

Highly encouraging results achieved at Peralillo

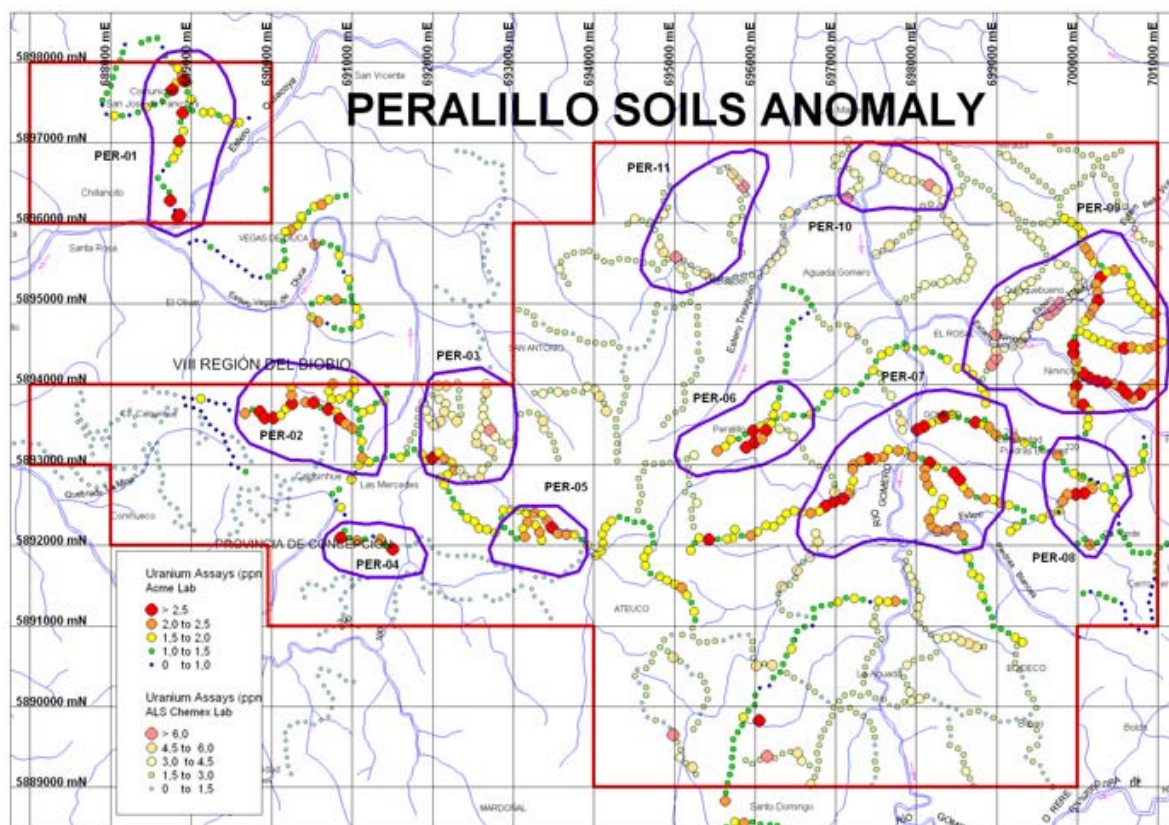
20th October, 2008

HIGHLIGHTS

- Highly encouraging results achieved from soil sampling at Peralillo, resulting in 11 extensive areas of uranium mineralization being identified to date
- Radon survey at Peralillo commenced, with initial results expected within the next 6 weeks
- Peralillo project size increased to 8,600 hectares

U308 Holdings Plc (“U308” or “the Company”), the South American focused uranium exploration company with projects in Chile, is delighted to announce that soil sampling at its Peralillo project has to date identified 11 extensive areas of anomalous uranium in soils.

Sampling at approximately 100 metre spacing has returned multiple values in excess of 2.5 parts per million (“ppm”) uranium. A map showing the location, magnitude and extent of the anomalous uranium soil values on the Peralillo project is shown below.



RADON SURVEY COMMENCED AT PERALILLO

Fieldwork at Peralillo will now focus on detailed geological mapping and sampling for whole rock analysis within the anomalous areas as well as the commencement of a radon gas survey on the project.

Radon gas is produced as a decay product of uraniumiferous minerals. It is very mobile and passes easily through fractured rock and into the soil cover. The delineation of a radon gas soil anomaly will give substantial support to the concept that Peralillo may host uranium mineralization.

The levels of radon in the soils will be measured as a radon “flux” using the EPerm Electret system. An Electret carries a charge (voltage) that is reduced over time by the presence of radon gas. The drop in voltage calculated to unit time can be used to determine the radon flux at a sample site. The Electret system of measuring radon gas flux has been used successfully in Canada, as well as other countries in South America. The radon survey using the Electret system is now underway at Peralillo, and results should be achieved within the next 6 weeks.

PERALILLO PROJECT SIZE INCREASED

The original land position at Peralillo has been enlarged by 10 pedimentos, bringing the total holding to 28 pedimentos with an area of 8,600 hectares (86 square kilometers) in response to the number of anomalies that have been identified.

THE PERALILLO PROJECT

The Peralillo concessions are located about 50 kilometres south-east of Concepcion on the east side of the River Bio Bio. A good system of primary and secondary roads provides excellent access to the area. The pedimentos overlie rolling hills ranging in elevation to 200 metres, which are drained by streams that flow into the River Gomero. The district is dominated by a logging industry, which results in a patchwork of clear-cut and reforested areas.

The area is underlain by undifferentiated granitoids of the Coastal Batholith. The working deposit model for this area is a primary uranium deposit in the peraluminous granites of the batholith, analogous to the Rossing deposit in Namibia.

CONRAD WINDHAM, CHIEF EXECUTIVE OFFICER, SAID:

“The results achieved from soil sampling to date at Peralillo are highly encouraging, and now that radon surveying has commenced our knowledge and understanding of the project will be quickly enhanced. I look forward to keeping investors fully informed on the progress at Peralillo, a project that your directors believe has the potential for the discovery of economic uranium mineralization.”

This announcement has been approved by Mike Parr, the Chief Geologist of U3O8 Holdings Plc.

The Directors of the issuer accept responsibility for this announcement.

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