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Companies Announcement Office
Via Electronic Lodgement

PENINSULA SIGNS URANIUM SALES AGREEMENT

Highlights

- Long term sale agreement secured for U₃O₈ produced from Lance Projects;
- Peninsula to supply 1,150,000lbs U₃O₈ from the Lance Projects to one of the largest producers of energy in US;
- Sales of U₃O₈ contracted at escalated fixed price, fixed quantity and term;
- Negotiations continue with other groups involved in the nuclear power industry.

Peninsula Energy Limited (**Peninsula**) is pleased to announce that it has today signed a long term sale agreement to supply 1,150,000 lbs of uranium oxide (**U₃O₈**) produced from the Lance Projects in Wyoming USA (**Lance Projects**).

During 2010 Peninsula engaged key utility and end user groups with the aim of securing long term sale agreements for U₃O₈ from the Lance Projects. Formal Requests for Product were received from several US utilities and after a detailed negotiation process Peninsula agreed to terms that secure the sale of U₃O₈ to be produced from the Lance Projects at escalated fixed price, fixed quantity and term.

The weighted average contract pricing over the term of the contract is consistent with the average term price used in the PFS.

The terms of the sale agreement will see Peninsula supply U₃O₈ over a period of 7 years.

Production is targeted to commence at the Lance Projects in 2012 and build to 1,500,000 lbs U₃O₈ per year (with a plant capacity of 3,000,000 lbs U₃O₈ per year).

Peninsula's Executive Chairman Mr. Gus Simpson said *"The agreement is an important milestone for Peninsula and the Company plans to conclude sales to other tier one utilities to ensure that both the price and quality of partner are optimized."*

Yours sincerely

A handwritten signature in black ink, appearing to read "John Simpson", written over a light blue horizontal line.

John (Gus) Simpson
Executive Chairman

For further information, please contact our office on (08) 9380 9920 during normal business hours.

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