



DEEP YELLOW LIMITED

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PLACEMENT OF A\$15.8 MILLION ENTITLEMENT SHORTFALL TO PALADIN RESOURCES LIMITED

BOARD STRENGTHENED AND COMMITMENT TO SIGNIFICANTLY EXPANDED EXPLORATION SPEND ON URANIUM PROJECTS IN NAMIBIA AND AUSTRALIA

Deep Yellow Limited (DYL) is a leading uranium exploration company with major uranium assets showing a strong potential for resource development.

The Directors are pleased to report on the following significant developments.

Placement of Shortfall

The Directors have resolved to place the shortfall from the recently closed Non Renounceable Entitlement Issue which equated to 27% of the issue or 31,673,949 shares.

The shortfall will be placed with Paladin Resources Limited at 50 cents per share raising an additional A\$15,836,975.

This additional fund raising provides DYL with cash reserves and liquid assets of approximately \$70 million to fund its ambitious exploration programmes in Namibia and Australia.

\$15,000,000 Exploration Budget Approved

At a Board Meeting held in Perth, Australia on 7th July 2007, the Directors approved exploration budgets totaling A\$15m for the 2007/ 2008 financial year.

Board Strengthened

The above very significant increase in exploration expenditure in both Namibia and Australia has resulted in an increase in the work load and responsibilities undertaken by the Company's Executive Directors.

The following Board changes have been made to reflect the rapid growth in the Company and to allow the Executive Directors to accelerate the exploration and development of the Company's projects.

Leon Pretorius has relinquished the role of Executive Chairman to assume the position of Managing Director. He and Executive Director Martin Kavanagh will now be able to focus on the management of the significant increase in exploration expenditure.

Non-Executive Director, Mervyn Greene, will assume the role of Non-Executive Chairman.

In addition the Board has appointed Tony Mc Donald and Rudolf Brunovs to join the Board as Independent Non-Executive Directors.

Tony is a lawyer and has been in private practice in Queensland for over 20 years. In the last seven years he has focused on the natural resources industry in management and as a legal advisor. Until March 2007 he was an executive director and corporate secretary of Kings Minerals NL, an ASX listed company. He is also Non-Executive Director of ASX listed Planet Gas Limited.

Rudolf is a former audit partner of the International Chartered Accounting firm Ernst & Young and practised in a number of offices in Australia and overseas. For a total period of twelve years he held the position of Managing Partner of the Parramatta NSW and subsequently the Perth office of the firm. He was a member of the Minerals and Energy division within Ernst & Young.

The Board now comprises:

Non Executive Chairman	Mervyn Greene
Managing Director	Leon Pretorius
Executive Director	Martin Kavanagh
Non Executive Director	Gillian Swaby
Non Executive Director	Tony McDonald
Non Executive Director	Rudolf Brunovs

In tandem with the appointment of both Tony and Rudolf the Board can now announce the formation and composition of two new committees to aid in the corporate governance of the Company.

An Audit Committee has been formed, comprising Rudolf Brunovs as Chairman; together with Gillian Swaby and Tony McDonald. In addition a Remuneration Committee has been convened to be Chaired by Tony McDonald other members being Mervyn Greene, Gillian Swaby and Rudolf Brunovs.

An appropriately strengthened Board with a broad skill base focused on managing a substantially increased exploration budget provides Shareholders with an exciting future.

In the past twelve months Deep Yellow has given a high priority to accumulating quality projects. The Directors believe that the projects in Namibia and Australia now provide an excellent basis to develop the Company into a significant participant in the Uranium supply industry.



Dr Leon Pretorius
Managing Director
Deep Yellow Limited

Further Information:

Martin Kavanagh
Executive Director
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