



Funding Secured for Accelerated Uranium Program

Highlights

- Good potential for the extension of the interpreted Pirie Basin uranium trend into Stellar's leases warrants an accelerated drill program;
- Warrior resource requires more work to upgrade the mineralisation;
- Drilling program expected in the next six months.

Uranium Review

Following a strategic review of exploration and development opportunities within the Stellar Resources portfolio, the company saw strong justification to increase its activity in the uranium sector.

Stellar Resources holds areas of significant uranium potential in South Australia:

- Pirie Basin – wholly owned tenements located along the southern extension of the uranium mineralised Mullaquana trend identified by UraniumSA Limited;
- Pirie Basin – joint venture tenements in which UraniumSA is earning a 73% interest;
- Warrior – wholly owned tenements containing the largest known extent of palaeochannel uranium mineralisation in the Gawler Craton.

Following an approach by a broker it was decided that the best interests of shareholders would be served by partly selling down Stellar's passive shareholding in UraniumSA. 4.8 million shares were sold raising \$1.0 million which will be re-deployed into active uranium exploration and the advancement of the Tarcoola Iron Ore Project.

The company continues to rank its Tarcoola Iron Ore Project highly and views exploration of the recently acquired Hicks Hill magnetite deposit as a priority.

Stellar will recognise a profit of \$0.66 million from the sale of these shares in the current financial year.

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Active Uranium Program

Based on previous exploration and activities of joint venture partners the company is aiming to rapidly progress its projects. This work includes the following:

- Undertake an aerial electromagnetic survey over the southern Pirie Basin to more closely define the interpreted Pirie Basin uranium trend;
- Identify and commence drill traverses across the trend early in 2010;
- Independent evaluation of drilling and gamma log data from previous work conducted over Warrior so as to define a resource before year end;
- Drilling program to expand the Warrior mineralisation in 2010.

Pirie Basin

The Pirie Basin is a trough of Tertiary aged sediments that lie along the eastern coast of South Australia's Eyre Peninsula to the north of Cowell (see Figure 1).

UraniumSA has led the way in identifying the Pirie Basin as a sedimentary uranium province. In particular, the company's work in the northern section of the basin in identifying the interpreted Pirie Basin uranium trend and the 2,700 tonne Blackbush U_3O_8 deposit provided a model for the whole basin.

UraniumSA is also a joint venture partner with Stellar on EL 4242 in the central section of the basin. As indicated in an earlier release, UraniumSA has identified higher grade uranium on its own tenement just to the north of EL 4242 and plans to test its presence on the joint venture ground.

