

31 DECEMBER 2012 QUARTERLY ACTIVITIES REPORT

31 January 2013

ASX: PEN, PENOC

Peninsula Energy Limited
ABN 67 062 409 303

Directors

Gus Simpson - Executive Chairman
Malcolm James - Executive Director
Alf Gillman - Technical Director
Michael Barton - Non Exec Director
Warwick Grigor - Non Exec Director

Management

Glenn Black - COO
Ralph Knode - CEO, Strata Energy Inc
Tony Allen - CFO

Jonathan Whyte - Co Secretary

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Website

www.pel.net.au

Capital Structure

2,952 million shares
797 million options

Cash at 31 December 2012

\$21.45 million

Market cap at 31 January 2013

\$118.6million

For further information please
contact:

info@pel.net.au

HIGHLIGHTS

WYOMING, USA – LANCE URANIUM PROJECTS

- Permit to Mine Received
- Draft Source Materials License Received
- Safety Evaluation Report completion target February 2013
- Resource Upgrade adds 2.5Mlbs Measured and Indicated Resources
- Monitor Wells Installation Complete
- Drilling Success Continues at Lance

SOUTH AFRICA – KAROO URANIUM/MOLYBDENUM PROJECTS

- Acquisition of Significant Uranium Project Portfolio in the Karoo
- Mineral tenement holding increased to 7,806km²
- Acquisition of 32,200ha freehold land
- JORC compliant Estimate for Karoo Projects target Q1C13

FIJI – RAKIRAKI JOINT VENTURE

- Assays return 15m wide zone of gold mineralization with values up to 5.44g/t

CORPORATE

- \$36M Raised from BlackRock and Pala for Lance Construction
- \$70m Industrial Revenue Bond Wins Unanimous Support
- Cash at 31 December 2012 \$21.45m



WYOMING, USA – LANCE PROJECTS

(Peninsula Energy 100%)

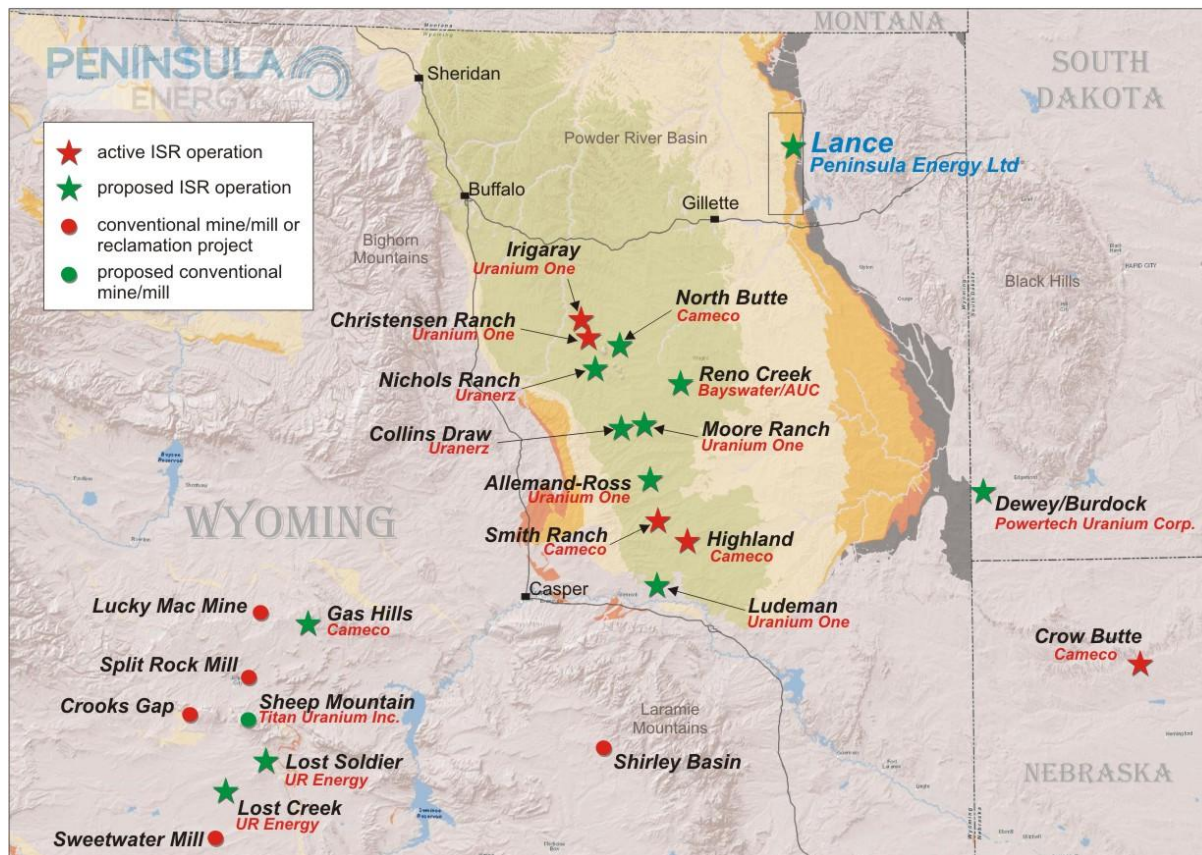


Figure 1: Lance Projects location, Wyoming USA

Permit to Mine Received

On 22 November 2012 Peninsula announced that the Wyoming Department of Environmental Quality (WDEQ) has granted a Permit to Mine (PTM) to wholly-owned subsidiary Strata Energy Inc (Strata) for the Ross ISR project, the first planned production unit at the Lance Projects. The completion of this licensing action concludes a major milestone in advancing the Ross ISR project towards production.

The PTM is the second of three licenses required for advancement of the Ross ISR project. The first license was the Deep Disposal Well (DDW) license granted in April 2011. The final license required before commencement of production is the Combined Source and 11e. (2) Byproduct Material License (SML) issued by the US Nuclear Regulatory Commission (NRC). As detailed further below, Strata received the draft SML for the Ross ISR project in early November 2012.

Having concluded the PTM licensing process, Strata is now focusing its entire permitting efforts on completing the SML application process. Additionally, Strata is set to commence construction and the ordering of long lead-time items prior to the issuance of the SML. Construction will include installation and testing of a deep disposal well, installation of monitoring wells, the ordering of certain components of the CPP, civil works in preparation for the CPP and CPP footings. These pre-licensing construction activities are permissible, subsequent to changes to the NRC guidelines, and will shorten the overall project development timeline.

