Uranium Oil & Gas Limited

Year 1 Annual Technical Report for EL 25329 (“Lucky U”).

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Summary

This Annual Technical Report documents the 2007/2008 exploration program conducted at Lucky U (EL25329) by Uranium Oil & Gas (UOG). UOG has an agreement with the tenement holder Bralich Holdings Pty Ltd whereby it can earn 70% by spending the minimum of 2 years expenditure. UOG is the tenement operator.

Lucky U is located in the Harts Ranges, near Alice Springs NT. Previous explorers in the area have found a number of high grade polymetallic rock chips, which include uranium. No uranium resource has been established in the area.

UOG's first year activities included literature research, field reconnaissance, rock chip sampling, a radiometric airborne survey, a helicopter scintillometer survey, GIS database and drafting. A number of interesting anomalies were defined and require follow up in subsequent years. A CLC land clearance and MMP authority were applied for and granted.

1.0 Introduction

Lucky U (EL25329) is located 115 km directly ENE of Alice Springs (figure 1.1). Road access from Alice Springs is by way of the Stuart Highway north towards Tennant Creek thence east either along the Plenty Highway or the track leading to Claraville Homestead .Two bore pastoral station service tracks traverse the centre and southern parts of the tenement.

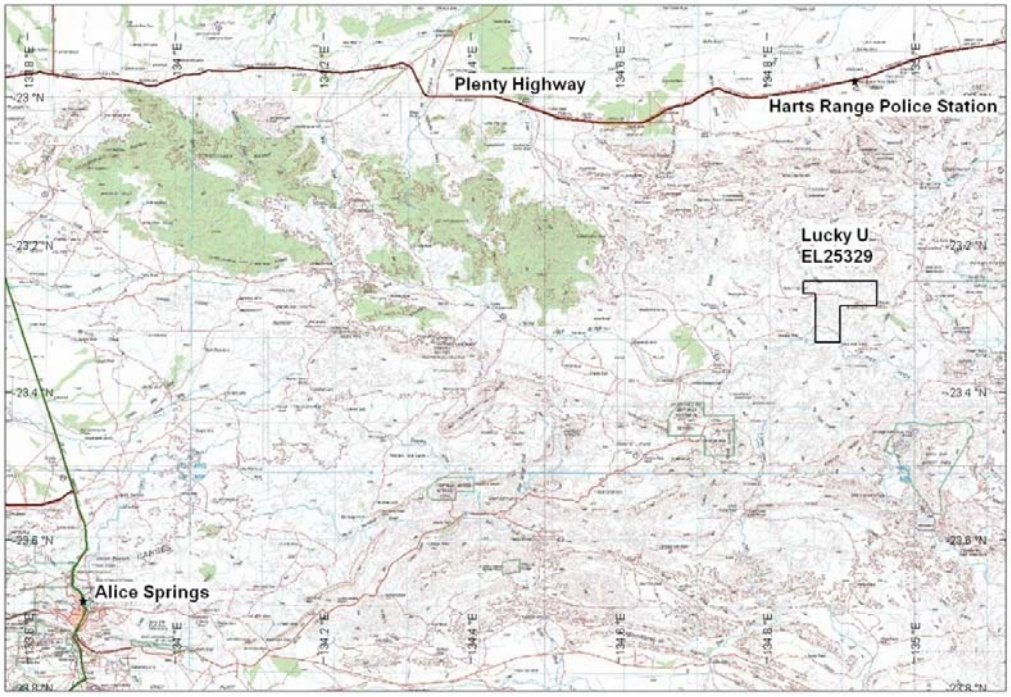


Figure 1.1 Location of Lucky U Tenement

2.0 Geology and Mineralisation

The regional geological setting comprises Arunta Block Proterozoic/Palaeozoic-aged Strangways Metamorphic Complex and intrusive Irindina Gneiss rock sequences. These rock relationships are complex and poorly understood due to block faulting.

Three broad divisions have been proposed by earlier workers (Whalen GA 1991).

Division One
The oldest, consisting of basic and acid granulites, quartz feldspar gneisses with lesser calcareous and pelitic rocks.

Division Two
Is dominant in the south and comprises layered quartz feldspar gneiss and igneous rock sequences.

Division Three
Is the least extensive and characterised by quartz rich sandstones, pelite and acid igneous rocks.

Small mica workings are common within pegmatites to the north, whilst gold-copper prospect mineralisation (The Copper Queen Mine) occurs just west of the tenement.

Structurally, the tenement is cut by a number of major east-west and north-north easterly trending faults (Figure 2.1).

