

DEEP YELLOW LIMITED
ABN 97 006 391 948

Level 1 329 Hay Street Subiaco WA 6008
PO Box 1770 Subiaco WA 6904
Tel : 08 9286 6999
Fax : 08 9286 6969
Email: admin@deepyellow.com.au
Website: www.deepyellow.com.au

07 March 2007

NORTHERN TERRITORY - UPDATE

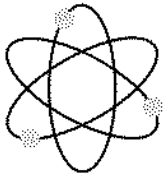
Deep Yellow Limited (DYL) is pleased to announce that its application for two exploration licences (ELA's 25490 and 25491) covering 1,017 km² has been accepted by the Department of Primary Industry, Fisheries and Mines (DPIFM). The tenement applications cover interpreted palaeochannels now represented by current day drainages. The extensive sheetwash plains underlying the tenements are sourced from the weathering of the uraniferous granite terrane of the Mt Doreen - Mt Hardy area to the northeast of the Bygrilli uranium deposit. The primary target within the tenements is calcrete – hosted uranium mineralisation.

DYL's exposure to the highly prospective Tanami – Arunta uranium province totals **52,046 km²** comprising:

- 12 granted exploration licences covering 4,123 km² held 100%.
- 17 exploration licence applications covering 7,965 km² held 100%.
- Access to a further 39,958 km² of granted exploration licences and applications held by Tanami Gold NL (TGNL).

The target within the majority of the tenement areas is calcrete-hosted uranium mineralisation similar to the Napperby deposit. The potential for this style of mineralisation occurring in buried (palaeo) channels can be rapidly assessed by airborne electromagnetic surveys and 1 to 2 km spaced shallow drill traverses. Other targets include primary unconformity related uranium mineralisation in the Gardner Ranges (NT/WA) and roll-front uranium mineralisation at Nonouba 60 km to the west of the Angela - Pamela uranium deposits (see Figure 1) where previous drilling by Uranerz (1970's) returned up 1 metre at 0.41% (4,100ppm) U₃O₈ within the same reduced sandstone unit that hosts the Angela - Pamela mineralisation.

DYL has also made a submission, ELA 25767 (together with some 30 other companies) to DPIFM to acquire the Angela and Pamela uranium deposits 25 km to the south of Alice Springs where drilling by Uranerz (1973-81) outlined an historic resource estimate for the Angela deposit of 12,650 t of U₃O₈ at a grade of 0.1% (1,000ppm) U₃O₈. The above historic resources and intercepts are quoted by DPIFM.



NORTHERN TERRITORY - UPDATE

In summary DYL is constantly assessing and prioritizing target areas within the **52,046 km²** under granted tenure or applications within the Territory. Since early 2005 DYL has fully evaluated and 'relinquished' over 20,000 km² of unprospective ground (subject to the agreement with TGNL) and made application for 6,120 km² of new ground in the Territory. The bulk of DYL's tenements are located in the Northern Territory and the Company is totally committed to aggressively explore and evaluate the areas it holds.

The divestment of the Napperby Uranium Project and its associated tenements EL's 24246 and 24606 to Toro Energy Ltd (ASX 15 February 2006) will enable DYL to focus more strongly on a number of strategic exploration projects within the uranium prospective Tanami-Arunta Province and on bringing Angela-Pamela to fruition should it be granted those rights.

Exploration is scheduled to commence in March/April at the close of the wet season. Planned programmes include airborne electromagnetic surveys, auger drilling, RAB/Aircore drilling and RC percussion drilling.

