



19 December 2013

Companies Announcement Office
Via Electronic Lodgement

PENINSULA FINALISES ACQUISITION OF ARSA SOUTH AFRICA URANIUM ASSETS

Peninsula Energy Limited (Peninsula) is pleased to announce that it has completed the acquisition of the former ARSA held mineral properties that form part of the Karoo Uranium Projects in the Western Cape, South Africa (Karoo Projects).

Karoo Projects Background

Peninsula has now finalised the acquisition of a 74% interest in 36 prospecting rights (PR's) comprising 5,600km² of the main uranium-molybdenum bearing sandstone channels in the Karoo Basin. These PR's are complementary, in terms of mineral endowment, geology and geographic location, to the assets that Peninsula has also held in the Karoo Basin prior to the acquisition (see Figure 1 below). The combined Karoo Projects contain an Indicated and Inferred Resource (JORC 2012 Code) of 50.1mlbs U₃O₈ (See Table 1) with a further Exploration Target of 200m -300mlbs U₃O₈.

Karoo Projects Total Exploration Target

Exploration Areas	Tonnes (M)		Grade (ppmU ₃ O ₈)		eU ₃ O ₈ (Mlbs)	
	From	To	From	To	From	To
Total	126	133	900	1200	250	350

Please note that in accordance with Clause 17 of the JORC (2012) Code, the potential quantity and grade of the "Exploration Target" in this announcement 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.

The current Karoo resources are located on two well-defined sedimentary channels that each extends for up 100kms along strike. These channels have been tested both recently and historically with approximately 10,000 exploration drillholes. Along these channels JORC-compliant resources have been estimated in localised areas in which reliable drilling data is available. The zones between the JORC-compliant resources areas form the Exploration Target because of the following:

- Continuity of the prospective sandstone established by geological mapping and regional drilling.
- Historic estimates of mineralisation based on drilling which has not yet been validated by Peninsula.

The JORC-compliant resource of the RystKuil channel alone, which represents the most completely drilled portion of the resources, comprises 17.2Mt at 1,048ppm eU3O8. This resource tonnage is distributed over a cumulative strike length of 23km representing approximately 0.75Mtonnes/km. The Exploration Target is based on a combination of:

- the total cumulative prospective strike length of the undrilled sections of the channel multiplied by the demonstrated tonnage/km, combined with;
- the areas of known mineralisation for which historic estimates exists but are not included in the JORC-compliant resource; and
- the grade range represents the lowest resource area grades and highest resource area grades

Over the next 3-5 years ongoing exploration drilling is proposed to seek to expand the JORC-compliant resource within the Exploration Target areas. This initial 3-5 years program will be focussed on the Eastern Sector RystKuil channel. Testing of the Western Sector Exploration Target areas will commence beyond this time-frame.

Peninsula has also acquired approximately 320km² of free hold farms that make-up a large part of the surface land overlaying the known mineralisation.

