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4 March 2008

NAMIBIAN EXPLORATION AND DRILLING UPDATE

Deep Yellow Ltd (DYL) wishes to report preliminary results from its ongoing exploration and drilling activities being undertaken in Namibia by its wholly owned subsidiary Reptile Uranium Namibia (Pty) LTD (Reptile).

HIGHLIGHTS: -

- **Latest diamond drillhole on the Tubas uraniferous magnetite intersects 229 ppm eU₃O₈* over 115 m from 14 m**
- **RC drilling on Tumas confirms widespread uranium mineralisation outside known Falconbridge delineated areas. Best intersection to date is 571 ppm eU₃O₈* over 8.7 m from surface**
- **Diamond drilling to +400 m commenced on Tubas North alaskites**
- **RC drilling on Tubas North continues to intersect wide alaskite hosted low-grade uranium mineralisation**
- **Airborne electromagnetic survey due to begin this week**
- **RC drilling to commence on Aussinanis and Ripnes this week**

On a project by project basis: -

Tubas EPL 3496

One vertical diamond drillhole completed to 140 m intersected **229 ppm eU₃O₈* over 115 m** from 14 m in variably altered quartz-magnetite-calcisilicate host rocks. The core will be detail logged, split (by diamond saw cutting) and half-core analysed for uranium and iron content as well as other base metal elements that may be associated with the variable pyrite content.

The RC drilling rig assigned to the alaskite programme has had mechanical problems which have caused delays to the programme. Notwithstanding these problems a number of wide alaskite intersections have been made containing low-grade uranium mineralisation.

Diamond drilling on the alaskites has commenced and the first angled hole with a planned final depth of around 420 m (rig's maximum capacity) is at 134 m. Alaskite with both visual and handheld scintillometer detected uranium mineralisation is the dominant rock type intersected so far in the hole.

Tumas EPL 3497

RC drilling with two rigs is underway on the old Falconbridge Tumas project. Drilling is currently within the modern drainage, to the west and north of the known mineralisation as shown in Figure 1 below. To date 405 vertical holes have been completed on a 50 by 50 m grid pattern for 4,919 m. The data gathered will be used to compile a JORC Code resource. The western boundary of the Falconbridge drill defined mineralised area has now been reached.

All the drillholes are being radiometrically logged and samples collected from every metre with mineralised sections being submitted for XRF chemical analyses by an external accredited laboratory. Results from the first batch of 865 samples is due within a fortnight. These results will be compared to the eU_3O_8 values obtained from the radiometric logging and will ultimately allow for chemical disequilibrium factors to be determined and enable DYL to announce ongoing data from the logging without waiting for the chemical assays. They will also serve to verify Reptile's in-house generated XRF analytical data.

In the interim it is evident that the area drilled to date contains consistent widespread secondary uranium mineralisation within calcrete with regular close to surface intersections of **+ 200 ppm $eU_3O_8^*$ over 2 to 7 m**. Best hole to date is B2.70-2.2 (co-ords) 515200 E 7451300 S, which contains **571 ppm $eU_3O_8^*$ over 8.7 m** from surface

** Where eU_3O_8 is reported it relates to values attained from radiometrically logging boreholes with Auslog equipment using an A675 – slimline gamma ray tool. The probe has been calibrated at the Pelindaba Calibration facility in South Africa with calibration certification provided by Geotron Systems (Pty) Ltd a geophysical consultancy based in South Africa. All eU_3O_8 results reported are affected by issues pertaining to possible disequilibrium and uranium mobility which should be taken into account when interpreting them pending confirmatory chemical analyses.*



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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 Dr Leon Pretorius a Fellow of The Australasian Institute of Mining and Metallurgy. Dr Pretorius 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'. Dr Pretorius consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

