

Uraniumletter INTERNATIONAL

the international independent information and advice bulletin for uranium resource investments

Special Situation – October 2009 Update

www.uraniumenergy.com



Uranium Energy Corp. (US\$ 3.68)

AMEX	: UEC
Frankfurt Stock Exchange	: U6Z
H+L prices (12 months)	: US\$ 4.16 – 0.16
Issued shares	: 56.1 million
Fully diluted	: 69.8 million
Market capitalization	: US\$ 206.4 million

Next price target: US\$ 5.50

Company Profile

Uranium Energy is a US-based resource company with the objective of becoming a near-term ISR uranium producer in the United States. Utilizing its extensive library of historic uranium exploration and development work, the Company has acquired and is advancing uranium properties throughout the south-western US. The Company has a project portfolio of 34 properties in 6 US States totalling 39,224 net mineral acres. Its project portfolio includes total resources of 41.54 million pounds U3O8, including 18.3 million pounds U3O8 of NI 43-101 compliant resources.

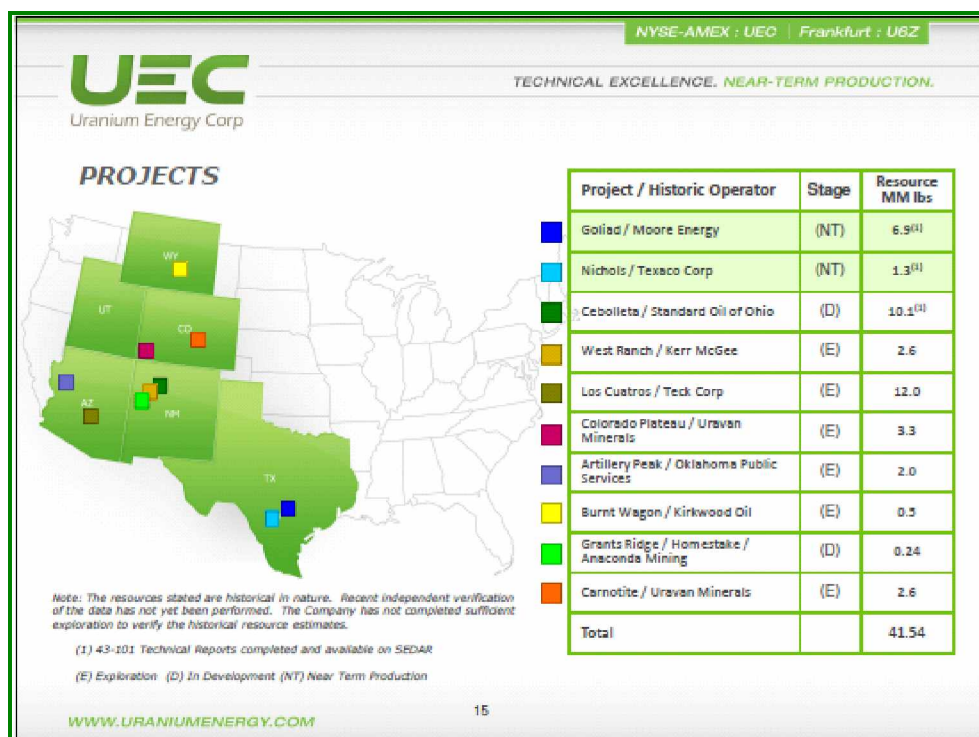
Uranium Energy is developing its advanced-stage Goliad Project in south Texas, with In-Situ Recovery uranium production projected to begin early 2011. The Project has 6.9 million pounds NI 43-101 compliant resources (Measured & Indicated 5.4 million pounds and Inferred 1.5 million pounds U3O8). Uranium mineralization as currently defined by historic drilling remains open laterally in all directions, providing excellent potential targets for additional drilling and increasing the size of the resource.

In June 2008, a Draft Mine Permit has been issued for the Goliad ISR Uranium Project, making it the first Draft Permit to be issued in over 10 years to a publicly listed company in the U.S.

On September 23, 2009, Uranium Energy announced that the Texas Commission on Environmental Quality ("TCEQ") had issued a Final Authorization and the last necessary permits. A draft Radioactive Mineral Licence has been prepared by TCEQ and is expected to be finalised as an Operating Licence before the end of the year.

In January 2009, Uranium Energy established an Inferred resource of 1.3 million pounds of U3O8 for the Nichols Project, which is located only about 5 miles from the Goliad Project.