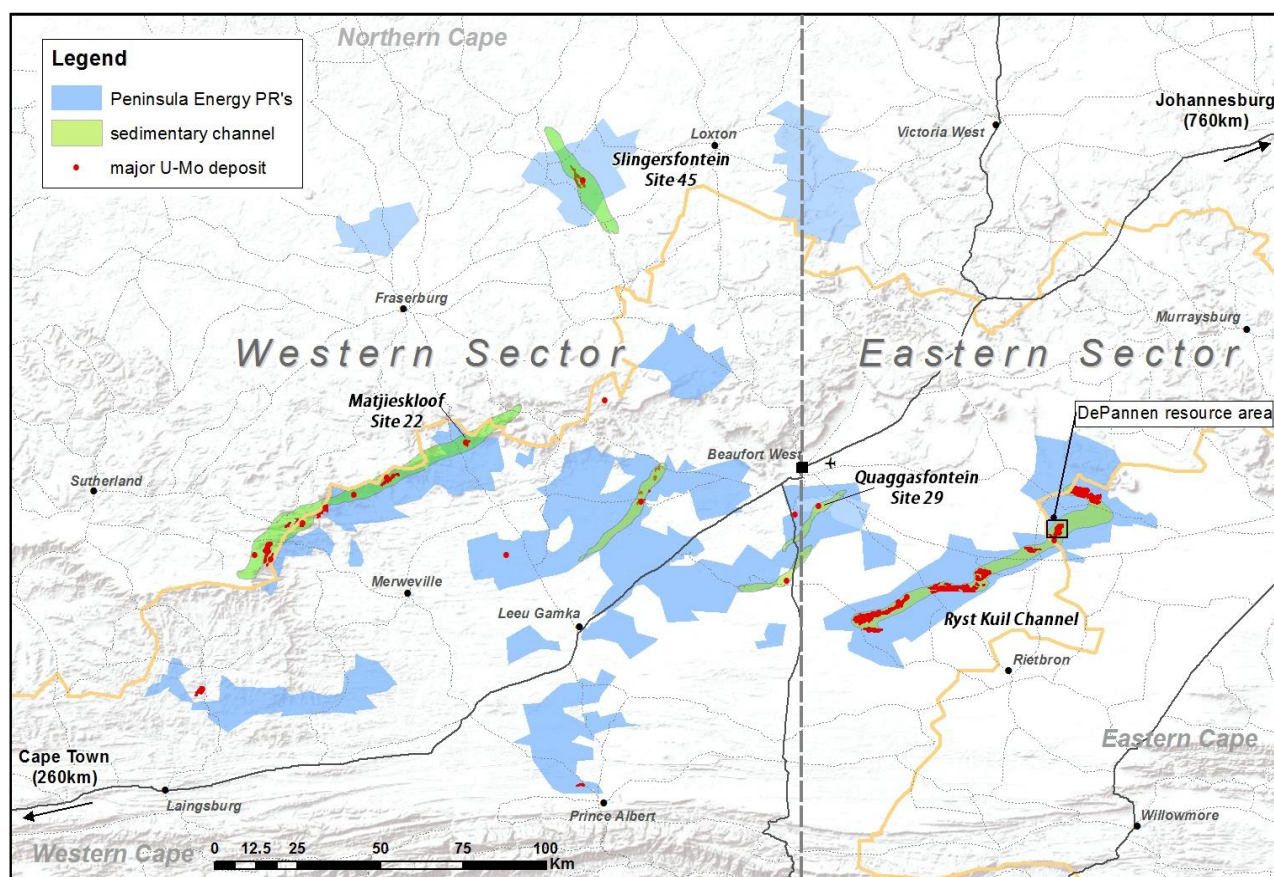


Figure 1: Karoo Projects Location Map

Development Progress

Since the announcement of the acquisition in December 2012, Peninsula has made significant progress in advancing the Karoo Projects toward production. Milestones in the last 12 months include:

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- Publication of a maiden JORC 2012-Code compliant resource of 50 million pounds at 1040 ppm U3O8;
- Completion of a scoping study on the Karoo Projects;
- Selection of the alkaline processing route for planned central processing plant; and
- Commencement in Q4 2013 of the Pre-Feasibility Study.

Acquisition Completion

Satisfaction of the US\$4m consideration payable at completion has been met through the issue of 206,483,154 shares. The number of shares issued in order to meet the consideration value has been determined on the basis of the volume weighted average price of Peninsula shares over the thirty (30) days immediately prior to the date of completion. The shares have been issued under existing Listing Rule 7.1 capacity.

Further consideration of US\$45m remains payable upon completion of a Bankable Feasibility Study on the Karoo Projects and the securing of a minimum 50% debt financing for the funding required to develop the 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 shares.

Commenting on the completion of the acquisition, Executive Chairman John (Gus) Simpson said "we are pleased that the last of the regulatory and legal conditions have been met. This fact and the development results over the past 12 months confirm that the Karoo Projects have the potential to become a second mining operation for the Company following the development of our Lance ISR Projects in Wyoming."

Yours sincerely



John (Gus) Simpson
Executive Chairman

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

Competent Person

The information in the report which relates to Mineral Resources is based upon information compiled by Ian Glacken, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Ian Glacken is an employee of Optiro Pty Ltd and 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 to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ian Glacken consents to the inclusion in the report of a summary based upon his information in the form and context in which it appears.

The information in this report which relates to Geology and Exploration Target is based on information compiled by Mr George van der Walt. 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 Geo-Consult International (Pty) Ltd. 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr van der Walt consents to the inclusion in the report of a summary based upon his information in the form and context in which it appears.

Where eU3O8 results are reported, it relates to values obtained from radiometric logging of drillholes. GeoVista and Geotron equipment was used and all the probes were calibrated at the IAEA accepted Pelindaba Calibration facility in South Africa with calibration certificates supplied by Geotron Systems (Pty) Ltd, a geophysical consultancy based in South Africa.

All eU3O8 values reported may be affected by issues such as possible disequilibrium and uranium mobility which should be taken into account when interpreting the results, pending confirmatory chemical analyses. Disequilibrium Explanatory Statement: eU3O8 refers to the equivalent U3O8 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 U3O8, the difference being referred to as disequilibrium.

*JORC Table 1 included in announcement to the ASX on 5th February 2013: 50.1 MILLION POUND MAIDEN JORC CODE-COMPLIANT RESOURCE AT KAROO PROJECTS

1 Classified JORC Code Compliant Mineral Resource Estimate, Karoo Projects

Classification	eU ₃ O ₈ (ppm) cut-off	Tonnes (millions)	eU ₃ O ₈ (ppm)	eU ₃ O ₈ (million lbs)
Indicated	600	6.9	1,020	15.7
Inferred	600	14.8	1,050	34.4
Total	600	21.7	1,040	50.1

The resource estimate was based on a database comprising 7,163 drill holes, together with 1,245 additional holes probed or drilled by Peninsula since 2011, including 16 diamond holes and 730 reverse circulation holes.