

Cauldron receives part of second tranche of A\$10M Chinese investment

Key points:

- A total of A\$10M to be invested into Cauldron over two tranches
 - A\$3M via a Placement received
 - A\$7M via a Convertible Note facility

Australian uranium exploration and development company Cauldron Energy Limited (**ASX: CXU**) ("Cauldron" or "the Company") has received A\$2M of the second tranche of A\$7M (total raising A\$10M) from strategic Chinese investors, as per the recently announced capital raising (see ASX announcement released 10 November 2009).

The first tranche, by way of a Placement, saw Cauldron place a total of 6M shares to the Chinese investors at an issue price of A\$0.50 per share, to raise A\$3M. These shares were issued pursuant to shareholder approval obtained at the Company's Annual General Meeting on 24 November 2009.

The Company wishes to advise that, in addition to the payment of the Placement by the Chinese investor, it has now received A\$2M (of A\$7M) via a Convertible Note facility. The Final installment of A\$5M is due to be paid by the end of January 2010.

"The Company is now well funded and is advanced in the execution of its aggressive exploration campaign on its uranium assets in Australia and Argentina." said Cauldron Chairman, Mr. Tony Sage.

Cauldron Energy was created from the merger of two ASX listed companies, Jackson Minerals Limited and Scimitar Resources Limited, in 2009.

Ends

For further information, visit www.cauldronenergy.com.au or contact:

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ASX Code CXU

88.7 M ordinary shares
11.2 M unlisted options

Market Cap
A\$38 million (@43c)

Board of Directors

Tony Sage
Executive Chairman

Terry Topping
Chief Executive Officer

Brett Smith
Executive Director

Qiu Derong
Non-executive Director

Kent Hunter
Non-executive Director

Stephen Brockhurst
Company Secretary