Draft Source Materials License Received

On 9 November 2012 Peninsula announced that the NRC has issued a draft SML to Strata. This issuance marked a major milestone in Strata's progress toward approval of the application and issuance of a final SML for the Ross ISR Project.

The NRC's on-schedule issuance of the draft SML demonstrates that the project is technically sound and that the approaches to public and environmental safety outlined in the application were robust.

The issuance of the draft SML in less than two years after application submission reflects a significantly accelerated schedule over the applications of others in the industry, which have averaged 3 years or more in receiving draft licenses. Achieving this milestone on schedule and ahead of industry standard is indicative of the completeness of Strata's application and the efficiency of the streamlined regulatory approval process.

To receive NRC approval, an application must complete three review processes: acceptance review (completed 28 June 2011); safety review, resulting in a Safety Evaluation Report (SER); and concurrent environmental review, resulting in a Supplemental Environmental Impact Statement (SEIS).

Issuance of the draft SML follows acceptance and detailed technical review of Strata's responses to Requests for Additional Information (RAI) on both the safety and environmental portions of the application. The draft SML also confirms regulatory bounding conditions upon which the project economics have been based.

Granting the draft SML on schedule represents a significant commitment by the NRC to timely application review. The draft SML is a key step toward finalization of the SER for the Ross application, targeted for completion by the end of February 2013. Once the SER is finalized, Strata and NRC Staff can focus exclusively on completing the environmental review.

Resource Upgrade adds 2.5Mlbs Measured and Indicated Resources

On 24 January 2013 Peninsula announced a further upgrade to the JORC-compliant Resource Estimate for the Lance Projects. This upgrade was achieved by the completion of an additional 676 rotary mud drill holes completed in the seven months subsequent to the March 2012 resource estimate.

The key objective of the 2011-12 drilling program was to increase the measured and indicated resources in preparation for commencement of mining operations at the Lance Projects. The revised JORC compliant resource estimate of 53.7Mlbs U₃O₈ includes a further 2.5Mlbs increase in Measured and Indicated Resource since the March estimate.

The 12 month period spanning October 2011 – October 2012 has now seen in excess of 5Mlbs inferred U₃O₈ resource converted to the measured and indicated categories. This is more than twice the planned annual steady state production levels for the Lance Projects.

The remainder of the 2012 year saw the drilling focused on completing regional baseline monitoring wells that are part of the process to include the Kendrick Production Unit in the Permit Amendment process, as detailed below.

The resource has been calculated by applying a combined constraint of a grade thickness product (GT) of 0.2 contour and 200ppm eU₃O₈. These cut offs are considered to be appropriate for both calculating and reporting of in-situ recovery (ISR) resources at the Lance Project.

The measured, indicated and inferred resources are located in host sandstones that have demonstrated positive uranium recovery from test-work. Geological modeling of the extensive down-hole geophysical data has accurately defined the impermeable shale and mudstone horizons that form the confining horizons to the mineralised sandstones.



Table 1: Lance Project Classified Resource Summary (U₃O₈) December 2012

Resource Classification	Tonnes Ore (M)	U ₃ O ₈ kg (M)	U ₃ O ₈ lbs (M)	Grade (ppm U ₃ O ₈)
Measured	4.1	2.1	4.5	495
Indicated	11.6	5.7	12.7	497
Inferred	35.5	16.6	36.5	467
Total	51.2	24.4	53.7	476

(The JORC resource is reported above a lower grade cut-off of 200ppm and a GT of 0.2).

The revised JORC compliant resource estimate of 53.7Mlbs U₃O₈ includes a 17% increase in Measured and Indicated Resource since the previous estimate in March 2012

Within the Ross Production Unit there is a combined measured, indicated and inferred resource of 11.2Mlbs U₃O₈ with an average grade of 518ppm and an average GT of 0.47.

At Kendrick the combined measured and indicated resource totals 4.82Mlbs U₃O₈ at an average grade of 497ppm and an average GT of 0.47.

At Barber the combined measured and indicated resource totals 2.41Mlbs U₃O₈ at an average grade of 421ppm and an average GT of 0.42 (Table 2).

Table 2: Lance Project Classified Resource by Production Unit (U₃O₈) December 2012

Ross	Tonnes	Grade (ppm U ₃ O ₈)	U ₃ O ₈ lbs	Average Thickness (ft)	Average GT
Measured	2,824,571	500	3,112,029	10.0	0.50
Indicated	5,823,143	531	6,818,822	8.4	0.45
Inferred	1,145,377	497	1,253,762	10.5	0.52
Total	9,793,091	518	11,184,612	9.0	0.47

Kendrick	Tonnes	Grade (ppm U ₃ O ₈)	U ₃ O ₈ lbs	Average Thickness (ft)	Average GT
Measured	682,078	506	761,086	9.3	0.47
Indicated	3,706,808	496	4,056,866	9.4	0.47
Inferred	23,834,082	472	24,799,068	10.0	0.47
Total	28,222,968	476	29,617,020	9.9	0.47

Barber	Tonnes	Grade (ppm U ₃ O ₈)	U ₃ O ₈ lbs	Average Thickness (ft)	Average GT
Measured	636,302	461	647,045	9.5	0.44
Indicated	2,002,184	400	1,765,263	9.8	0.39
Inferred	10,498,574	452	10,460,284	9.7	0.44
Total	13,137,060	444	12,872,592	9.5	0.42

Total	Tonnes	Grade (ppm U ₃ O ₈)	U ₃ O ₈ lbs	Average Thickness (ft)	Average GT
Measured	4,142,951	495	4,520,159	9.8	0.49
Indicated	11,532,135	497	12,640,951	9.0	0.45
Inferred	35,478,033	467	36,513,114	9.79	0.46
Total	51,153,119	476	53,674,224	9.7	0.46