Uranium Energy controls one of the largest uranium exploration and development information libraries in the US, which contain at least 5 million feet of drilling data, covering Australia, Canada and virtually every state in the US, specifically concentrated on the main uranium-producing states: New Mexico (NM), Wyoming (WY), Texas (TX), Colorado (CO), Utah (UT), Arizona (AZ), and Nevada (NV). From this data, the Company has acquired and is assessing or actively exploring key projects in WY (2), TX (4), NM (4), AZ (2), and the Uranium Mineral Belt of CO/UT (3).



Note: The resources stated are historical in nature. Recent independent verification of the data has not yet been performed. The Company has not completed sufficient exploration to verify the historical resource estimates.

(1) 43-101 Technical Reports completed and available on SEDAR

On October 14, 2009 Uranium Energy announced that it had entered into an agreement with URN Resources ("URN"), a subsidiary of Uranium One (UUU – TSX) and an agreement in principle with Everest Exploration to collectively acquire a 100% ownership interest in the South Texas Mining Venture, LLP ("STMV"). To acquire all of URN's 99% interest in STMV under the terms of the agreement, Uranium Energy agreed to issue 2.5 million common shares to URN.

Uranium Energy will also purchase substantially all of the assets of Everest, including its 1% interest in STMV in exchanger for 200,000 common shares and a cash payment of \$ 1.0 million.

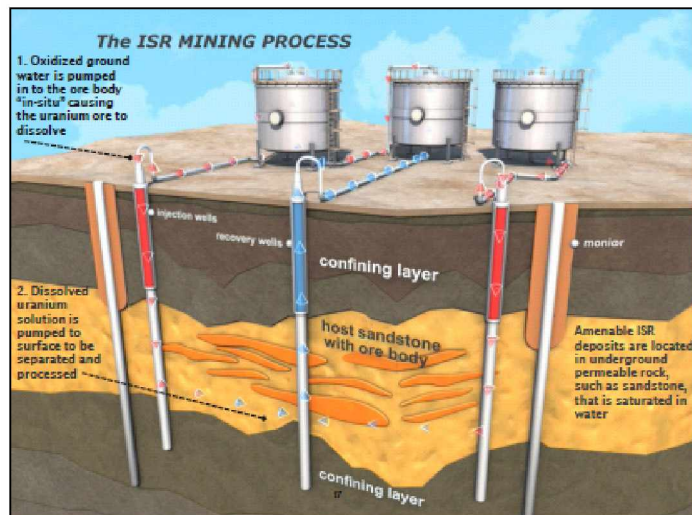
The assets of STMV include the fully licenced and permitted Hobson Processing Plant, the La Palangana Uranium Plant, which is at a final stage of permitting, and a portfolio of exploration-stage properties located in southern Texas.

The Hobson facility is expected to form the basis of a new regional operating strategy for Uranium Energy's projects in southern Texas. The Company anticipates that it's Goliad and Nichols, and, after a final closing, Palangana projects will now become satellite ISR operations with loaded resins being transported to Hobson for further processing into dried U3O8.

As a result of the acquisition of STMV, Uranium Energy's Texas land position will now include 5 additional properties, all with recognised uranium mineralization, and which lie within approximately 100 miles of the licensed Hobson facility.

The STMV will also include significant data files that document decades of south Texas-focused uranium exploration and mining.

The addition of new resources and properties to its existing Goliad and Nichols projects provides Uranium Energy with a strong and diversified pipeline of advanced, development and exploration-stage properties for expanding production for many years.



The Hobson facility is located about 100 miles northwest of Corpus Cristi in Karnes County, Texas. Hobson was originally licensed and constructed in 1978 and was subsequently totally refurbished and expanded to a drying and packaging capacity of 1.0 million pounds of U3O8 per year in the third quarter of 2008. Hobson's capacity can easily be doubled with the installation of a second and large vacuum dryer.

To date the Texas Commission on Environmental Quality ("TCEQ") has issued a Final Authorization; a Permit by Rule (an Air Exemption permit); two Deep Disposal Well Final Permits; an existing Aquifer Exemption from previous mining endeavours is still current and active; and a Draft Radioactive Material

Licence has been prepared by the TCEQ and is expected to be finalised as an Operating Licence before the end of the year.

Production at La Palangana can be expected to begin in the fourth quarter of 2010, being followed by Goliad and Nichols. This would make it possible to quickly ramp up Uranium Eney's annual production to 2 million pounds U3O8.

