

25 July 2011

ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

**Award of the Basic Engineering Conceptual Design
and up-date on the Berkeley-ENUSA position**

Berkeley Resources Ltd ("Berkeley" or the "Company") is pleased to announce the award of Basic Engineering Conceptual Design for the Salamanca Uranium Project to the international engineering firm, JACOBS, to improve confidence levels up to $\pm 15\%$ by the last quarter of 2011. The Company has also contracted the Spanish international engineering firm, TECNICAS REUNIDAS, to undertake an Independent Review of the Project, in order to provide a second Spanish based expert report on the project.

These recent initiatives are consistent with the Board's decision to exploit, as required by the Co-operation Agreement with ENUSA, based on the outcomes of the restricted Mining Domain Feasibility Study(MDFS). As previously advised by the Company (in ASX announcements 24May 2011 and 31 May 2011), the restricted MDFS was prepared in conjunction with a number of international expert consulting firms and confirms the feasibility of the Project.

Further to the previous announcement of 31st May 2011, Berkeley hereby provides an update in relation to the obligation of Berkeley and ENUSA to incorporate the joint venture company called "Newco" that was not incorporated by the agreed deadline of 27 May 2011.

ENUSA and Berkeley have conducted a number of meetings in June and July with the principal objective of reconciling differing views about the purpose and content of the restricted MDFS and the impact of these differences on the timing of forming NEWCO. Discussions are continuing.

Berkeley and ENUSA have both stated commitment to this process and believe that there are several constructive options to address the differences. However, it also recognises the possibility that satisfactory agreement between the parties may not be achieved and therefore continues to assess the alternatives.

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