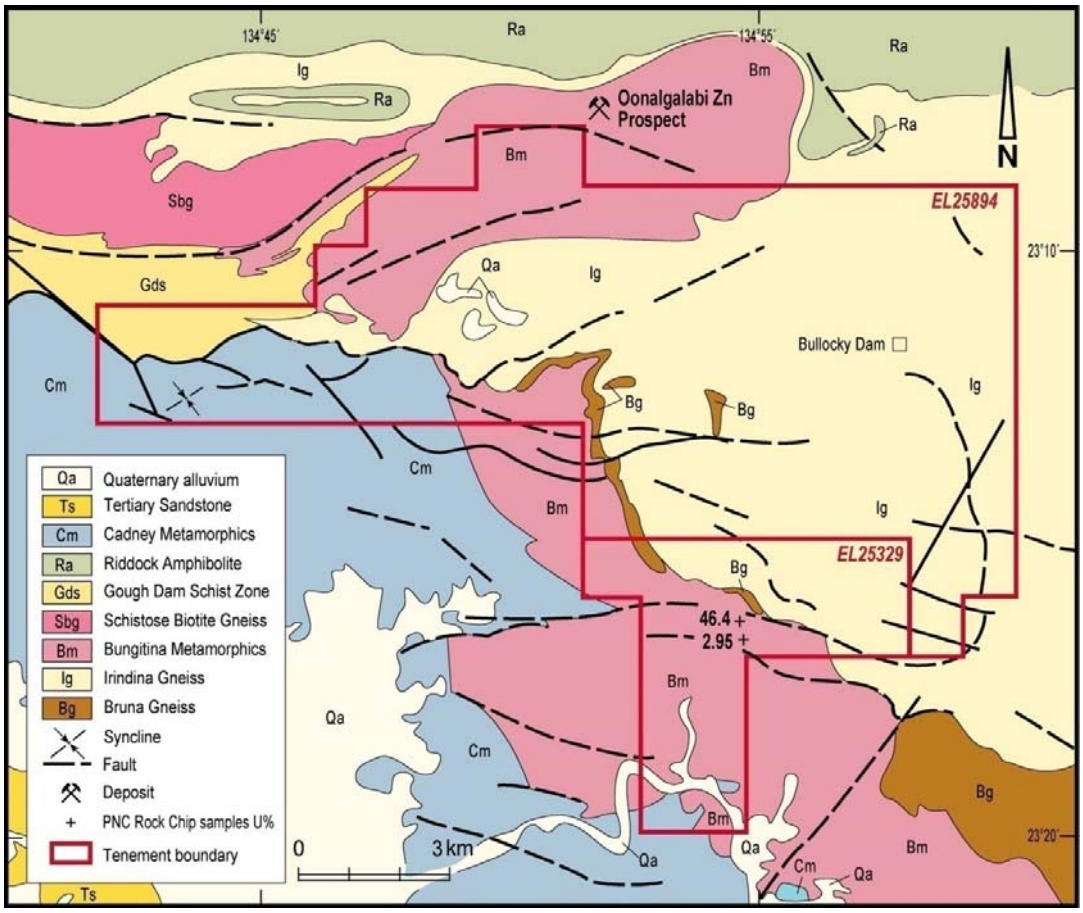


Figure 2.1 Lucky U Regional Geology

3.0 Previous Exploration

The area is relatively poorly explored however available open file reports record exploration by Stockdale Prospecting Limited (Stockdale) and by PNC Exploration (Australia) Pty Ltd (PNC).

In 1992, Stockdale carried out a programme of stream sediment sampling and limited rock chip sampling in the search for gold and copper mineralisation. From the 960 samples collected anomalous gold (2.7ppm Au) and anomalous copper (1.9% Cu) mineralisation was identified in surface exposures.

The Stockdale tenement, EL7572 is located adjacent to and west of the 'Lucky U'.

Stockdale refer to previous investigation by Kinex (?) that consisted of detailed geological mapping and rock chip sampling although this report has not been sighted. The reported mineralisation is described as malachite and chrysocolla staining in biotite garnet gneiss. The staining occurred in lenticular zones up to 1.5m thick.

Stockdale concluded that whereas strike extensions of the nearby Copper Queen gold prospect did not extend into EL7572, the coincident BLEG and base metal anomalies to the south and east warranted further investigation.

In 1996, PNC carried out investigations in a large area that encompassed the Lucky U tenement. PNC's exploration was directed at uraninite mineralisation in felsic hosts within discrete fault structures, and intrusive pegmatite's.

A programme of diamond drilling was carried out to test below this surface evidence of mineralisation. No significant uranium mineralisation was identified in their drilling programme.

PNC rock chip sampling at the 'Lucky U' prospect returned values of 46.4% U and 2.95% U. A number of samples also returned in excess of 1000ppm U mainly from north-westerly trending shears and faults.

4.0 Tenure

UOG has an agreement with the tenement holder Bralich Holdings Pty Ltd whereby it can earn 70% by spending the minimum of 2 years expenditure after granting. UOG is the tenement operator. Tenure details are tabled below.

