



3 April 2012

Companies Announcement Office
Via Electronic Lodgement

PENINSULA ANNOUNCES DECISION TO MINE AT LANCE

The Board of Peninsula Energy Ltd (Peninsula) is pleased to advise that it has formally resolved to commence commercial mining operations at the Lance In-Situ Recovery (ISR) Uranium Projects (Lance Projects) in Wyoming, USA.

In late 2011, Peninsula announced the results of the Definitive Feasibility Study (DFS) on the Ross Project and Expanded Economic Study (EES) on the greater Lance Projects which confirmed the technical and economic viability of an ISR mining operation at the Lance Projects. These studies were based on planned steady state production of 2.19mlbs U₃O₈ per annum from three production units (Ross, Kendrick and Barber) within three years of start-up, with the mine plan based on 17.2mlbs recovered U₃O₈.

Since the completion of these studies, Peninsula has commissioned Trec, an independent specialist ISL engineering firm based in Wyoming, to complete an owners review and optimisation study of the DFS and EES. This work is expected to deliver significantly enhanced economics for the Lance Projects.

The results of this study will be combined with the new resource estimate to produce a revised Feasibility Study, which will form the basis of a debt-funding proposal to several leading financial institutions who are currently reviewing the Lance Projects database.

Peninsula is in advanced discussions with these groups and anticipates being in position to finalise the structuring and implementation of such funding within the financial year.

Construction at the Lance Projects is estimated at six-nine months commencing in the second half 2012, with first production targeted for 2013. Mining is subject to final permitting and project financing.

Executive Chairman, Gus Simpson stated that ***"The formal decision to proceed to a commercial mining operation at Lance represents the completion of the pre-development stage at the projects. With financing advancing well and permitting progressing on schedule we are confident that Peninsula will be a uranium producer in the near term."***

It is anticipated that the results of the Feasibility Study will be published on or before the third week of April.

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Yours sincerely

A handwritten signature in black ink, appearing to read "John (Gus) Simpson".

John (Gus) Simpson
Executive Chairman

For further information, please contact our office on +61 (0) 89380 9920 during normal business hours.

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