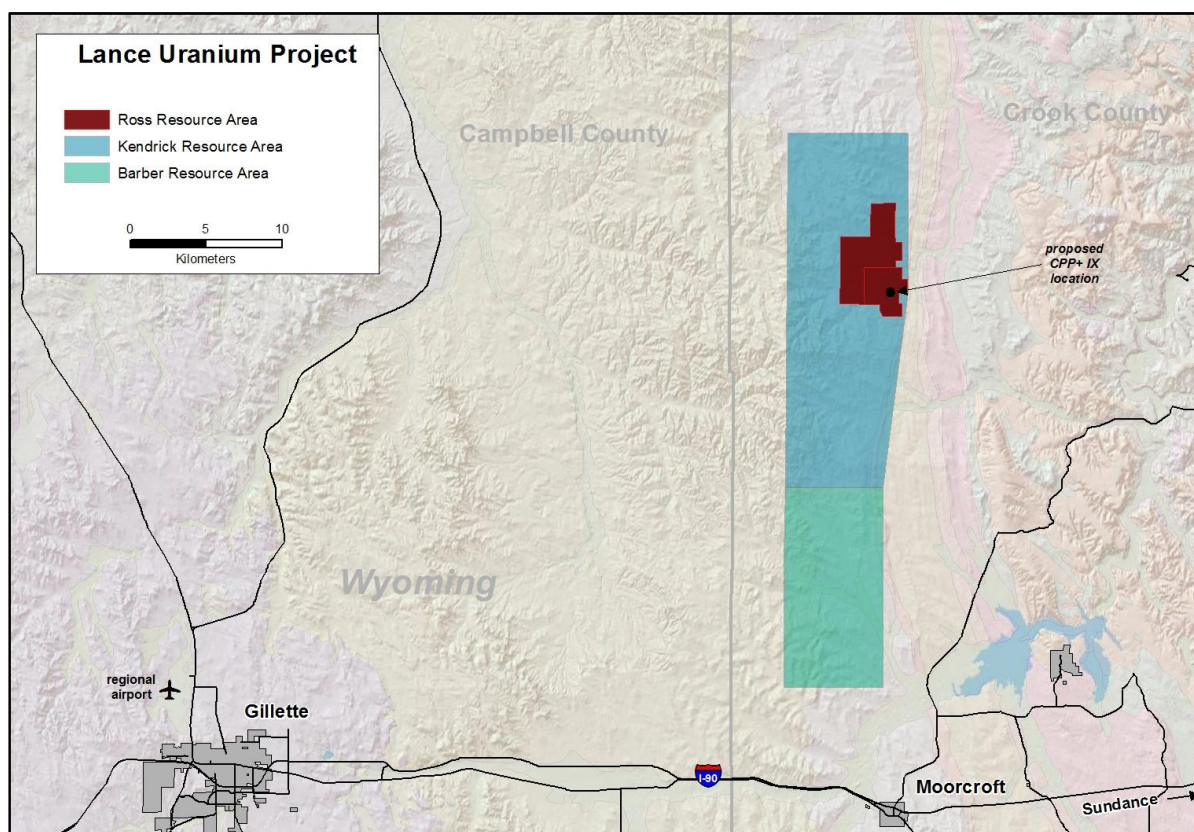


Figure 2: Resource Area Location Map

Monitor Wells Installation Completed

The resource delineation and exploration drilling program was suspended at the Lance Projects in October 2012 with the rigs instead deployed to complete multiple clusters of regional baseline monitoring wells as part of the Mine Permit amendment or extension process. 47 monitor wells were drilled during the quarter for a total of 29,475 feet. This program was completed in December 2012 ahead of schedule and under budget. The program was undertaken to include the Kendrick Production Unit in the mine planning schedule going forward.

Drilling Programme

October to December 2012

During the December quarter Peninsula completed a further 13 development drillholes for a total of 14,680 feet at the Lance Projects. As noted above, the resource delineation and exploration drilling program was suspended in October with the rigs deployed to complete aquifer monitor wells.

Of the 13 exploration drill holes completed during the quarter, a total of 4 holes encountered mineralisation greater than 0.2GT. 2 holes recorded multiple stacked intersections of uranium mineralisation.

Recent drilling has been focused on converting inferred resources to the indicated category in the planned Kendrick Production Unit located to the west of the Ross Production Unit.

Previous drilling in the area has previously identified the K3, K4, K5, K5A and K6 roll fronts. These roll fronts merge in places to produce wide areas of continuous mineralisation. This continuous mineralisation has now been identified over a combined

strike length of 22 kilometres with horizontal widths of up to 60m in the northern K5 area. The demonstrated continuity of the K3 roll front is over 7 kilometres, the K4 roll front over 1 kilometre, the K5 roll front over 4.3 kilometres and the K6 roll front over 9.2 kilometres.

In addition to the resource expansion drilling, Peninsula has also completed a series of diamond core holes within the existing permit area, with the results to be used for further metallurgical studies. These holes have returned thick intervals of uranium mineralisation which is indicative of the area within the Ross Production Unit.

The drilling along the Kendrick roll front system is consistently producing thick high grade intercepts which has resulted in its prioritisation due to its resource expansion potential and its proximity to the proposed site of the Lance Central Processing Plant. The drill density and continuity of mineralisation is expected to result in significant levels of inferred resources being upgraded to indicated category.

In addition to the drilling above, Peninsula re-logged 3 historic holes during the quarter for a total of 1,600 feet. All 3 holes returned GT's in excess of 0.2 including SPD347MRE which intersected 7.0ft @ 810ppm (GT 0.57).

Current interpretations suggests that there is a total of at least 305 line kilometres of mineralised roll fronts in the greater Lance Projects and that the delineated mineralisation to date in the Kendrick roll fronts represent only 7% of the estimated mineralised roll front systems within this.

The latest interpretation of the existing database by Peninsula's geological team has identified and priority ranked over 500 follow-up drill targets within the Lance Projects. It is estimated that these drill targets will form the basis for on-going exploration over the next 5-10 years.