Table 4.1 Tenure Details

Tenement	Owner	Date Granted	Tenure	Size	Rent	Expenditure Commitment
EL 25329	Bralich Holdings	5/2/2007	6 Years	17sq. blocks	$187	$8,000

5.0 Airborne Radiometric Survey

During the reporting period, GPX Airborne was commissioned to fly low level, radiometrics and magnetics over a portion of the Lucky U tenement. The survey commenced on the 15th September 2007 and lasted 2 days. A total of 1200 line km's were flown, approximately 73.5% of this was on EL25329 (figure 5.1).

Specifications on EL25329 are shown below:

Line spacing: 50 metres
Line direction: 090° and 270°
Tie line spacing: 500 metres
Tie line direction: 000° and 180°
Sensor height: 60 metres
Magnetometer sample rate: 10 Hz
Spectrometer sample rate: 1 Hz recording 256 channels
Altimeter sample rate: 10 Hz
Base magnetometer sample rate: 1 Hz

Radiometric data (U, K, Th), magnetic and elevation data was collected and processed. The results are shown in figure 5.2 - 5.6

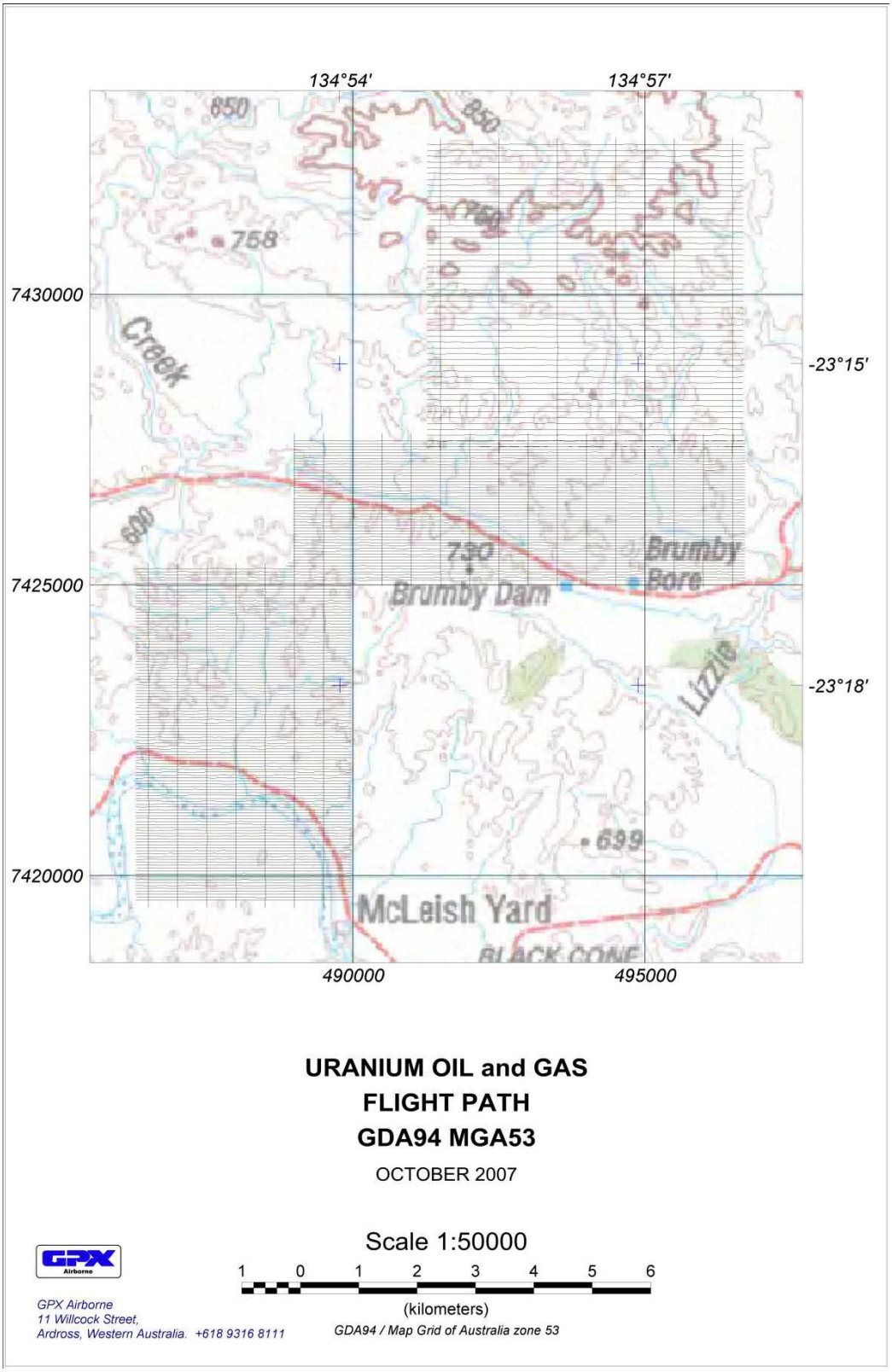


Figure 5.1 GPX Flight Paths

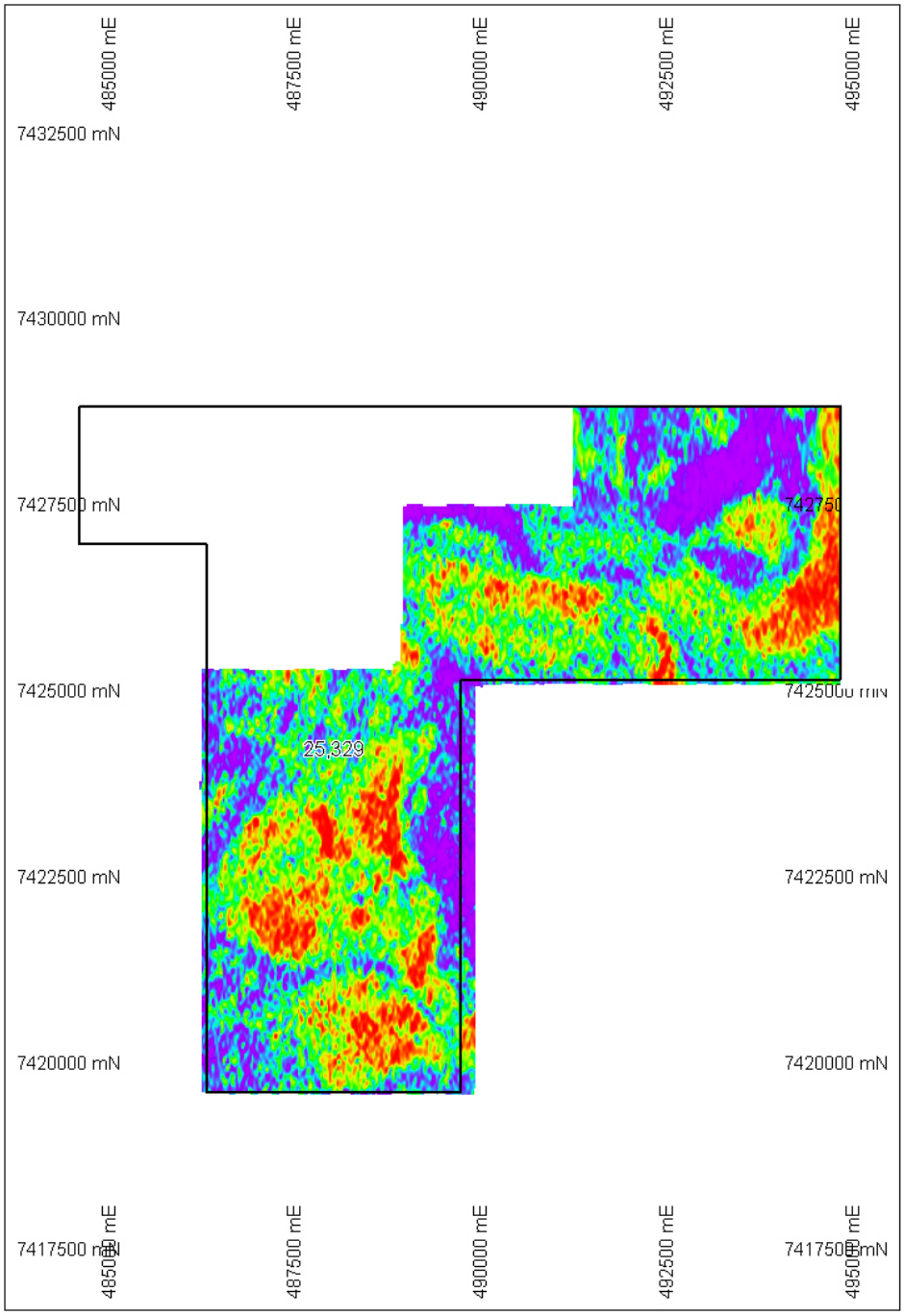


Figure 5.2 Uranium Radiometrics