United States – the Next Uranium Giant



The United States has 104 nuclear reactors, representing 23% of the worldwide total of 436 reactors, generating more than 100 million megawatt of electricity each or approximately 20% of the country's energy supply. US uranium oxide (U3O8) was produced at one Mill and six In-Situ Leach Plants (Alta Mesa, Crow Butte, Kingsville Dome, Rosita, Smith Ranch-Highland and Vasquez).

There have been 17 licence applications to build 26 new reactors since mid-2007 following several regulatory initiatives preparing the way for new orders.

The US is by far the largest consumer of uranium in the world. In 2008, there was only 3.9 million pounds of uranium production in the US, 13% lower than the 4.5 million pounds in 2007, whereas US utilities purchased 53.4 million pounds. Out of this, 600,000 pounds were from US producers, 37.2 million pounds from foreign suppliers and the remaining from various US producers and traders. Consequently, close to 93% of US annual uranium demand is met through foreign supplies and secondary resources.

In-Situ Recovery (ISR) mining represents the future of US uranium mining. All existing US uranium production is by way of ISR mining. According to the World Nuclear Association, approximately 20% of global uranium production is by ISR mining because it has several advantages over conventional mining, including minimal environmental impact and lower capital cost.

Re-emerging American domestic support for nuclear power and a favourable pricing environment allow for profitable extraction.

Exploration Databases

In March 2008, Uranium Energy announced the acquisition of the historic Kerr-McGee uranium database from Tronox Worldwide LLC, a spin-off of the former uranium-producing giant. The information acquired constitutes one of the largest uranium databases of its kind, covering nearly every US state (with the exception of Wyoming and New Mexico), Canada and Australia, and consists of the exploration and development results by one of the largest uranium mining companies in the US between 1952 and 1989. Kerr-McGee was purchased by Anadarko Petroleum in 2006.

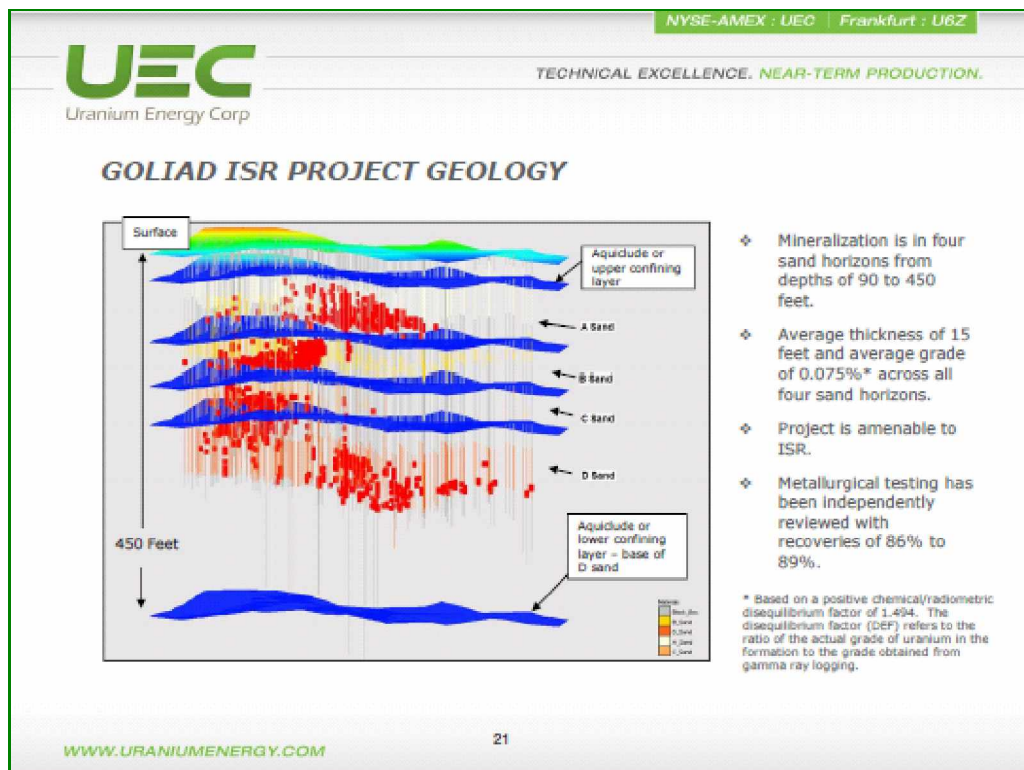
The Kerr-McGee uranium database consists of approximately 300 containers of maps, geologic reports, prospects, assays, electric logs of exploration and development drill holes, resource evaluations, engineering feasibility analyses, economic evaluations and details of advanced-stage development projects. The drill hole data includes the results from more than half a million feet of drilling. The database also contains extensive Airborne Radiometric Detection Apparatus (ARDA) results representing airborne radiometric surveys across known and highly potential uranium-bearing regions of the US. The ARDA technology was developed by and proprietary to Kerr McGee.