Dr Leon Pretorius
Executive Chairman

Further Information:

Mr Martin Kavanagh
Executive Director
(08) 9286 6999

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Leon Pretorius a Fellow of The Australasian Institute of Mining and Metallurgy. Dr Pretorius sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Pretorius consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

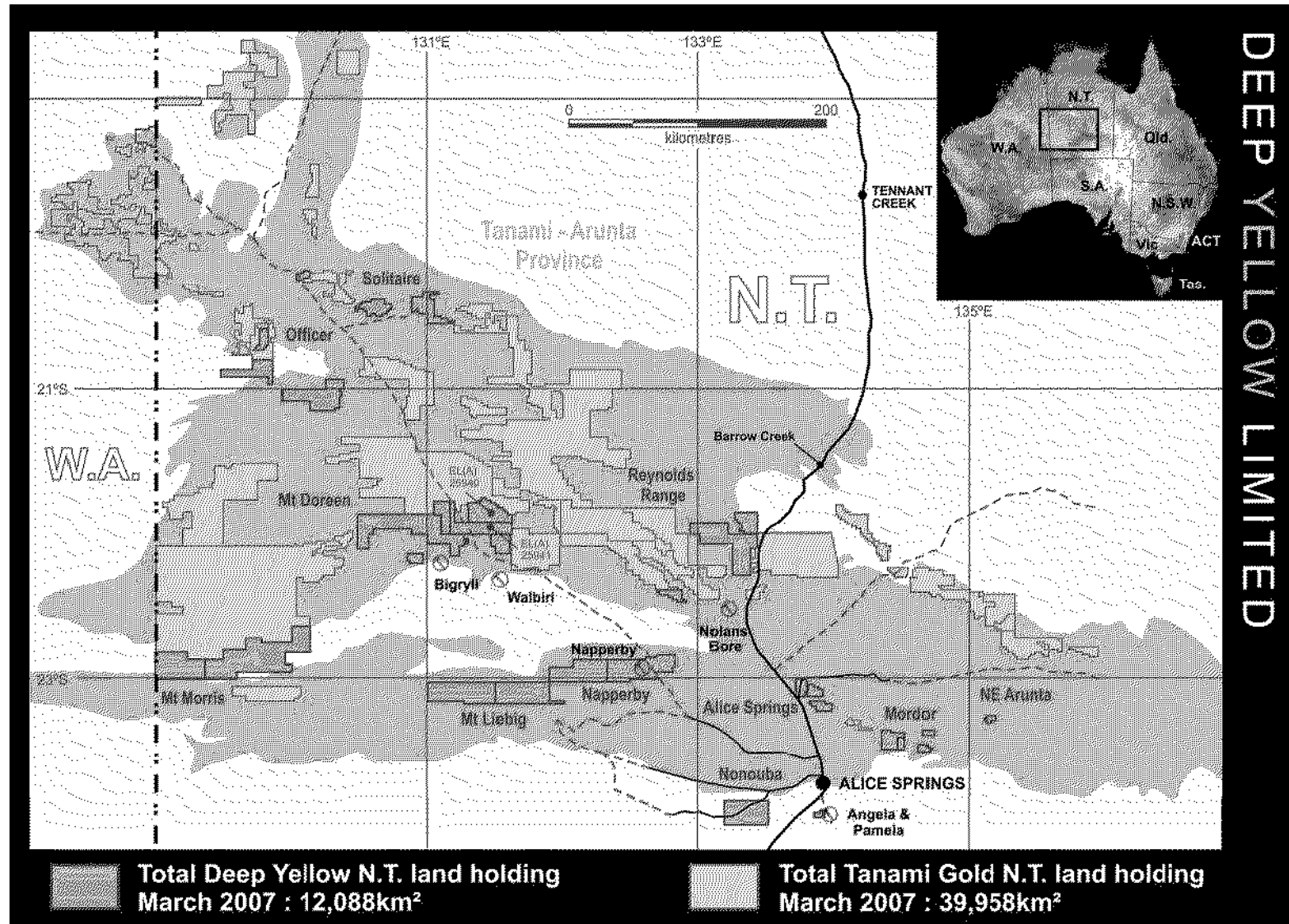
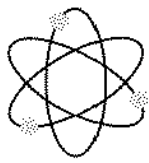


Figure 1 – Northern Territory Tenure