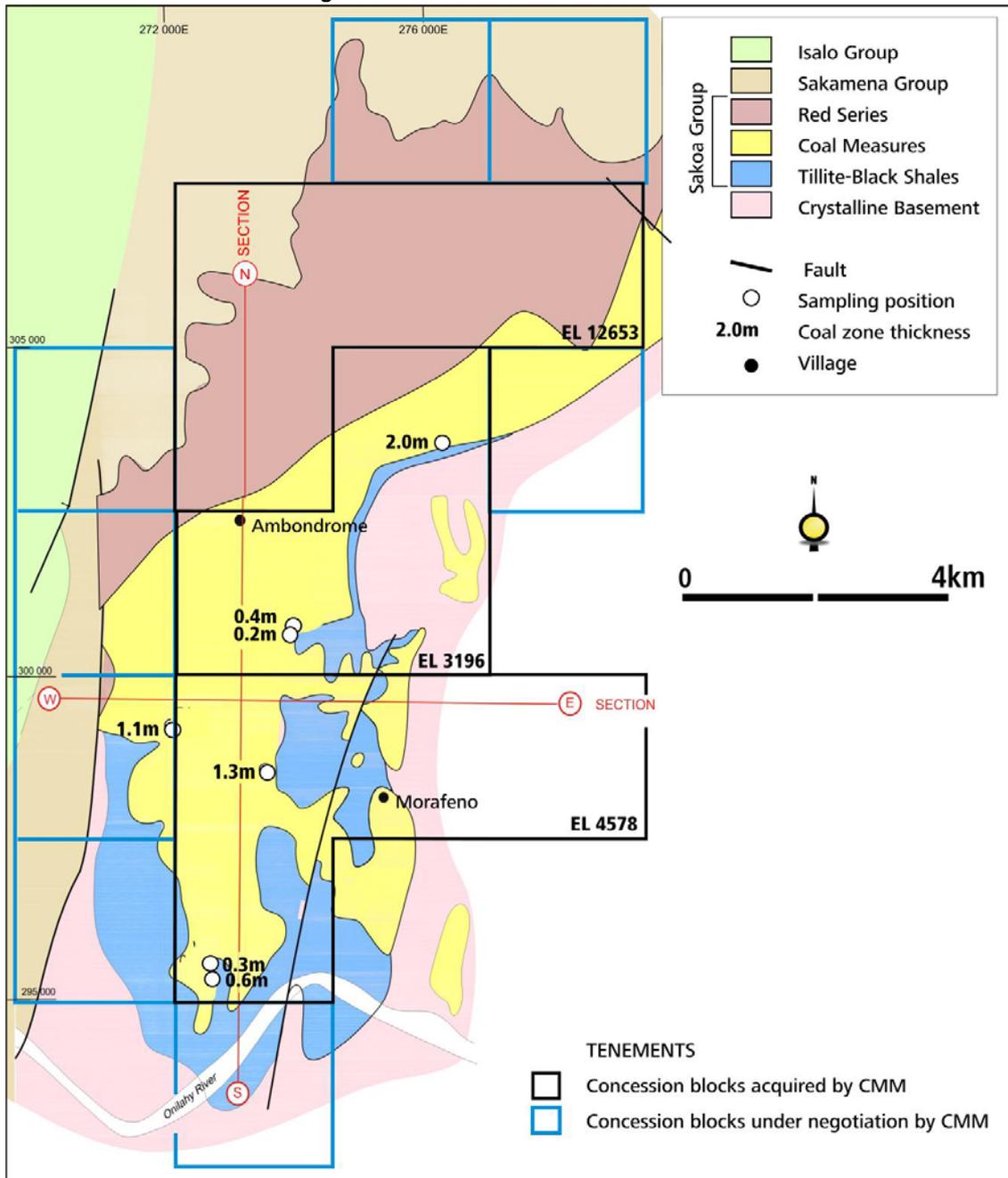
Figure 2: Coal Concessions in the Sakoa Basin



The Imaloto Thermal Coal Project

CMM is the holder (or entitled to be the holder) of five ELs consisting of 25 mineral exploration concession blocks covering 156km² in the Sakoa region. CMM is also in advanced negotiations to obtain a number of additional concessions. The Imaloto project concessions are the 11 blocks covering the majority of the known extent of the Imaloto coal field, as shown in Figures 2 and 3. The concession blocks acquired by CMM cover 40km² of the main Imaloto field and an additional 20km² of a possible northern extension. It is intended that this landholding at Imaloto will be increased pending further negotiations by CMM with local vendors.

Figure 3: Imaloto Coal Concession Blocks



The Imaloto coal field has been significantly under-explored. In a 1984 report, BP Coal noted that the Imaloto area could be prospective for open-pit coal mining because of known coal outcrops and the fact that the regional coal bearing formation was shallower and more gently dipping at Imaloto than in the southern Sakoa Basin. In 1985 an exploration team trenched and sampled some of the coal outcrops at the edges of the Imaloto basin as part of a joint BP Coal/OMNIS exploration program. Although the coal was found to be weathered (as expected in outcrops), the reported coal zone thicknesses of up to 2m suggest that there may be potential for economic coal recovery through open-pit mining. The purpose of the initial drill program in early 2009 is to determine the coal seam thickness and quality throughout the basin.

The locations of the coal outcrops tested as part of the coal sampling program are shown in Figure 3, along with the reported coal zone thicknesses and the location of Imaloto concession blocks being acquired.

Detail of the Transactions

Acquisition of COM

CoAL and Oak Nominees are the joint shareholders of Coal of Madagascar (Guernsey) Limited (COM). COM holds 99% of Coal Mining Madagascar SARL (CMM), a Madagascan registered entity that holds (or is entitled to hold) the title to the exploration licenses of interest in Madagascar. The remaining 1% of CMM is held by a Madagascan national as required by law. COM also holds cash accounts totalling US\$1.39m (A\$2.18m at latest AUD:USD exchange rate of 0.637) that will form part of the assets being acquired by Uranio.