Uranium Energy controls one of the largest historical uranium exploration and development databases in the US.

Overview of projects

Ø Goliad Uranium Project, Goliad County, South Texas

At Goliad, ore grade mineralization was originally delineated in the 1980s within 4 stratigraphically separate sands (the A to D Sands) from 90 feet in depth to 450 feet in depth; the average thickness of 15 feet and average grade of 0.075% across all four sand horizons.



In March 2008, Uranium Energy announced an updated NI 43-101 compliant Technical Report, authorised by Thomas A. Carothers, P. Geo. The Technical Report provided a Measured and Indicated resource estimate for the Company's Goliad Project of 5,475,200 pounds at an average grade of 0.05% eU3O8, up from the previously reported and historical resource of 5.2 million pounds eU3O8 which was set forth in the Company's previously filed Goliad Project NI 43-101 technical report.

An additional 1,547,500 pounds of eU3O8 at an average grade of 0.05% is classified as an Inferred mineral resource in the Technical Report. The estimate is based on the results from 1,086 drill holes at the Goliad Project, of which 588 by Uranium Energy.

On September 23, 2009 Uranium Energy announced that the TCEQ had completed Final Draft Permits for the two non-hazardous disposal wells that are planned as part of in-situ recovery of U3O8 at the Goliad Project.

The Company also announced that it is preparing a response to TCEQ's technical review of the radioactive material Licence (RML), which is the last application it has submitted to TCEQ.

All other permit applications have been processed and TCEQ has issued Final Draft Permits.

Uranium Energy has planned to file its response with TCEQ before the end of October 2009, which will allow the agency to continue processing the application through its final stage.



∅ South Texas Mining Venture

On October 14, 2009 Uranium Energy announced that it had entered into an agreement with URN Resources ("URN"), a subsidiary of Uranium One (UUU – TSX) and an agreement in principle with Everest Exploration to collectively acquire a 100% ownership interest in the South Texas Mining Venture, LLP ("STMV").

To acquire all of URN's 99% interest in STMV under the terms of the agreement, Uranium Energy agreed to issue 2.5 million common shares to URN.

Uranium Energy will also purchase substantially all of the assets of Everest, including its 1% interest in STMV in exchange for 200,000 common shares and a cash payment of \$ 1.0 million to be used in part for reclamation work to be performed by Everest and subsequently to final closing, the Company, for final reclamation on two properties previously mined and restored by Everest.

The assets of STMV include the fully licences and permitted **Hobson Processing Plant**, the **La Palangana Uranium Plant**, which is at an advanced stage of permitting, and a portfolio of exploration-stage properties located in southern Texas.

Based on the closing share price of the Company on October 13 of US\$ 3.73, Uranium Energy paid US\$ 11.1 million for the Hobson ISR Plant and the La Palangana Deposit which Uranium Energy had on its books for US\$ 22.6 million as of December 31, 2008.

A new processing plant would have cost Uranium Energy over US\$ 20 million and would have required a Radioactive Material Licence for the plant.

With the acquisition of Hobson, which is fully permitted, the Company has taken a short-cut to production.

The Hobson facility is expected to form the basis of a new regional operating strategy for uranium Energy's projects in southern Texas. The Company anticipates that it's Goliad and Nichols, and, after a final closing, Palangana projects will now become satellite ISR operations with loaded resins being transported to Hobson for further processing into dried U3O8.

As a result of the acquisition of STMV, Uranium Energy's Texas land position will now include 5 additional properties, all with recognised uranium mineralization, and which lie within approximately 100 miles of the licensed Hobson facility.

The STMV will also include significant data files that document decades of southern Texas-focused uranium exploration and mining.

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The Hobson facility is located about 100 miles northwest of Corpus Cristi in Karnes County, Texas. Hobson was originally licensed and constructed in 1978 and was subsequently totally refurbished and expanded to a drying and packaging capacity of 1.0 million pounds of U3O8 per year in the third quarter of 2008. Hobson's capacity can easily be doubled with the installation of a second and large vacuum dryer.

The facility at Hobson is designed to process uranium-loaded resins from satellite facilities to U3O8 as the final product. By using the Hobson facility as a central processing site, Uranium Energy's near term plan is to have Goliad, and potentially Nichols, and after final closing Palangana, ISR production processed at Hobson rather than to construct a new processing plant at Goliad.

