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ATHABASCA URANIUM COMMENCES DRILL PROGRAM

Athabasca Uranium Inc. is pleased to announce that the Company has commenced the diamond drill program on its Keefe Lake uranium project in the southeast Athabasca Basin. Construction of the 25-man base camp began last week and will be completed immediately, with mobilization and operation of the diamond drill expected to take place shortly. Athabasca contracted Elite Drilling of Saskatoon to complete the 3000-meter NQ2 10-hole program. Elite has over 20 years experience in the Basin and has performed drilling services at the McArthur River Mine (Cameco) and at Shea Creek (AREVA/UEX). Elite has also drilled extensively for JNR Resources and as such has “local” experience in this quadrant of the Basin that should translate into highly efficient, cost-effective drilling. The Company will be performing down-hole gamma radiation surveys for each of the holes as they are completed, and a satellite communication system will allow for near real-time drilling results to be available to the Company throughout the program. Prospective drill core will also be subject to assay for mineralization.

“This is a watershed moment for us”, commented Gil Schneider, President “as with drills turning Athabasca Uranium graduates to a full-blown exploration company. We are extremely pleased with the exploration team we’ve assembled, and have a high degree of confidence in our drill targets, having employed the greatest level of exploration technology available. We hope to be able to provide our shareholders with positive news in the near term”.

“Additionally, with the recent takeover bids of Hathor Exploration from suitors Cameco and Rio Tinto, we’ve seen a resurgence of activity from parties interested in potential joint ventures and equity participation in our large portfolio of prospective properties. With numerous opportunities available, we’ve recently been entertaining proposals that would allow for the swift exploration and development of all of our projects. After a six-month lull, uranium is making a comeback - and we’re well-positioned to capitalize on that.”

About Athabasca Uranium

Athabasca Uranium Inc. is a uranium exploration and development company exploring an aggregate of over 60,000 hectares strategically located in the uranium-rich Athabasca Basin region of northeast Saskatchewan. The Company’s stated vision is to explore the region using leading-edge technology to become a world-class uranium mining company. Additional information on Athabasca Uranium and its vision is available on the Company’s website at www.athabascauranium.com.

ON BEHALF OF THE BOARD OF DIRECTORS

“Gil Schneider”

Gil Schneider, President & CEO

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