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Companies Announcement Office
Via Electronic Lodgement

LANCE PROJECTS CONSTRUCTION UPDATE

Peninsula Energy Limited (Peninsula or Company) is pleased to provide an update on the progress being made on allowable pre-license construction at the Ross Permit Area ("RPA") prior to the final permit (Source Material License: "SML") being issued.

Earthworks and Construction

Construction activity is continuing at the central processing plant (CPP) building and administration facility sites located in the RPA of the Lance Projects, Wyoming. Following the completion of earthworks and building pad construction for the CPP and administration facilities excavation has now commenced for the installation of the Containment Barrier Wall (CBW), located along the south side of the building and pond locations (see Figure 1). The CBW is a key part of site construction and on-site groundwater management. It will cause ground water to be directed via a drainage system into a vertical sump for subsequent pumping into an above ground diversion ditch.



Figure 1: Containment Barrier Wall at Ross Permit Area, Wyoming USA

Long Lead Items

Purchase orders were previously sent to vendors for the supply of long lead items including the Ion Exchange vessels and other pressure vessels. As shown in Figures 2 and 3, off-site fabrication of these items is now well advanced.



Figure 2: Ion Exchange Columns for Peninsula's Ross CPP, Wyoming USA



Figure 3: Ion Exchange Columns for Peninsula's Ross CPP, Wyoming USA

With significant pre-SML site works being completed, the Company is positioning itself to move quickly to full construction of the CPP and production well-fields upon issuance of the US Nuclear Regulatory Commission SML, scheduled for late March 2014. Subject to financing and SML grant, commencement of production is planned for the second half of 2014.

Yours sincerely



John (Gus) Simpson
Executive Chairman

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