Texas uranium mining was first established in the late 1950s in Karnes County where Hobson is situated and the Karnes County Commissioners have recently passed resolutions in support of uranium mining. Additionally, the Duval County Commissioners, in late 2006, similarly adopted a pro-uranium mining resolution. The Palangana Project is located in Duval County.



The Palangana Project is a prior-producing in-situ recovery (ISR) project in the southern Texas uranium belt. The 2,500-heactre (6,200 acre) property is located approximately 100 miles north of the Hobson facility. Over 4,000 historic exploration, development and production holes were drilled at the Project by Union Carbide ("UCC"), Chevron and Evers.

UCC produced uranium at the Project in the mid to late 1970s with ISR technology. Harry Anthony, Uranium Energy's Chief Operating Officer, was a member of UCC's ISR mining team and oversaw the development and production of this project.

Palangana is a near-term production project and is currently in the final stage of permitting.

To date the TCEQ has issued a Final Authorization; a Permit by Rule (an Air Exemption permit); two Deep Disposal Well Final Permits; an existing Aquifer Exemption from previous mining endeavours is still current and active; and a Draft Radioactive Material Licence has been prepared by the TCEQ and is expected to be finalised as an Operating Licence before the end of the year,.

Production at La Palangana can be expected to begin in the fourth quarter of 2010, being just in line now, followed by Goliad and Nichols.

Ø Nichols Project, Kansas City, South Texas

The 100%-owned Nichols Project, located in Kansas City, South Texas, consists of approximately 900 acres of contiguous leases located about 6 miles south of the town of Falls City.

The Nichols Project is located only about 5 miles from the Company's Goliad ISR Uranium Project.

The Nichols Project was originally developed by Texas Uranium (now Chevron/Texaco) and reportedly contains an historic resource of 1.2 million pounds of U₃O₈.

In August 2008, Uranium Energy called a plan for 30 exploration holes for a total of approximately 18,000 feet of drilling. Permitting had been submitted and approved by the Texas Railroad Commission, Division of Surface Mining.

Development of the Nichols Project aligns with the Company's plan to establish satellite facilities for its advanced Goliad ISR Uranium Project.

In October 2008, Uranium Energy announced positive results from the program, including multi-sand targets identified containing elevated uranium mineralization; confirmation of mineralization along a minimum 5,000-foot trend; initial PFN logging suggesting a disequilibrium factor (DEF) ratio near 1.0; core being collected to evaluate leachability of the sand and to estimate the DEF.

As drilling progressed, four sands within the Jackson Group selection were identified as potential mineralised target sands.

34 generally wide-spaced exploration boreholes totalling 18,154 drilled feet, and one core hole, were completed during the program. The exploration boreholes confirm widespread uranium mineralization in two sands along a 5,000 foot trend with high-grade mineralization along at least 1,200 feet of that trend.

Three holes intercepted high-grade mineralization (above 0.3% values), two holes had strong mineralization (between 0.2 and 0.3% values) and five holes encountered mineralised intercepts.

The highest GT encountered during the drilling program was 1.05% in borehole 23.

Based on the results from the 34 drill holes, Uranium Energy received an independent NI 43-101 Technical Report for the Nichols Project that estimates an Inferred mineral resource of approximately 900,000 tons of eU₃O₈, at an average grade of 0.07% or 1.3 million pounds of U₃O₈, based on a cut-off grade of 0.02% eU₃O₈ and a grade thickness product equal to or greater than 0.3%.

The technical report recommends to further defining the Nichols Project resource base with another phase of exploration drilling, including selective coring.

Ø **Grants Ridge Project, Cibola County, New Mexico**

In November 2007, Uranium Energy entered into an agreement to acquire certain mineral leases located within the Grants Mineral Belt in the south-eastern portion of the Ambrosia Uranium Lake uranium region, approximately 70 miles west of Albuquerque for total consideration of \$ 400,000.

The Grants Ridge Project originally consisted of 270 registered mining lode claims and several leases covering 4,260 acres (1,724 hectares) in the central part of the Grants Mineral Belt. And has grown to approximately 5,620 acres during the first five months of the agreement.

The Project targets the Todilto Limestone, which hosts numerous historic underground and open-pit mines with grades ranging from 0.18-0.38% U₃O₈, with an average mined grade of 0.20% U₃O₈.

Many of the historic mines also produced vanadium.

Known mineralization is in fairly flat-lying stratigraphic units at depths ranging from service at the Section 4 and Section 9 mines to approximately 500 feet (150 metres) at the F 33 Mine, underlying Grants Ridge.