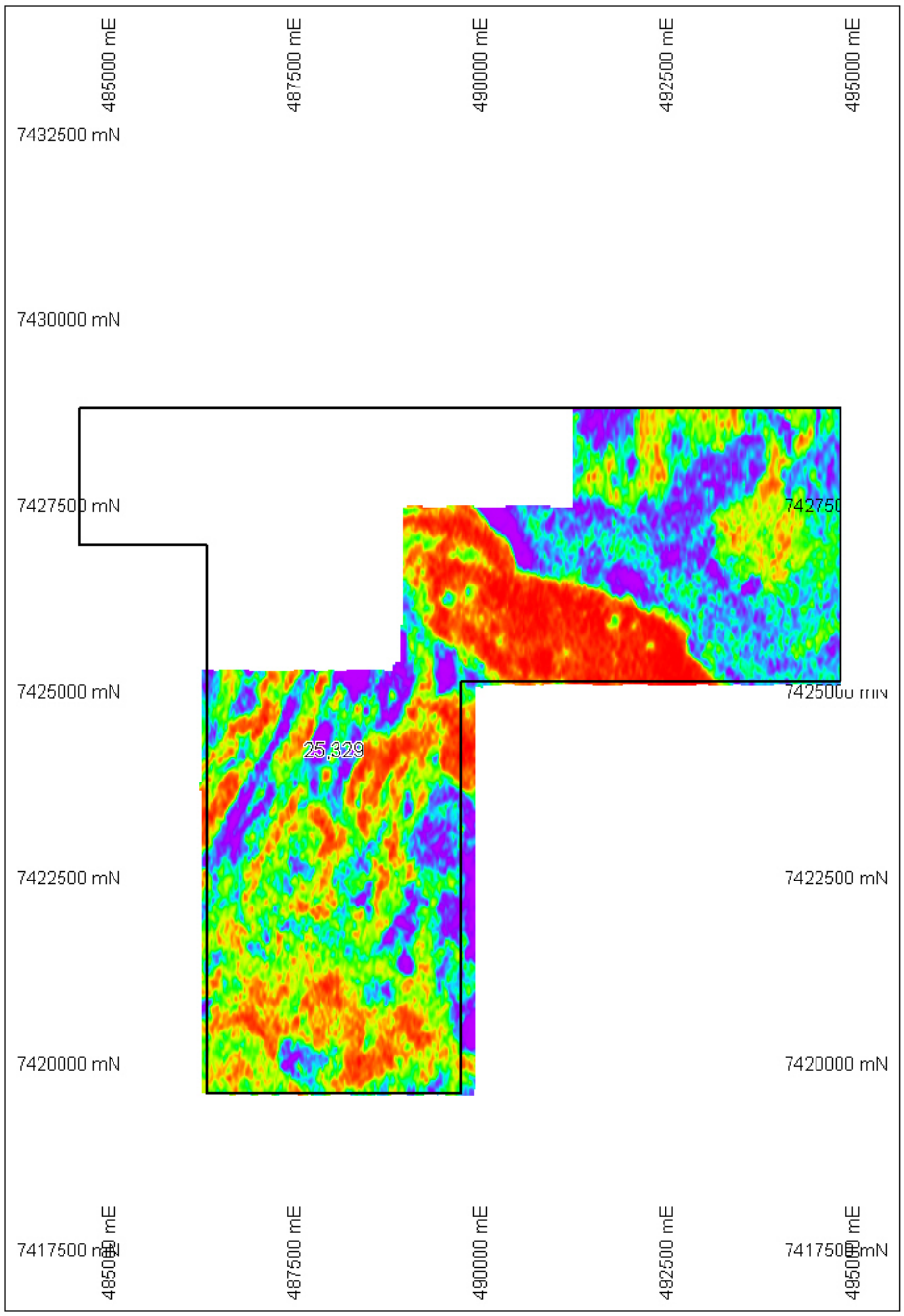


Figure 5.3 Potassium Radiometrics

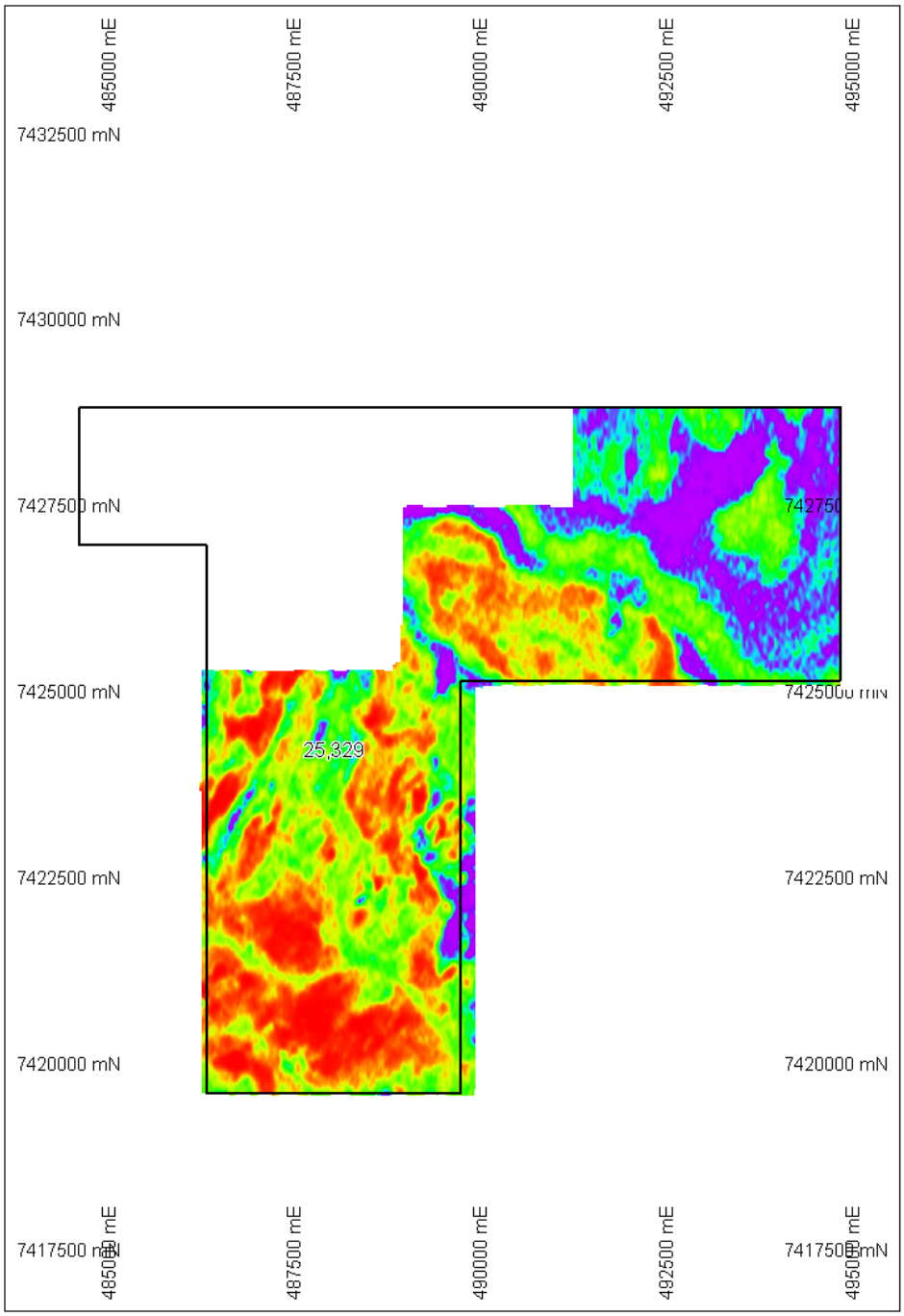


Figure 5.4 Thorium Radiometrics

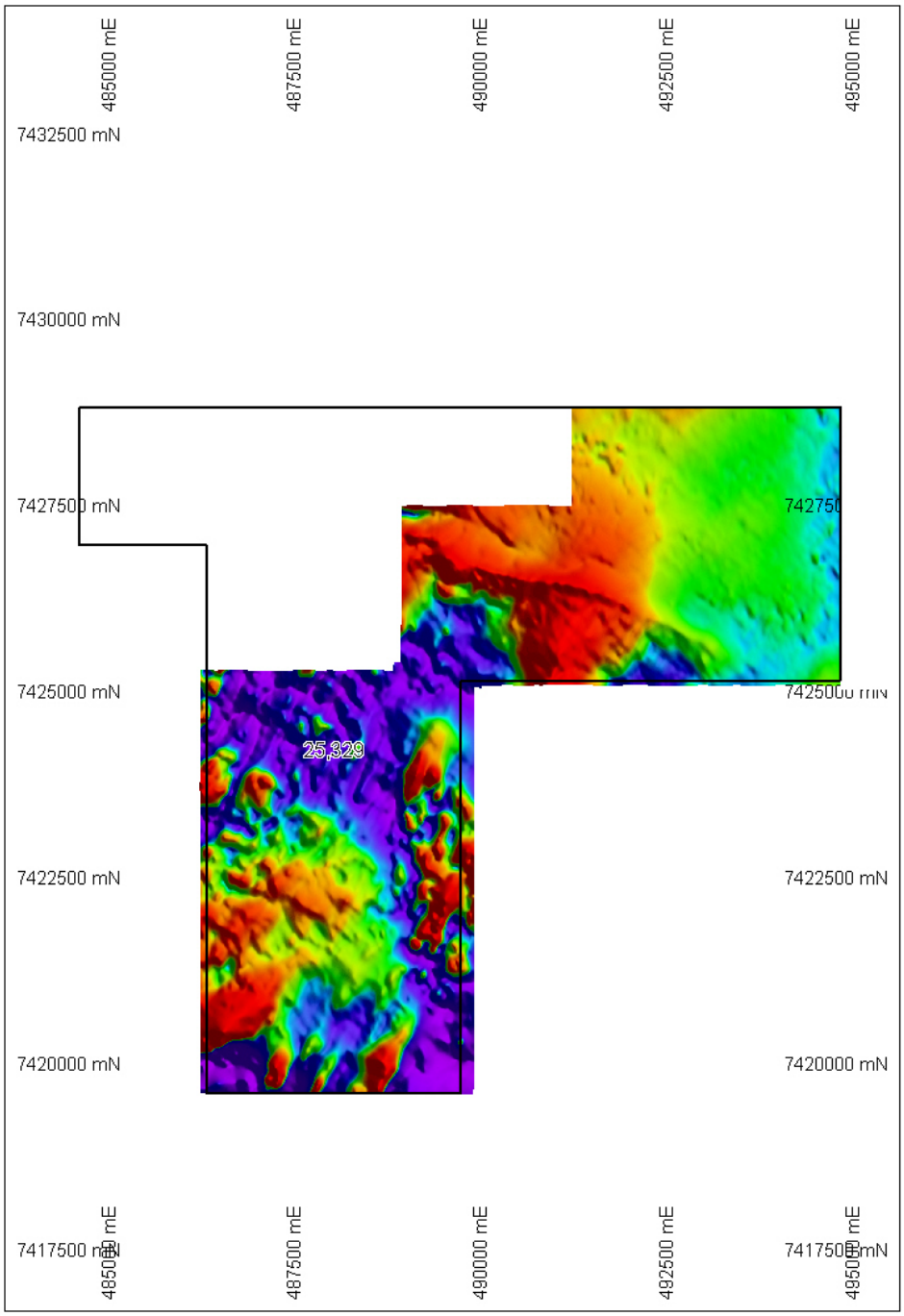


Figure 5.5 TMI

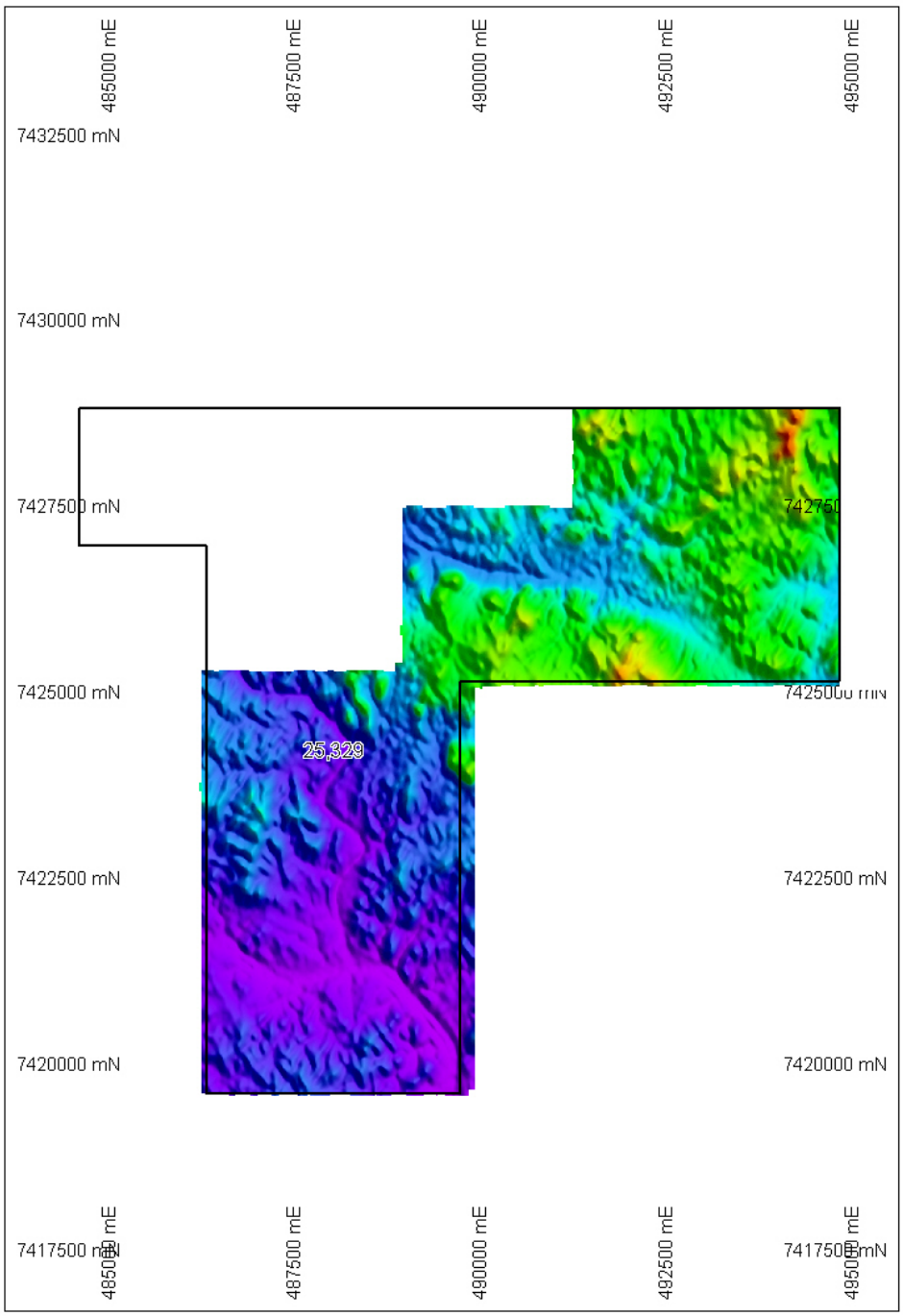
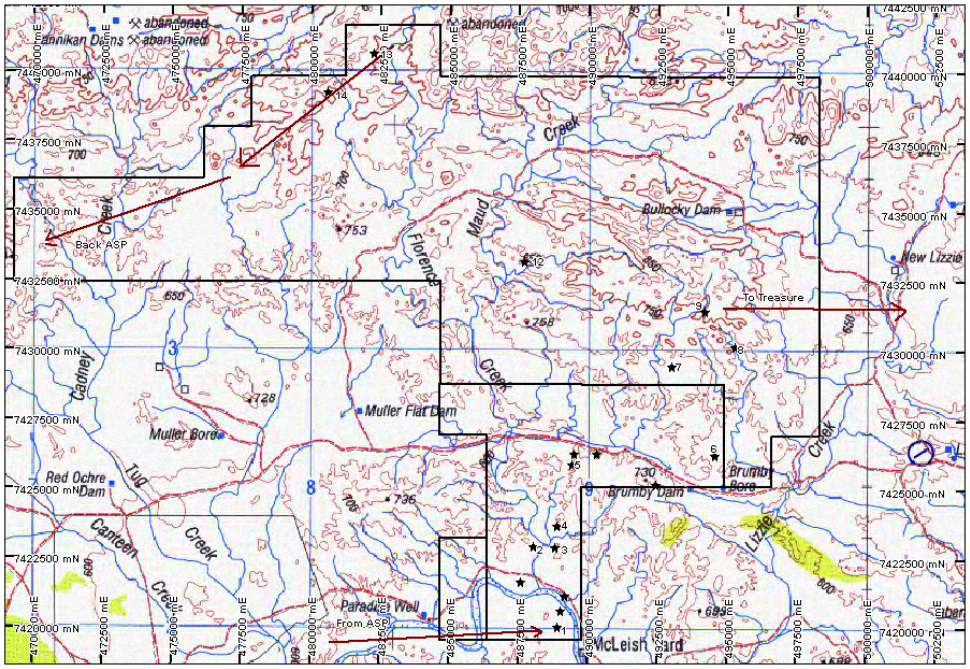


