

Ref: 116982

16 January 2009

The Company Announcements Officer
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Updated improved resource estimate for the Valhalla Uranium Deposit

- **Total resource increased by 18.5% to 67.5Mlb U₃O₈.**
- **81% now in Measured and Indicated Resources Category**
- **Potential for further resource increase along strike.**

Valhalla Uranium Deposit

Interest: Summit Resources (Aust) Pty Ltd - 50%; Paladin Energy Ltd – 50%

Summit Resources Ltd as manager of the Isa Uranium Joint Venture (IUJV) is pleased to advise that it has completed a revised resource estimate (conforming to JORC guidelines) for the Valhalla uranium deposit, which is owned equally by Summit and Paladin Energy Ltd under the IUJV. The estimate includes the original Valhalla deposit as well as the south eastern extension which has been named Valhalla South. The Valhalla Project is located 40km north of Mount Isa on EPM 9221, being ideally situated adjacent to the Barkley Highway, approximately 7km from Summit's Bikini deposit and 8km from the Skall project which is owned by the IUJV.

The current Mineral Resource estimate for the Valhalla uranium deposit is tabulated below and is quoted with a cut-off grade at 230ppm U₃O₈ for comparison to the previous resource estimate:

Revised Valhalla Mineral Resource

(Individual Mineral Resource figures are quoted on a 100% of project basis)

At 230ppm U₃O₈ Cut-off

	Mt	Grade ppm U ₃ O ₈	t U ₃ O ₈	Mlb U ₃ O ₈
Measured Resources	8.31	883	7,334	16.2
Indicated Resources	19.49	894	17,431	38.4
Total Measured + Indicated	27.80	891	24,765	54.6
Inferred	7.3	799	5,864	12.9

The updated resource represents an 18.5% increase in total contained metal when compared to the previously announced resource of 57Mlb and a 46.5% increase in Measured and Indicated metal content.

The main Valhalla deposit now has a strike length in excess of 1,100m. The mineralisation extends from surface to a depth of over 650m and is structurally controlled with a characteristic southerly plunge. Valhalla South is located approximately 600m along strike to the south east of the main mineralised zone and has a strike length of at least 400m.

The revised resource estimate has been derived predominantly from drilling completed recently by the IUJV. The most recent drilling program completed at Valhalla was 121 RC and Diamond drill holes for a total of 34,466m. These holes have been drilled on a nominal 80m x 40m grid pattern to infill the existing drill holes and replace some of the historic drill holes. The majority of these drill holes have been down hole gamma logged and gyroscopically surveyed to obtain an accurate hole orientation using company owned equipment. In addition, a significant number of bulk density determinations have been undertaken. All of this information has been incorporated into the resource model.

The resource dataset consists of both geochemically assayed grades and downhole gamma logging derived grades. A significant number of holes within the recently completed drill programme, as well as historic holes that were open to mineralisation depths, were used to define appropriate calibration factors for the gamma probes. The resource has been fully classified into Measured, Indicated and Inferred categories, allowing for the full use of the resource in scoping and feasibility studies which are planned for the near future. The deposit remains open at depth to the south and appears to be fault offset to the south.

Summit has undertaken extensive geological mapping and detailed ground magnetic and radiometric surveying to determine if further fault offset mineralisation locations occur to both the north and south. A number of prospective areas have been identified during this process and it is expected that additional drilling will take place during 2009 with a view to extending the current resource base. It is anticipated that once metallurgical processing parameters for the Valhalla project have been determined studies will be undertaken to assess the amenability of the Bikini and Skal mineralisation to the same processing methodology.

The total JORC compliant Resource under Summit management in the Mount Isa Region is now 95.7Mlb U_3O_8 .

Details are as follows:-

Deposit		Measured and Indicated Resources			Inferred Resources			
	Cut-off ppm U_3O_8	Mt	Grade ppm	t U_3O_8	Mt	Grade ppm	t U_3O_8	Summit Share
Valhalla	230	27.80	891	24,765	7.3	799	5,863	50%
Skal	250				7.6	508	3,781	50%
Bikini	250				10.1	517	5,200	100%
Andersons	230				2.0	1,050	2,100	100%
Watta	230				4.2	410	1,720	100%
Total		27.80	891	24,765 (54.6Mlb U_3O_8)	31.2	597	18,664 (41.1Mlb U_3O_8)	

Individual Mineral Resource figures are quoted on a 100% of project basis.

Yours faithfully
Summit Resources Limited



BRENDAN O'HARA
Chairman

Declaration

The information in this announcement that relates to Mineral Resources is based on information compiled by David Princep BSc, M.AusIMM. Mr Princep has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", and as a Qualified Person as defined in Canadian National Instrument 43-101. Mr Princep is a full-time employee of Paladin Energy Ltd and consents to the inclusion of the information in this announcement in the form and context in which it appears.