According to a Report by the Mexico Bureau of Mines and Mineral Resources, released in 1980, the Grants Mineral Belt produced over 340 million pounds of U₃O₈ (154,545 tonnes) prior to 1986 and was the largest producing uranium field in the United States during the previous production cycle.

The Grants Ridge Project includes 9 historic uranium mines which operated prior to and during the 1980s to the new Mexico Bureau of Geology and Mineral Resources.

In March 2009, Uranium Energy entered into an option and joint venture agreement with Uran Ltd of Perth, Australia on the Grants Ridge Uranium Project.

Uran can earn a 65% interest in the Project over a 5-year option period by completing an initial payment of \$ 75,000 in cash (paid), plus incurring exploration expenditures of \$ 100,000 in year 1, \$ 200,000 in year 2, \$ 300,000 in year 3, \$ 400,000 in year 4, and \$ 500,000 in year 5, including a feasibility study.

Uran will also deliver a total of 3.25 million shares to Uranium Energy staged over 3 years. One million shares have been received in accordance with the Agreement.

On August 25, 2009 Uranium Energy announced that Uran had submitted applications for exploration permits to initiate drilling at the prospective areas of the Project.

The Armijo and F 33 zones include 9 prior-producing uranium mines from the previous production cycle. At the Armijo site, Uran plans to conduct 10,800 feet of core drilling based on approximate 400 x 400 foot spacing. Drilling depth is a maximum 50 feet. If the results of this drilling are successful, Uran plans to conduct an additional 9,800 feet of drilling in 2010 which, if successful, may then allow the Project to establish defined mineralization for this area.

At the F 33 site, Uran plans to conduct approximately 6,500 feet of reverse-circulation drilling, with a further 7,200 feet planned for 2010, which, if successful, may then also allow the Project to establish definite mineralization for this area in 2011.

Drilling is scheduled to commence in late 2009 subject to approval of the Exploration Permit.

Surface radiometric surveys will commence immediately in specific areas to establish radioactive levels due to previous mining to provide a baseline for future reclamation.

A radiometric survey of existing mine waste and low-grade dumps on section 4 indicates that these areas generally contain greater than 500 ppm U3O78, potentially highly suitable for heap leaching.

Other activities for 2009 include metallurgical studies regarding the amenability of heap leaching.

A second stage of drilling is anticipated in mid-2010 so that a resource estimate can be determined.

Ø **Cebolleta Uranium Project, Cibola County , New Mexico**

The Cebolleta Uranium Project is situated in the historic Laguna mining district approximately 45 miles west of Albuquerque, on the south-eastern portion of the Cebolleta Land Grant, a Spanish land grant.

Cibola Resources holds a mineral lease covering approximately 6,700 acres of privately owned surface and mineral rights. The Project area is the site of the formerly active L-Bar Uranium Mine, and is adjacent to the formerly active St. Anthony Uranium Mine.

In February 2008, Uranium Energy announced that engineering and environmental studies are progressing and are on schedule on the Cebolleta Uranium Project through the joint venture company Cibola Resources, whose owners are Uranium Energy (49%) and Neutron Energy (51%).

The Joint Venture has designed as a confirmation drilling program to verify historic information and provide additional information for a geologic model and development plan, which has recently commenced. The Joint Venture is also conducting environmental baseline evaluations in the project area.

UraVan Mineral Belt, Colorado Plateau

In May 2008, Uranium Energy announced progress with exploration and development of the Company's Colorado and Utah properties in the UraVan Mineral Belt of the Colorado Plateau.

In this historic uranium mining area, Uranium Energy controls approximately 12,000 acres of mining claims covering the sites of 15 past-producing uranium/vanadium mines. The aggregate production from these mines was approximately 5 million pounds of uranium, and 16 million pounds of vanadium.

Grades of production in all cases were similar to the averages of 0.25% uranium and 1.7% vanadium that were observed for the rest of the mineral belt.

Following extensive geologic evaluations and prioritisation of these properties, Uranium Energy has selected two properties which offer favourable production factors, and is proceeding with exploration permitting.

Uranium Energy has received authorization on two Notes of Intent to conduct prospecting operations for uranium and vanadium from the Division of Reclamation, Mining and Safety, Colorado Department of Natural Resources.

The notices were also submitted to the US Bureau of Land Management (BLM), Colorado.

The applications are for the Company's Paradox Project and the Bull Canyon Project, west of Naturita.