CoAL is a coal and metals development and mining company headquartered in Perth, Australia and focused on coal mine development and operation in South Africa. CoAL is listed on the Australian Securities Exchange (ASX), the Johannesburg Stock Exchange (JSE) and London's Alternative Investment Market (AIM).

Oak Nominees is a Guernsey registered trust representing the interests of the original project vendors.

The consideration comprises:

- 50 million ordinary shares;
- 8m Class A Performance shares which are convertible into 8m ordinary shares if an indicated economic resource of 60Mt is reached, or if the assets are sold for over US\$10m, within 2 years;
- 8m Class B Performance shares which are convertible into 8m ordinary shares if an indicated economic resource of 70Mt is reached, or if the assets are sold for over US\$10m, within 2 years;
- 8m Class C Performance shares which are convertible into 8m ordinary shares if an indicated economic resource of 80Mt is reached, or if the assets are sold for over US\$10m, within 2 years;
- 8m Class D Performance shares which are convertible into 8m ordinary shares if an indicated economic resource of 90Mt is reached, or if the assets are sold for over US\$10m, within 2 years;
- 8m Class E Performance shares which are convertible into 8m ordinary shares if an indicated economic resource of 100Mt is reached, or if the assets are sold for over US\$10m, within 2 years;
- 10m Class F Performance shares which are convertible into 10m ordinary shares if an indicated economic resource of 125Mt is reached, within 2 years; and
- 10m Class G Performance shares which are convertible into 10m ordinary shares if an indicated economic resource of 150Mt is reached, within 2 years.

The acquisition is conditional upon:

- Uranio completing due diligence investigations and enquiries to its satisfaction;
- COM completing due diligence investigations and enquiries to its satisfaction;
- Uranio shareholders passing all resolutions as are required under the ASX Listing Rules and the Corporations Act, including, but not limited to, Listing Rules 7.1 and section 611 Item 7 of the Corporations Act;
- the independent expert appointed to prepare an independent expert's report for inclusion in the information being provided to Uranio shareholders containing a conclusion other than the consideration being provided to the Vendors by Uranio being unfair and unreasonable;
- each of the Vendors waiving all restrictions on the transfer of the COM Shares (including rights of pre-emption) that exist under any agreement including, without limitation, the articles or constitution of COM;
- COM and CMM not issuing any further shares, options or any other right to subscribe for shares in COM and CMM;

- COM entering into a drilling services contract with Coal of Africa Limited (or its subsidiary) for the provision of a staged diamond drilling program of up to 6,000 metres for a total cost not to exceed US\$1,000,000, and otherwise on terms and conditions acceptable to the Purchaser; and
- any other approvals which may be required under the laws of Madagascar.

Share Placement

Manhattan, a private investment fund managed by Mr Alan Eggers, has agreed to take a placement of 14,069,800 Shares at \$0.07 per Uranio Share to raise \$984,886 for additional working capital purposes.

The placement with Manhattan is conditional upon completion of the COM acquisition and subject to the Board restructure and the appointment of Mr Sam Middlemas as Company Secretary.

Proposed New Capital Structure

The top five shareholders and total number of shares on issue before and after completion of the proposed transactions are compared (on an undiluted basis) in the table below.

| Current Top 5 Shareholders | | | Post Transaction with Placement | | |
|----------------------------|-------------------|---------------|---------------------------------|--------------------|---------------|
| | Shares | % | | Shares | % |
| Minvest Securities | 6,500,000 | 16.5% | Coal of Africa Ltd | 40,000,000 | 38.7% |
| Deep Yellow Ltd | 3,849,379 | 9.8% | Manhattan Resources | 14,069,800 | 13.6% |
| Grange Consulting | 2,500,000 | 6.4% | Oak Nominees Ltd | 10,000,000 | 9.7% |
| Thomas Allright | 2,000,000 | 5.1% | Minvest Securities | 6,500,000 | 6.3% |
| Custodial Services Ltd | 1,800,000 | 4.6% | Deep Yellow Ltd | 3,849,379 | 3.7% |
| Others | 22,630,000 | 57.6% | Others | 28,930,000 | 28.0% |
| TOTAL | 39,279,379 | 100.0% | TOTAL | 103,349,179 | 100.0% |

Summary and Deal Rationale

- Imaloto is a highly **prospective thermal coal project** with an advanced exploration plan including **equipment and experienced personnel in place**. Drilling is scheduled to commence in early 2009. The drilling contractor and drill rigs will be supplied on commercial terms by a company associated with CoAL. A staged exploration program is planned.
- The acquisition of COM and the placement **add approximately \$3.17m to Uranio's net cash position** in a difficult financial environment
- In both CoAL and Manhattan, Uranio will be adding significant and supportive long-term investors to its shareholder register
- Madagascar has become a high-profile region for both coal and uranium exploration. Uranio will gain access to additional opportunities in the coal sector and in the country of Madagascar through its association with CoAL and Oak Nominees
- Uranio is diversifying its specific commodity risk while still focusing on upstream energy minerals to meet the inevitable growth in global energy requirements

For and on behalf of the board,



Dr Robert Wrixon
Managing Director
Uranio Limited

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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Professor Richard Viljoen, who is a Member of the South African Council of Natural Science Professions (SACNASP) 400036/98.

Professor Viljoen is an independent geological and technical consultant with 36 years experience in the Southern African region.

Professor Viljoen has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Professor Viljoen consents to the inclusion of the information in this report in the form and context in which it appears.