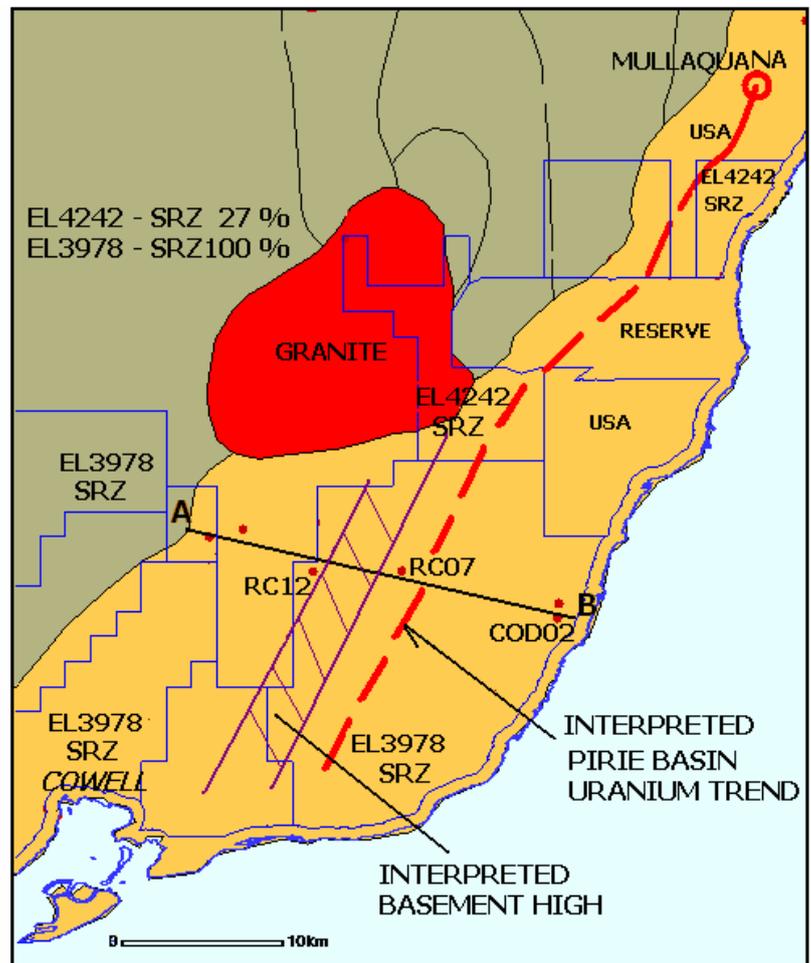


Figure 1 – Pirie Basin Uranium Trend

Stellar's work will focus on the southern half of the Pirie Basin within its wholly owned EL 3978. As Figure 1 shows, the prospective uranium trend has a strike length of 20 kilometres within this licence. In addition, the geologic section located between A and B in Figure 1 and shown schematically in Figure 2, identifies the same highly prospective Eocene sand that hosts uranium mineralisation in the north of the basin.

Prior work on the western side of EL 3978 by CRA in the late 1970s (see holes 7, 12 and 13 in Figure 2) identified anomalous uranium in sedimentary roll-fronts within the Eocene sand. However, this work did not test the potential for roll front development to the east of hole 7 – the target for Stellar’s current program. In addition, prior drilling by Stellar on basement targets identified the presence of uraniferous granite source rocks with COD02 yielding a 28 metre intersection averaging 155ppm uranium (see Figure 2).

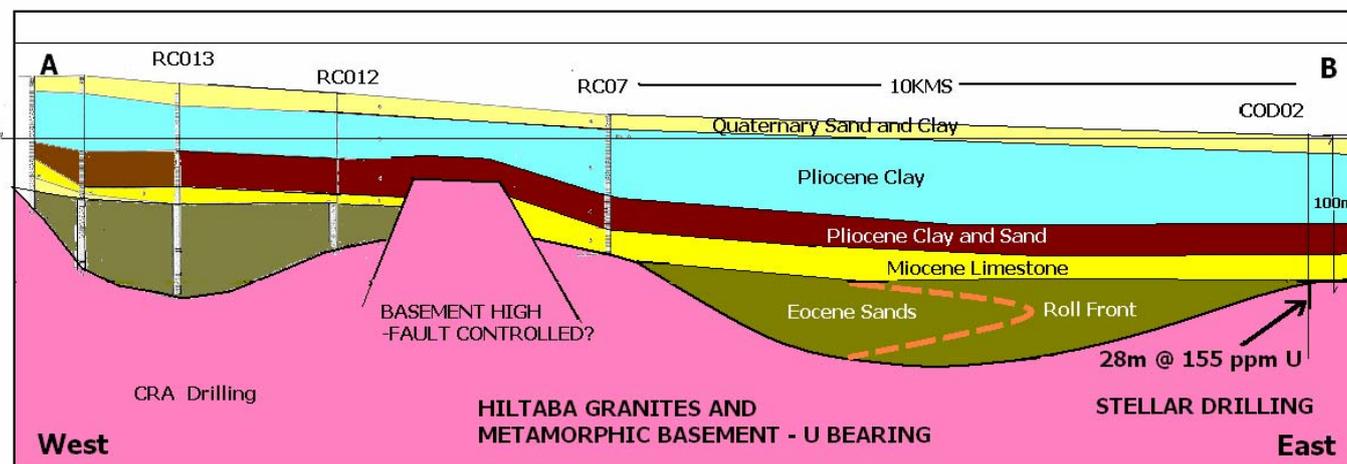


Figure 2 – Schematic Geological Section across the Southern Pirie Basin within EL 3978

Warrior

Stellar Resources has resumed 100% ownership and management of this project, located to the west of Tarcoola, in the Gawler Craton province of South Australia. Stellar is conducting a review of prior work at Warrior, which was initially defined by substantial drilling in the 1970s by Japanese utility company PowerNuclearCorporation. Two areas were followed up by recent, more detailed drilling by former joint venture partner Toro Energy Limited.

Stellar’s initial plan is to review Toro’s sampling quality and assay results, relative to results from in-situ logging of natural gamma radioactivity levels, and compare these results with the earlier PNC drilling .

Warrior is the largest known palaeochannel uranium resource in the Gawler Craton, and also retains considerable exploration potential within the region surrounding the areas of detailed drilling.

The drill and exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr. C.G. Anderson (Fellow of the Australasian Institute of Mining and Metallurgy) who is a Director of the Company. Mr. Anderson has sufficient experience relevant to the style of mineralisation and type of deposits being considered to qualify as a Competent Person as defined by the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2004 Edition). Mr. Anderson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. It should be noted that the abovementioned exploration results are preliminary.

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