Table 3: Best Drilling Results (based on grade thickness > 0.2 ft%), Drill Period October to December 2012 LANCE DRILLING

Hole ID	Local Northing	Local Easting	Depth (ft)	From (ft)	Intercept ft / eU3O8 grade ppm	Peak Concentration Intercept ft eU3O8 grade ppm	Grade Thickness ft%e U3O8
RMR2524	4928530	500280	1260	1037.75	18'@500ppm	2'@1150ppm	0.90
RMR2518	4929411	500309	1120	81.25	9'@300ppm	6.5'@360ppm	0.27
RMR2526	4928386	500271	1200	1046.75	5'@460ppm	1.5'@570ppm	0.23
RMR2522	4928479	500271	1200	1064.25	8'@290ppm		0.23

Lance Projects – Mineralised Potential

The Lance Project covers an area of over 120km² within which there is a combined total of at least 305 line kilometres (190 miles) of known stacked roll fronts. Of this total, only a small percentage has been explored, with over 90% of the drilling concentrated within the more advanced Ross, Kendrick and Barber areas. Based on the historic conversion rate from roll front length to a drill-defined resource, the mineralised potential of the Lance Project, which is in addition to the JORC-compliant resource, is assessed at between 104 and 163 Mlbs U₃O₈. The mineralised potential is based on an anticipated grade range of 426ppm to 530ppm U₃O₈. This grade range approximates the minimum and maximum modeled grades respectively.

Table 4: Lance Project Mineralised Potential

Exploration Areas	Tonnes (M)		Grade (ppm U3O8)		U3O8 (Mlbs)	
	From	To	From	To	From	To
Total	168.9	185.9	426	530	157.7	217

(Totals include existing JORC Resource)



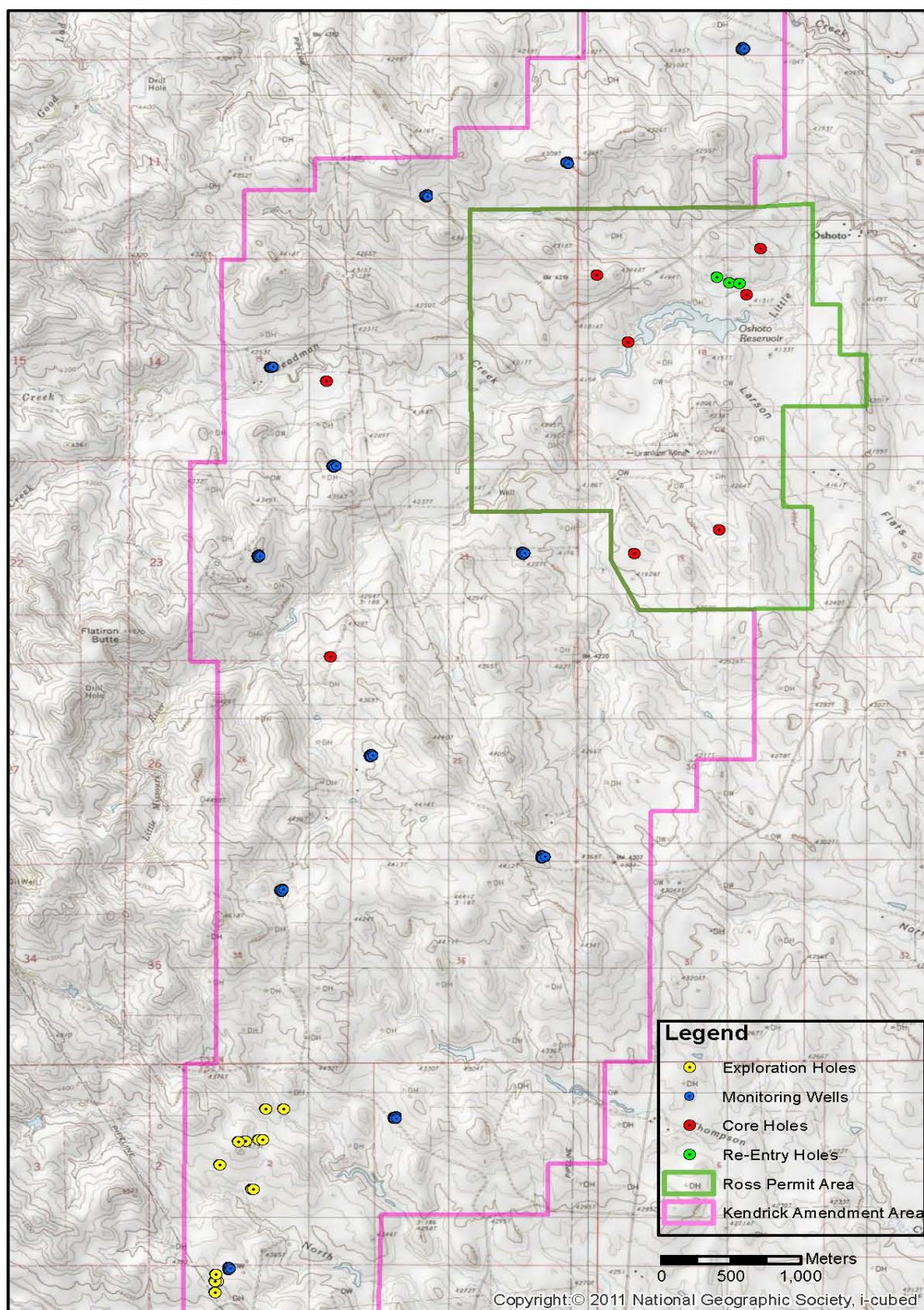


Figure 3: Lance Drilling December 2012 Quarter

SOUTH AFRICA – URANIUM / MOLYBDENUM EXPLORATION

(Peninsula Energy 74% / BEE Group 26%)

Acquisition of Substantial Uranium Portfolio in the Karoo

On 11 December 2012 Peninsula announced that it has entered into an agreement with ARSA to acquire their portfolio of uranium and molybdenum projects in the Karoo Basin of South Africa.

Peninsula will acquire a 74% interest in 36 prospecting rights covering 5,820km² of the main uranium-molybdenum bearing sandstone channels in the Karoo Basin, South Africa.

Previous exploration conducted by Esso at the projects during the late 1970's included the completion of 8,500 drill holes, bulk sampling programmes, open-cut and underground trial mining.

The acquired projects comprise several large areas of mineralisation; one of which extends over a distance of approximately 80km and forms the largest single body of known uranium-molybdenum mineralisation in the Karoo Basin.

The Karoo formations which host the uranium and molybdenum mineralisation consist of alternating units of sandstone and mudstone, with the mineralisation being largely restricted to the sandstone units. Uranium mineralisation forms within a system of inter-connected channel-controlled pods or lenses up to 200 metres in width and up to 9km long.

Completion of the acquisition will consolidate ownership by Peninsula of most of the known uranium/molybdenum deposits in the Karoo Basin, as shown in Figure 4 below. Geological studies incorporating a vast historic database and reports have estimated a combined exploration potential at the Karoo Projects in the range of 250-350Mlbs eU₃O₈.