Ø **Paradox and Bull Canyon Project**

The Paradox Project application covers 15 claims (the Gotcha claims) located approximately 10 miles west of Naturita on the west flank of the Paradox Valley adjacent to the Cotter Open Pit Uranium Mine, presently on standby status, at an approximate elevation of 5,950 feet.

The Bull Canyon Project covers 13 claims (the Boo claims) in the historic Bull Canyon mining area, about 11 miles west of Naturita at an elevation of 6,244 feet. Both projects are located in the Salt Wash Member of the Morrison Formation on BLM-administered lands.

The data collected from both exploration programs will be integrated with historic drilling and mining information in the area, and evaluated in accordance with Uranium Energy's development and production design model. In addition, the Company has contracted a local consulting firm to conduct environmental baseline and archaeological studies on these two properties as part of the development and applications for mining permits. Concurrent with the permitting work, Uranium Energy has opened a field office in Naturita to facilitate expeditious site development.

Ø **Coyote Ranch Project, Arizona**

In January 2008, Uranium Energy acquired the Coyote Ranch Project in Arizona. This strategically situated project is comprised of approximately 1,120 acres of state leases located in eastern Apache County. The Project compliments the Company's Red Basin Property in neighbouring Catron County, New Mexico and covers an area of relatively shallow, high-grade uranium mineralization drilled by Occidental Minerals.

The Coyote Ranch Project is positioned on the margin of two physiographic provinces, the Colorado Plateau and Basin and Range Province. The Tertiary age de Baca Formation outcrops along this provincial margin trend from just north of Magdalen, New Mexico to its western most extent just west of Coyote Ranch, or an approximately 130-mile trend in total.

This trend was the subject of intense exploration activities during the last uranium cycle from companies such as Kerr-McGee, Pioneer Nuclear, Gulf Minerals, Occidental Petroleum, Energy Reserves Group, and United Nuclear Corp/Teton.

Historic production grades, as reported by the New Mexico Bureau of Miners and Mineral Resources in the Arizona-New Mexico de Baca Trend, average 0.17% U3O8 (not being independently verified).

Management

Officers & Directors

Alan Lindsay, Chairman, co-founder of Uranium Energy, has served as Chairman of the Company since December 2005. He has over 30 years of experience in executive management in the mining and biotech sector. He is also a founder of MIV Therapeutics and from 2000 to present has been the Chairman of MIV Therapeutics where he also served as President and CEO until January 2008. Mr. Lindsay was a founder of AZCO Mining and served as chairman, president and CEO of AZCO from 1992 to 2000. He also co-founded Anatolia Minerals Development and New Oroperu Resources, two publicly traded companies with significant gold discoveries.

Amir Adnani, Chief Executive Officer, President, Director (since January 2005) and co-founder of Uranium Energy, is an entrepreneur with a background in business development and marketing. In 2004, he founded Blender Media, where he served as the President and a director until 2006. This Vancouver based company that provides strategic marketing and financial communications services to public companies and investors in mineral exploration, mining, and energy sectors. In 2001, Mr. Adnani co-founded and until 2004 was a director and officer of Fort Sun Investments, a leading strategic marketing firm providing services to small and mid-cap public companies. Mr. Adnani holds a Bachelor of Science degree from the University of British Columbia.

Harry Anthony, Chief Operating Officer, Director, is an internationally recognized expert in the uranium industry. He has been a professional engineer for 36 years, the latter 30 of which, he has been at the forefront of multiple aspects of the uranium industry. Mr. Anthony is particularly noted as being a pioneer of the emerging extraction technology for the uranium mining sector known as In Situ Recovery, or ISR. Mr. Anthony was a senior officer and director of Uranium Resources, a public company, and a significant uranium producer in the US. During his 20-year tenure at URI, he was responsible for all technical aspects of mine development. He has also provided technical services and mine plans for companies such as Union Carbide, Urangesellschaft, Kennecott, Rio Algom, Heathgate Resources, and others. He is a current and past member of several professional uranium-related societies. Mr. Anthony has a BSc and MSc in Engineering Mechanics from Pennsylvania State University.

Pat Obara, Secretary, Treasurer and Chief Financial Officer, has worked as a consultant to several private and publicly listed companies during the past five years, providing various consulting services in the areas of corporate finance and administration. Prior to April of 2004 Mr. Obara served as the Chief Financial Officer and a director of two public companies listed on the TSX Venture Exchange. Mr. Obara was involved in the restructuring, organizing and management of these development stage companies which were involved in the resource and technology sectors.

