

Natasa Mining Ltd
(“Natasa” or the “Company”)

Update re UMC Option Exercise

Further to the announcement in April this year that UMC Energy plc (UMC) had entered an option agreement (which is with non-related parties) to acquire a Papua New Guinea (PNG) company which had applied for Petroleum Prospecting Licences (PPLs) in that country, we wish to advise that UMC has now exercised its option. As a result of exercising this option, UMC will acquire 100 per cent. of the issued capital of a BVI incorporated company, PNG Energy Ltd, which company's sole asset is its 100 per cent. holding in the PNG company, Gini Energy Ltd (Gini). Gini's sole asset is its holding of two off-shore PPLs, nos 374 and 375 and one on-shore PPL, no 378.

The consideration payable upon exercise of the option is the issue by UMC of 240 million fully paid up new ordinary shares in the capital of that company (New Ordinary Shares).

UMC has retained consulting petroleum engineers to further examine and report on the presently available published geological data on the underlying areas of these Licences and the results of these studies will be released when available.

The work expenditure commitments on the three PPLs in the first two years, totalling US\$600,000, will be met from UMC's existing funding arrangements with the Natasa. During the first year of the expenditure commitment programme, UMC will, upon receipt of the petroleum consultants' reports on past exploration carried out on the PPLs, decide on the most appropriate development options, including the possibility of seeking farm-in partners.

The transaction will not result in any changes to the composition of the Board of Directors of UMC. Furthermore the transaction will not result in any change to UMC's other business activities being the investment in and development of the Morondava uranium exploration project in Madagascar.

Following the allotment of the New Ordinary Shares by UMC, the Company will hold an equity interest in that company of 42.3 per cent.

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