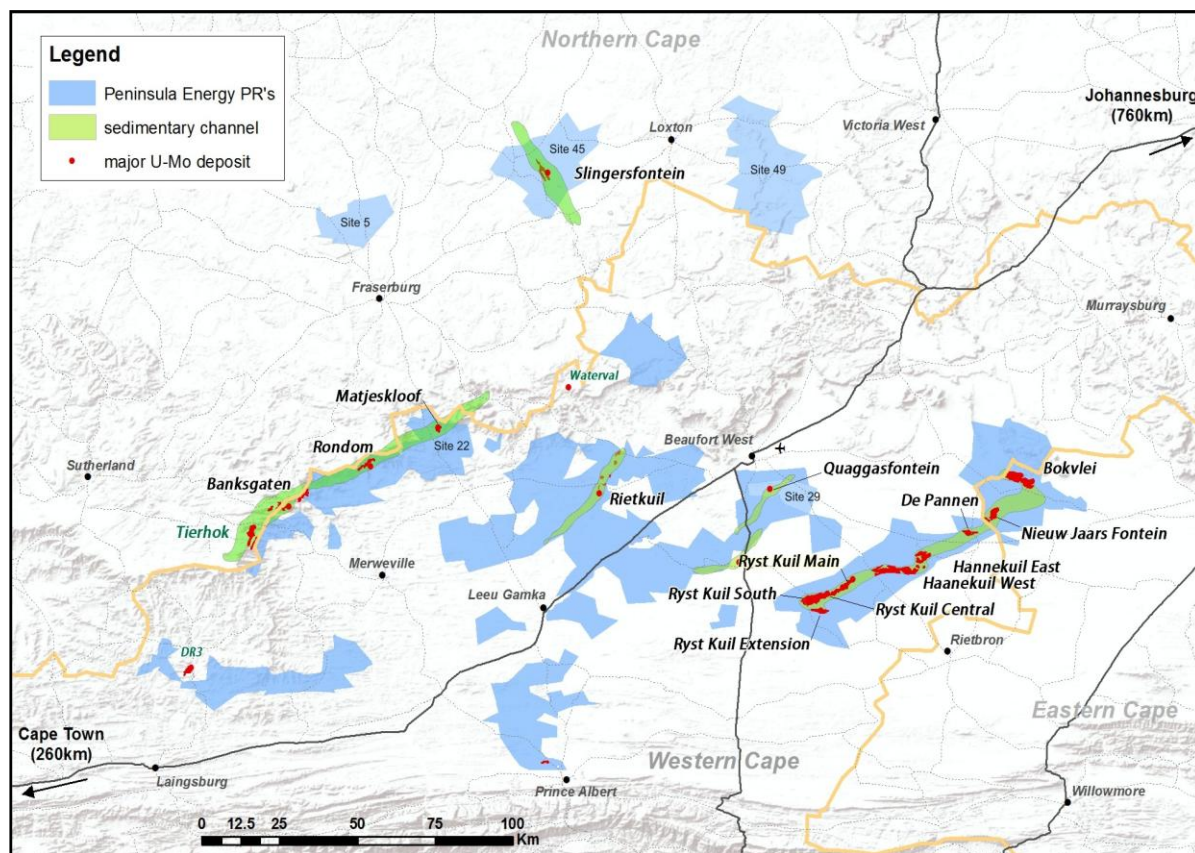


Figure 4: South Africa – Karoo Uranium /Molybdenum Project Area Locations

Peninsula is currently completing the calculation of a JORC compliant resource on its expanded Karoo properties, with completion expected in the first quarter of 2013.

Karoo Landholding increased from 1,986km² to 7,806km² including 322km² of Freehold Land

With the recent acquisition, Peninsula now has rights to 74% of a total of 42 prospecting rights covering 7,806 km² (780,596 ha) of the main uranium-molybdenum bearing sandstone channels in the Karoo Basin of South Africa, including 322km² (32,176 ha) of freehold land. This freehold land allows Peninsula unrestricted surface rights over significant historic mineralisation which is currently being converted to JORC status.

The consideration to be paid by Peninsula to ARSA for the acquisition is in two stages:

- Share Consideration – \$US5,000,000 in fully paid ordinary Peninsula shares the number of which shall be determined on the basis of the volume weighted average price of Peninsula shares over the thirty (30) days immediately prior to the date of their issuance. \$US1,000,000 of the Share Consideration was issued on 19 December 2012. The remaining US\$4,000,000 is payable within ten (10) business days of the satisfaction of the conditions precedent to the Acquisition, as detailed below in the ASX announcement dated 11 December 2012.
- Deferred Consideration – \$US45,000,000 upon completion of a Bankable Feasibility Study on the ARSA projects and the securing of financing for 50% of the funding required to develop the ARSA projects to production (Financing). Should Financing occur after 1 January 2016, an escalation factor will be applied. Peninsula, at its sole discretion, can elect to pay the deferred consideration in cash or Peninsula shares.

Karoo Projects – Current Exploration

Peninsula's wholly owned subsidiary Tasman Pacific Minerals Limited holds prospecting rights to six further project areas in the Karoo region of South Africa. They are designated Site 5 (Fraserburg District), Site 22 (Fraserburg District), Site 29 (Beaufort West District), Site 37 (Cradock District), Site 45 (Loxton District) and Site 49 (Loxton District). Two of the sites (22 and 45) contain resource estimates by the Johannesburg Consolidated Investment Company (JCI) in the early 1980's and one site (29) contains a resource estimate by Union Carbide in the early 1980's.

Approximately 1500 boreholes were drilled by JCI (Site 22 and 45) and Union Carbide (Site 29) during the late 1970's from which historic mineral estimates were derived. The first phase of the Tasman Pacific drilling programme in the Karoo commenced in 2011 at Site 29 and Site 22 and was focused on a selection of the JCI and Union Carbide drill holes to be re-drilled and logged to determine uranium correlations in order to confirm the historical resources. Further exploration work has identified numerous other untested uranium occurrences at these sites and other sites (Site 5, 49 and 37) and during the current quarter drilling commenced at Site 45. In many cases old boreholes were re-opened and gamma probed for eU₃O₈ values to be determined. Where reverse circulation (RC) or diamond drilling (DD) work was undertaken, the samples were submitted for analysis at an accredited laboratory to verify the gamma probe grades and obtain a value for molybdenum, which is considered to be an important by-product.