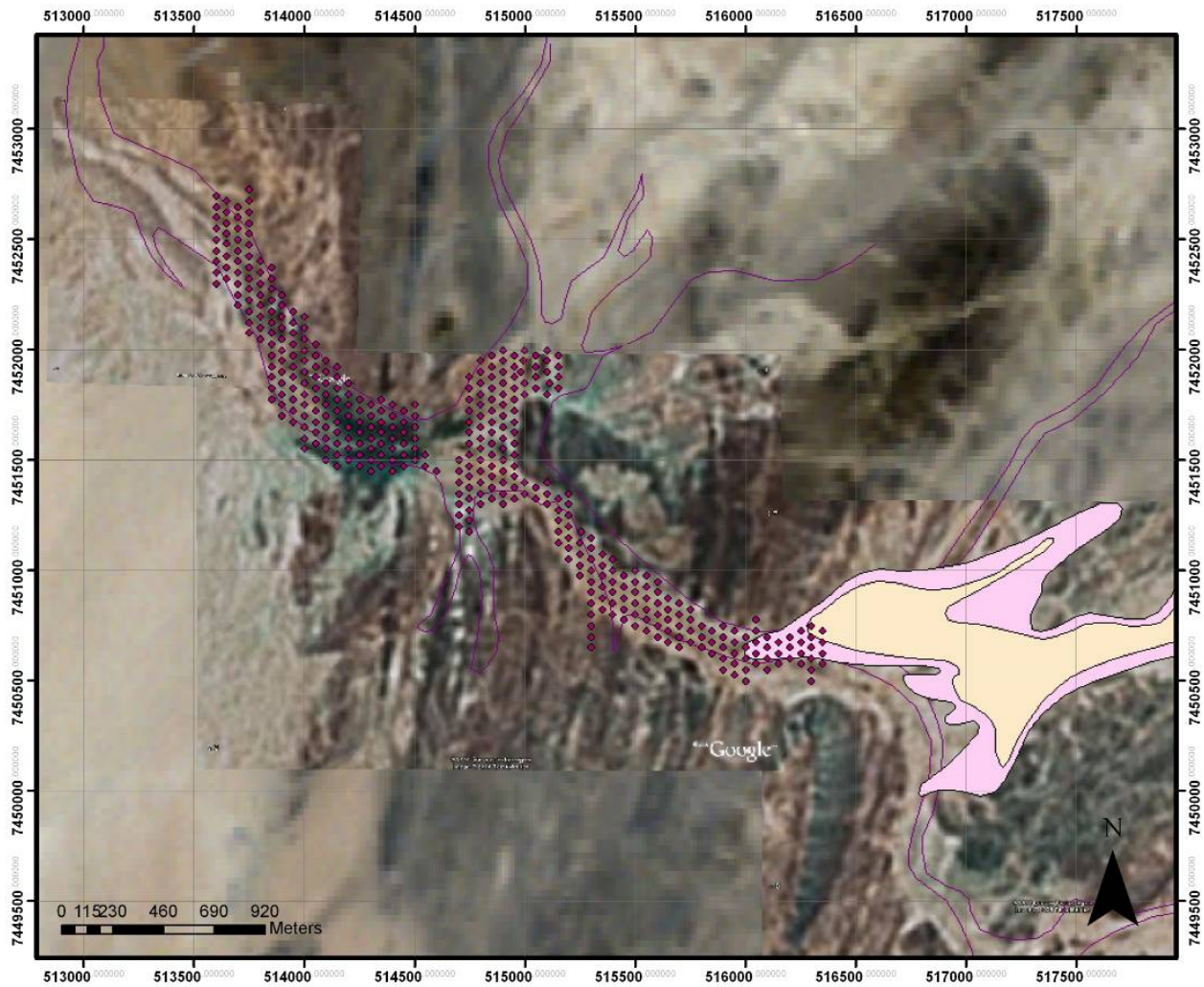


Figure 1: Position of drilled holes to the west and north of Falconbridge's known Tumas mineralised area (in lilac and cream) overlain on a satellite image of the modern Tumas drainage.

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