

24 April 2012

DISCUSSIONS INITIATED WITH RAPTOR PARTNERS TO TERMINATE NAMIBIAN EARN-OUT RIGHTS

Advanced stage uranium explorer Deep Yellow Limited (“Deep Yellow” or the “Company”) announced today that it has initiated discussions with British Virgin Island’s incorporated Raptor Partners Limited (“RPL”) for the termination of earn-out rights incorporated in an October 2006 merger agreement between the Company and assets held by RPL (“2006 Agreement”).

The 2006 Agreement enabled Deep Yellow to obtain 100% ownership of the four Exclusive Prospecting Licences (“EPL’s”) in Namibia which contain all of the Company’s advanced stage projects, including the flagship Omahola Project and the Tubas TRS Project. The total current JORC compliant resource base in Namibia is 101.4 million pounds of U₃O₈.

As a part of the 2006 Agreement an earn-out payment was agreed with RPL which would be payable upon the completion of a bankable feasibility study and the making of a decision to mine on each and every uranium project within the EPL’s. The quantum of the earn-out is equal to 1.5% of the in-ground value of any identified mineral resource on the four EPL’s, payable in cash or shares or both. Whilst not presently due and payable the earn-out liability is emerging as a material issue in the advancement of the Company’s projects and thus Deep Yellow believes the time is appropriate to seek to settle the issue.

Shareholders will be kept informed on progress and it is envisaged that, should agreement be reached, an extraordinary general meeting will be held to seek shareholder approval.

Deep Yellow Managing Director Greg Cochran noted that should agreement be reached it would be a significant positive step for the Company as it would leave its Namibian projects free of any ongoing encumbrance.

Ends

About Deep Yellow Limited

Deep Yellow Limited is an ASX-listed, advanced stage uranium exploration company with extensive operations in the southern African nation of Namibia and in Australia. It also has a listing on the Namibian Stock Exchange.

Deep Yellow’s primary focus is in Namibia where its operations are conducted by its 100% owned subsidiary Reptile Uranium Namibia (Pty) Ltd (RUN). Its flagship is the Omahola Project currently under Pre-Feasibility Study with concurrent resource drill-outs on the high grade Ongolo Alaskite – MS7 trend. It is also evaluating a stand-alone project for its Tubas-TRS uranium deposit utilising physical beneficiation techniques it successfully tested in 2011.

In Australia the Company owns the Napperby Uranium Project and numerous exploration tenements in the Northern Territory and in the Mount Isa District in Queensland.



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For further information on the Company and its projects - visit the website at www.deepyellow.com.au