Site 45 Drilling

Site 45 is located 120km northwest of Beaufort West and comprises a contiguous area of 489km². JCI drilled 431 exploration holes at Site 45 which resulted in a mineralisation estimate of 4.8mlbs eU₃O₈. The historic work returned a grade in excess of 700ppm eU₃O₈ in two sandstone units contained within the Davidskolk Member of the Abrahamskraal Formation, including maximum values of 4,210ppm eU₃O₈ and 1,372ppm Mo. This near surface mineralisation occurs in broad, stacked paleochannels with an apparent northwest to southeast trend.



During the quarter the Company completed 33 RC holes for 2,180m (7,152ft). Of these completed holes, a total of 8 holes reported mineralisation greater than 200ppm. In addition to the routine downhole gamma logging each hole has been sampled in order to provide QAQC information as well providing information on the potential molybdenum mineralisation that is typically associated with uranium in the Karoo.

The results from the drilling program at Sites 22, 29 and 45 are consistent with the historic drilling results and the Company is of the opinion that they are representative and confirm the presence of high grade uranium mineralisation within the project area.

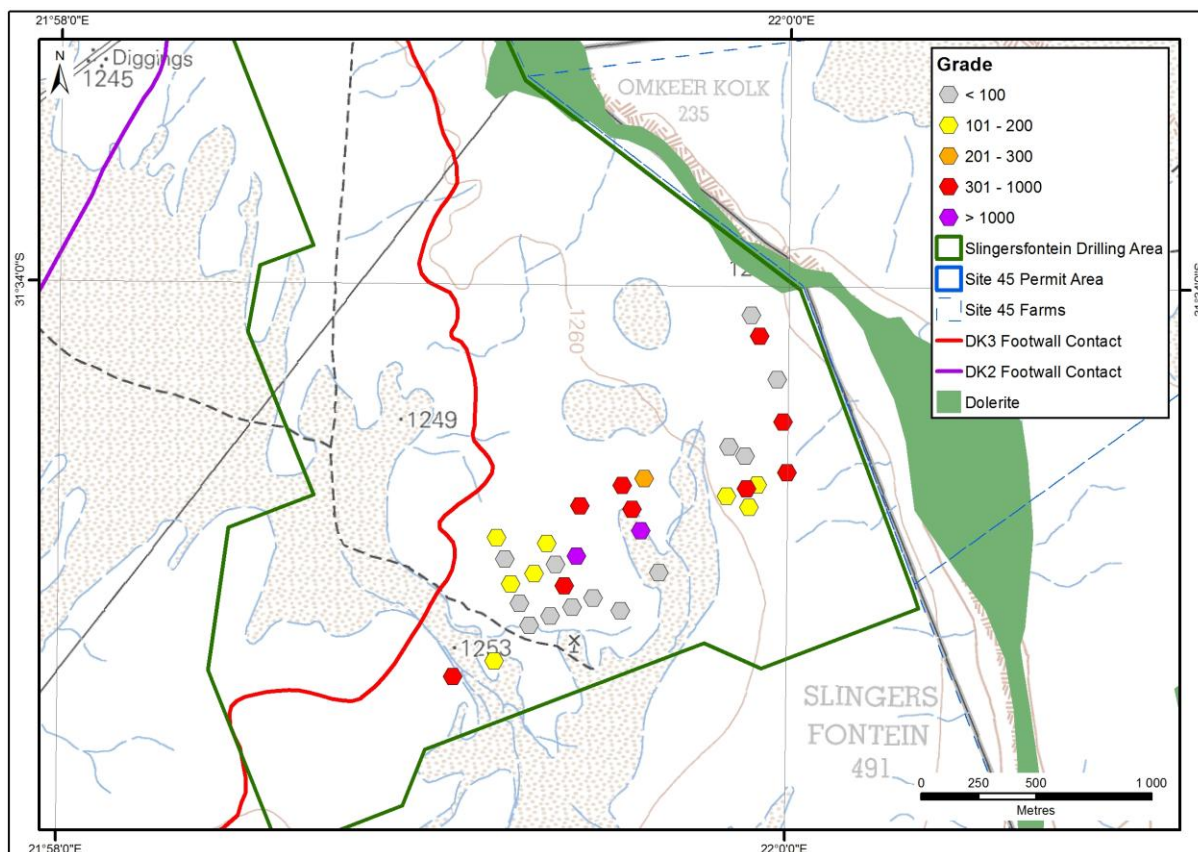


Figure 5: Karoo Project Site 45 – Drillhole Location Plan (DK2 horizon intersections)

The full list of significant intersections (>0.2GT) is detailed below in Table 5.

Table 5: Site 22 and 45 - Karoo RC Results for October to December 2012 (based on grade interval > 200 ppm eU₃O₈)

Hole-ID	Type	Easting	Northing	Depth	From (ft)	To (ft)	Interval (ft)	eU ₃ O ₈ (ppm)	GT (ft%)
SFN0167RC	RC	93475	-3495927	50	124.84	130.09	5.25	973	0.51
SFN0179RC	RC	94013	-3495406	60	46.59	48.88	2.30	1862	0.43
SFN0183RC	RC	94027	-3495188	60	45.93	50.03	4.10	416	0.17
SFN0186RC	RC	94254	-3495202	60	45.93	49.21	3.28	815	0.27
SFN0187RC	RC	94292	-3495296	60	58.40	60.20	1.80	1339	0.24
SFN0199RC	RC	94752	-3495112	70	148.79	154.36	5.58	749	0.42
SFN0203RC	RC	94809	-3494451	75	92.85	95.31	2.46	442	0.11
SFN0198RC	RC	94926	-3495044	80	185.04	188.65	3.61	528	0.19

Karoo Projects – Exploration Potential

Results achieved to date are generally very positive and have successfully confirmed the presence of high-grade uranium and molybdenum mineralisation located at depths that can easily be reached by conventional open pit mining.

The acquisition of ARSA's portfolio of uranium and molybdenum projects has significantly increased the scale and potential of the Karoo Projects and will consolidate ownership by Peninsula of most of the known uranium /molybdenum deposits in the Karoo Basin.