Figure 5.6 DEM

6.0 Scintillometer Survey

Following on from the radiometric survey, a number of locations ground checked with a hand held digital discriminating scintillometer. A helicopter was hired to access sites difficult with difficult access. In all, 6 sites were checked from the helicopter and 5 were checked using a 4WD. One sight recorded a weakly anomalous value of 23 ppm U over a granitic outcrop (location 2). The remainder of the sights assayed less than 20 ppm U. A location map is shown below in figure 6.1



7.0 Discussion

The 23 ppm uranium reading from location 2 appears to be anomalous and slightly elevated; a radiometric signature is associated with this location. The sample location point for this could be described as having reasonable levels of outcrop exposure, coupled with relatively moderate variances in the topography. Vegetation is typical of the area. It is recommended that this area and all anomalous area be examined in greater detail. This can take the form of using a scintillometer and making a series of detailed ground traverses across the anomalies. Some soil sampling may also be required if soil and cover becomes significant. Although much of the tenement has been covered by the survey, emphasis must go on locating the high grade uranium PNC samples. Assays reportedly in the order of 43% should be located, resampled and assayed again.

8.0 Rehabilitation

No ground disturbing work was undertaken, therefore no rehabilitation was necessary.

9.0 Year 1 Expenditure 2007/2008

Salaries	$12,200
Geological Contractors	$ 4,000
Geophysical Contractors	$ 91,660
Travel & Accommodation	$ 1,400
Motor Vehicle Hire	$ 1,500
Helicopter Hire	$ 5,000
Assays	$ 450
DME Rents	$ 187
Equipment Purchases	$ 3,200
Tenement Administration	$ 400
Tenement Consultants	$ 400
GIS Database	$ 3200

Total 2007/2008 expenditure **$120,717**

10.0 Year 2 Planned Expenditure 2008/2009

The following activities and budgeted minimum expenditure details are shown below:

Geophysics	$4,500
Soil Sampling/Rock Chip Sampling	$5,000
Literature Review	$1,000
Travel and Accommodation	$3,500

Proposed 2008/2009 Expenditure **$14,000**

No relinquishment will be necessary until Year 3.