

ASX/MEDIA RELEASE

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APPOINTS URANIUM EXPLORATION RESEARCH TEAM

Uranium exploration company, Epsilon Energy Limited (**ASX: EPS**) is pleased to announce the appointment of the Centre For Exploration Targeting to undertake a cutting edge uranium-exploration research project, as part of the Company's organic growth strategy.

The Centre for Exploration Targeting is a joint initiative between The University of Western Australia and Curtin University of Technology, established by the West Australian Government as a Centre of Excellence in Science and Innovation.

The research project, to be supervised by Epsilon Non-Executive Director Prof Mike Dentith, will develop methods for quantitative prospectivity analysis applicable to palaeochannel-hosted uranium mineralization for use in association with established uranium remote-sensing exploration methods, such as thermal imaging and electromagnetic and radiometric surveys.

"The technologies being used for present-day uranium exploration are essentially the same as those used in the 1970s and 80s. Prospectivity analysis has become an established exploration technique for exploring for other commodities, such as gold, and the research project will develop equivalent methods for uranium exploration", said Prof Dentith.

A research team comprising geoscientists and computer scientists will work with data from a number of uranium systems, predominantly in Western Australia; including the Epsilon's current portfolio of Australia projects with an area of 10,000km², although the outcomes will be applicable to regions with similar geology anywhere in the world. An application has been submitted to the Australian Research Council's 'Linkage' research scheme to cover some of the project's costs.

Key areas of the work include:

- Automatic palaeo-drainage network detection and characterization from remote sensing data
- Quantification of drainage catchment geochemical endowment
- Drainage-network structural analysis
- Prospectivity mapping and predictive modeling

Epsilon Managing Director Matt Gauci said that the research project is a constructive and responsible step towards building a quantitative uranium exploration model for application to current and potential uranium systems.

"The ultimate purpose of this project is to create intellectual property that will provide the Company with a sustainable competitive advantage and will optimize the expansion and development of the Company's asset base" Mr Gauci said.

"Epsilon Energy has taken a long position in the Uranium industry and this research project underpins our strategic intent of creating a leading uranium explorer. The company is very happy to be working with a high-quality research from an organisation recognized for its world-class research providing practical deliverables for the mining industry".

"The Company will continue to explore and develop its project portfolio using established exploration methods. Drilling programs at the Company's Ida Valley and Mt Phillips projects are either underway or imminent, while a large airborne electromagnetic survey, over the company's core project, the 7,500km² Balladonia Uranium project in the Eucla Basin, is currently being organised", Mr Gauci said

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