Geological studies of the historic database and reports have estimated a combined exploration potential at the Karoo Projects in the range of 250-350mlbs eU_3O_8 .

The Company's target is to initially delineate 30Mlbs of eU_3O_8 (15-25m tonnes @ 700-1,400ppm eU_3O_8). The source of this material may include the historic mineral occurrences, their extensions and new exploration targets. If this target is achieved a conceptual study has suggested that this quantity of uranium would support the development of a central processing facility in the Rystkuil area, south of Beaufort West.

Peninsula expects to complete the initial JORC compliant estimate for the Karoo Projects during the first quarter of 2013.

FIJI – RAKIRAKI GOLD PROJECT

(Peninsula Energy 50% / Geopacific Resources NL operator 50%)

The joint venture operator Geopacific Resources NL received assays from trenching completed during the quarter at the Qalau Prospect, part of the RakiRaki Joint Venture (refer Figure 6 below).

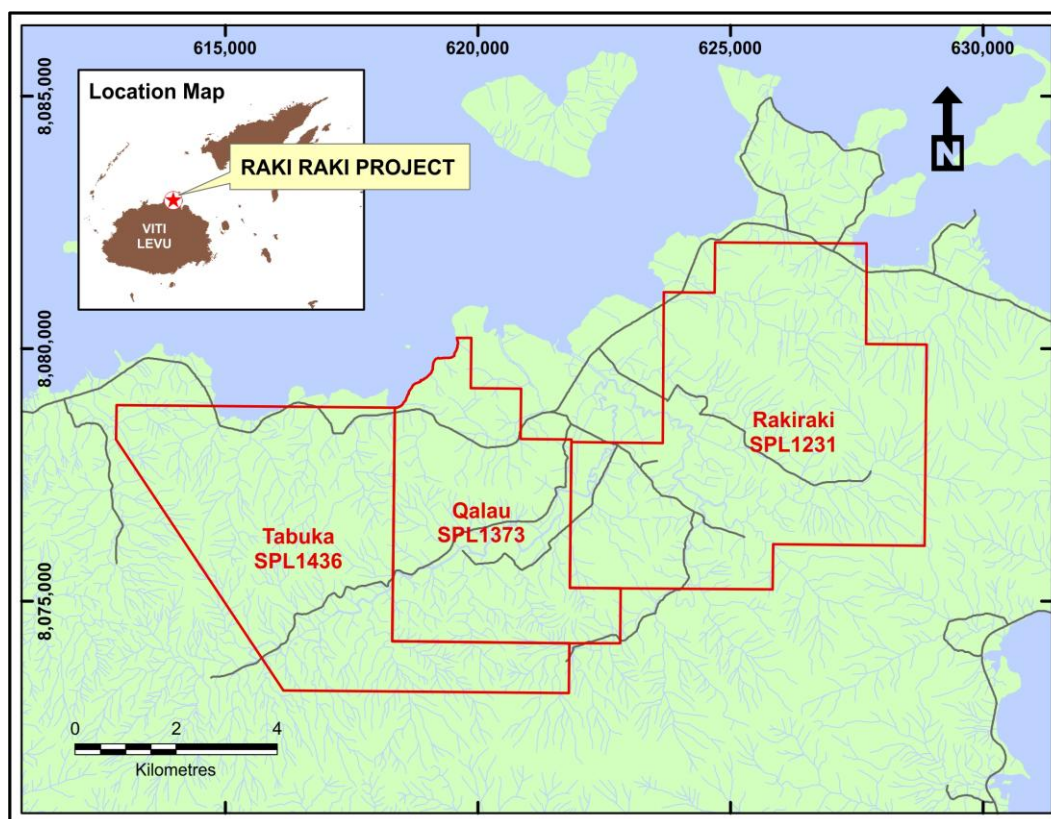


Figure 6: Raki Raki Project Location Plan

Assays just returned from recent trenching at the Qalau prospect (Rakiraki JV) have identified a 15 metre-wide zone of gold mineralisation, with values up to 5.44g/t Au, across three trenches over a strike of 200m.

The mineralisation is hosted in a zone of quartz veining within a sequence of olivine-basalts and volcanoclastics and is coincident with a low rise hill within cane fields. Extensions of this low rise can be seen, slightly offset, to the south of the trenching.

Table 6: Rakiraki trench details

TRENCH ID	WGS84 ZONE 60S		LENGTH	AZIMUTH	INTERVAL (m)	AU (g/t)
	EASTING	NORTHING				
QTR001	621,655	8,075,844	112m	60°	14.9	1.5
					<i>Including</i> 3.0	3.75
					2.0	3.36
QTR002	621,669	8,075,778	101m	90°	12.0	0.24
					<i>Including</i> 1.0	1.36
QTR003	621,637	8,075,991	158m	60°	6.0	0.36
					15.0	0.28
					<i>Including</i> 2.0	0.78

A ground magnetic survey has been completed over a 1.5km² area centred on the Qalau prospect, aimed at identifying the structural framework of the prospect area. This programme will enable Geopacific to identify the orientation and potential extensions of the mineralised structures within the trenching, as well as any parallel, potentially mineralised structures worthy of trenching. Follow-up trenching is planned to be completed within Q1 2013 over the potential extension to the south of the trenching and any structures identified as potential hosts to mineralisation from the magnetic survey.