Ivan Obolensky, Director, has 40 years experience in the investment banking business as a financial analyst, with specific expertise in the defense aerospace, oil and gas, nuclear power, metals and minerals, publishing and high technology industries. He has been an executive of several investment banks, including Sterling Grace & Co., Jesup, Josephthal & Co., Dominick and Dominick, Middendorf Colgate, and CB Richard Ellis Mosley Hallgarten. Currently, Mr. Obolensky is a Vice President of Shields & Company, an Investment Bank and Member of the New York Stock Exchange. He is a graduate of Yale University and a retired Lieutenant (Junior Grade) in the U.S. Naval Air Corps.

Erik Essiger, Director, has 18 years of extensive international business experience, providing professional advisory services in the field of mergers & acquisitions to corporate clients in the energy sector, media and telecommunications, as well as business services. His proven expertise includes corporate finance, strategic decision-making, corporate restructuring and management, having served as executive or board member to several private and public companies worldwide. He also served a senior manager with PricewaterhouseCoopers, in Frankfurt, Germany. In 1995 Mr. Essiger became member of the German – Russian Cooperation Council. Prior to that he was consultant to the German Federal Government.

Vincent della Volpe, Director, has a long and distinguished career. He has served as a professional money manager for 38 years including senior portfolio manager of pension funds for Honeywell Corporation and senior vice president of the YMCA Retirement Fund in New York with responsibilities for several billion dollars in assets. In his experience, Mr. Della Volpe has particularly focused on the management of energy and utility equities portfolios. His expertise includes management of significant venture capital investments. He holds a Bachelor of Arts in Accounting and an MBA in Finance, both from Seton Hall University, South Orange, NJ.

Mark Katsumata, Director, is a Certified General Accountant in Canada with an extensive background in both U.S. and Canadian accounting and regulatory procedures specifically pertaining to mining. He also serves on the Company's Audit Committee as its Chairman. Since 1994, Mr. Katsumata has served as the chief financial officer/vice president, finance for a number of publicly-listed companies, including Denison Mines, where he was responsible for managing all financial and tax matters.

Finance

In June 2009, Uranium Energy completed a private placement involving the sale of an aggregate of 9.1 million units of the Company, together with 200,000 common shares at a subscription price of \$ 2.40 per unit and share, for gross proceeds of \$ 22.3 million.

Each unit is comprised of one common share and one-half of one transferable common stock purchase warrant, with each such whole warrant being exercisable for one additional common share at an exercise price of Cdn\$ 3.10 per warrant share for the period of two years from closing.

Investment recommendation:

Uranium Energy Corp controls one of the largest uranium exploration and development information libraries in the US, which contain over 5.0 million feet of drilling data, covering; every state in the US, Australia, and Canada.

The Company has a project portfolio of 34 properties in 6 US States totalling 39,224 net mineral acres. Its project portfolio includes total resources of 41.54 million pounds U3O8, including 18.3 million pounds U3O8 of NI 43-101 compliant resources.

Uranium Energy Corp is developing its advanced-stage Goliad ISR Project in south Texas, with ISR uranium production expected to begin in 2010. The Project has 6.9 million pounds U3O8, of which 5.4 million pounds is Measured and Indicated, and 1.5 million pounds is Inferred. Uranium mineralization as currently defined by historic drilling remains open laterally in all directions, providing excellent potential targets for additional drilling and increasing the size of the resource.

The Company has received a Final Authorization and the last necessary permits from TCEQ. A draft Radioactive Mineral Licence has been prepared by TCEQ and is expected to be finalised as an Operating Licence before the end of the year.

In addition to the 41.54 million pounds of U3O8 resources at Goliad, Uranium Energy established an Inferred resource of 1.3 million pounds of U3O8 for the Nichols Property.

With the acquisition of 100% ownership of the South Texas Mining Venture, which includes the fully licensed and permitted Hobson Processing Plant and the La Palangana Uranium Plant, which is at a final stage of permitting, and production expected to begin in the fourth quarter of 2010, Uranium energy will become the first new US uranium producer.

With production at La Palangana being followed by Goliad and Nichols, this would make it possible to quickly ramp up Uranium Energy's annual production to 2 million pounds of U3O8.

The Company is well financed with a cash position of US\$ 25.7 million as per September 30, 2009.

Since our April 2009 Update, when we featured the Company at a price of US\$ 0.86, Uranium Energy showed an outstanding market performance by tripling its market valuation.

However, particularly because of the acquisition of Hobson, which is fully permitted, the Company has taken a short-cut to production, which, in our view, will have a further positive effect on its market valuation.

Our next share price objective is US\$ 5.50.