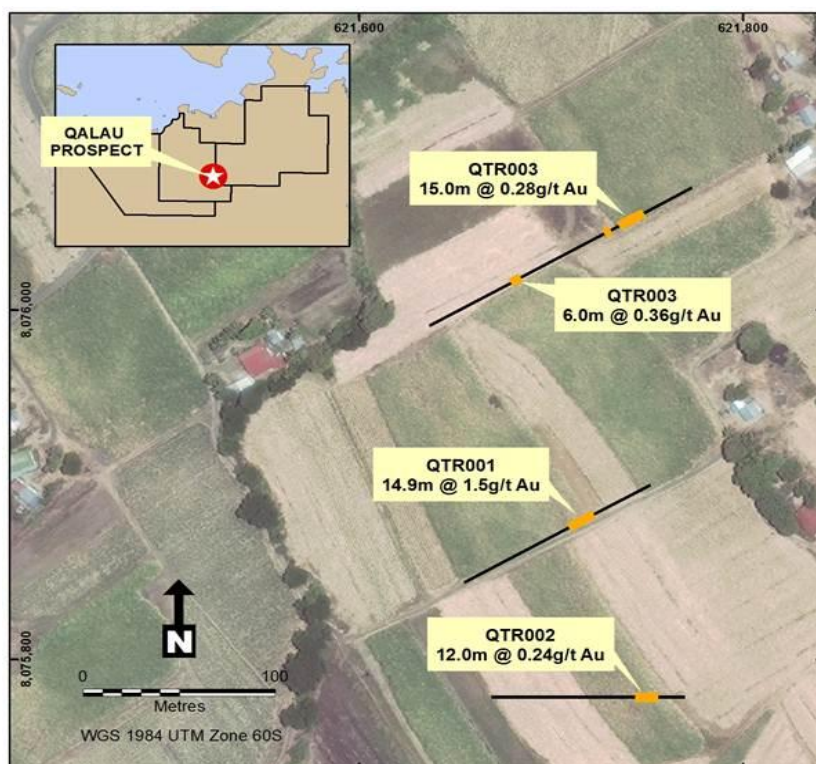


Figure 7: Qalau trenches showing zones of gold mineralisation

CORPORATE

\$36m Raised from BlackRock and Pala for Lance Construction

On 10 December 2012 Peninsula announced that it has executed a series of definitive agreements with funds managed by BlackRock Financial Management, Inc. ("BlackRock") providing for the issuance of US\$22 million in senior secured notes (Notes) and a placement of shares equivalent to a 10% interest in Peninsula (Shares).

The Notes, will be issued by Strata Energy Inc. at an issue price of 100% of their face value, mature two years from the date of issue and have a coupon of 11%. Attached to the Note facility, Peninsula issued BlackRock 90,000,000 unlisted options exercisable at \$0.08 expiring December 5, 2017.

The drawdown of the proceeds of the Notes is conditional upon the grant of the Permit to Mine and Peninsula entering into a U₃O₈ sales agreement on terms satisfactory to BlackRock including a net present value equal to the principal amount of the Notes.

Following several months of legal, environmental, regulatory and technical due diligence on the Lance Projects Peninsula has granted BlackRock a first right of refusal on a second debt financing planned around the grant of the final SML for an amount up to US\$80M. This instrument is intended to be secured notes with seven years to maturation, interest only coupon, redemption on maturation and part proceeds will redeem the initial Notes.

As part of the transaction, Peninsula placed 293,004,848 fully paid shares to BlackRock at A\$0.04 and 152,362,521 free attaching PENOC options, raising A\$11,720,622. The share issue resulted in BlackRock holding 10% of Peninsula's share capital after a placement of 71,888,075 shares and 37,381,799 free attaching PENOC options to Pala, raising an additional A\$2,875,523.

The proceeds from the issue of the Notes and Shares will be used to complete pre-SML construction, including deep disposal wells, monitoring wells, CPP site works, civil works, ancillary roads, plant long lead items and working capital.

\$70m Industrial Revenue Bond Wins Unanimous Support

In conjunction with and complementary to the debt facility above, Peninsula has also commenced the application process with the Wyoming Business Council for US\$70m in Industrial Development Bonds (IDB). Crook County, the issuer of the IDB's, has voted to unanimously support the application and the granted bonds would complete the debt financing requirements for the Lance Projects allowing the completion of the CPP, CPP expansion, satellite ion exchange plant and well-field development.

Cash Position

The Company's cash position at the end of the quarter, including commercial bills, bonds and security deposits was \$21.45million.

For further information please contact:

John Simpson
Executive Chairman
Telephone: +61 9380 9920



Competent Persons Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves at the Lance Projects is based on information compiled by Mr. Alfred Gillman and Mr. Jim Guiling. Mr. Gillman is a Fellow of the Australian Institute of Mining and Metallurgy. Mr. Gillman is General Manager Project Development and is a Competent Person under the definition of the 2004 JORC Code. Mr. Guiling is a Member of a Recognised Overseas Professional Organisation included in a list promulgated by the ASX (Member of Mining and Metallurgy Society of America and SME Registered Member of the Society of Mining, Metallurgy and Exploration Inc). Mr. Guiling is Principal of independent consultants World Industrial Minerals. Both Mr. Gillman and Mr. Guiling have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The information in this report that relates to Exploration Results and Exploration Potential at Peninsula's Karoo projects is based on information compiled by Mr Alfred Gillman and Mr. George van der Walt. Mr. Gillman is a Fellow of the Australian Institute of Mining and Metallurgy. Mr. Gillman is General Manager Project Development and is a Competent Person under the definition of the 2004 JORC Code. Mr. van der Walt is a member of a Recognised Overseas Professional Organisation included in a list promulgated by the ASX (The South African Council of Natural Scientific Professions, Geological Society of South Africa). Mr. van der Walt is a Director of Geoconsult International. Both Mr. Gillman and Mr. van der Walt have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Both Mr. Gillman and Mr. van der Walt consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Exploration Results and Exploration Potential at the Raki Raki Project in Fiji is based on information compiled by Dr Ian Pringle, Member of the Australasian Institute of Mining and Metallurgy. Dr Pringle is Managing Director of Geopacific Resources NL. Dr Pringle 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 as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr. Gillman, Mr. Guiling, Mr. van der Walt and Dr Pringle consent to the inclusion in the report of the matters based on their information in the form and context in which it appears

Please note that in accordance with Clause 18 of the JORC (2004) Code, the potential quantity and grade of the "Mineralised Potential" in this report must be considered conceptual in nature as there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

In accordance with the relevant regulations governing the disclosure of mineral projects, readers are cautioned that mineable resources based on inferred resource material are considered too speculative geologically to enable them to be classified as reserves.

Disequilibrium Explanatory Statement: eU_3O_8 refers to the equivalent U_3O_8 grade. This is estimated from gross-gamma down hole measurements corrected for water and drilling mud in each hole. Geochemical analysis may show higher or lower amounts of actual U_3O_8 , the difference being referred to as disequilibrium. Disequilibrium factors were calculated using the Peninsula PFN database and categorized by area and lithological horizon. Specific disequilibrium factors have been applied to the relevant parts of the resource based on comparative studies between PFN and gamma data. There is an average positive 11% factor applied. All eU_3O_8 results above are affected by issues pertaining to possible disequilibrium and uranium mobility.

