



ASX RELEASE

28 October 2008

Company Announcements Office
Australian Stock Exchange Limited
20 Bridge St
SYDNEY NSW 2000

Dear Sir / Madam,

Revised Quarterly Report – September 2008

Please find attached the Quarterly Report / commentary for the quarter ended 30 September 2008 updated with additional disclosures relative to technical information contained in the original report.

The report remains unchanged with the exception of additional disclosure as follows:-

- 1) Split of resource figure of 25.1M lbs of U3O8 between inferred (24.8M lbs) and indicated (0.3M lbs). Additional disclosure is now shown on page 1, 2 and 6.
- 2) References to down hole spectrometer and hand held spectrometer results are now given detailed explanation as to meanings of terminology in additional paragraphs on page 7.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Rance Dorrington", is positioned above the printed name.

Rance Dorrington
COMPANY SECRETARY



QUARTERLY REPORT

For the Quarter Ending 30 September 2008

Extract Resources Limited
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may be directed to:

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BUSINESS DEVELOPMENT
MANAGER

or

Rance Dorrington
JOINT COMPANY
SECRETARY

OVERVIEW

Husab Uranium Project

- Broad zones of high grade uranium mineralisation continue to be confirmed by chemical assay results from Rossing South.
- Zone 1 mineralisation at Rossing South extended to 2km and still open along strike to the south and at depth.
- First pass resource definition drilling of Zone 1 well on track for January 2009 maiden resource.
- Resource definition drilling of Rossing South Zone 2 to resume in November 2008.
- Initial resource of 25.1 M lbs U₃O₈ defined at Ida Dome (24.8M inferred and 0.3M indicated).

Corporate

- Proposed merger between Extract Resources Limited and Kalahari Minerals Plc to consolidate company structure.
- Rio Tinto purchases 14.4% stake in the Company.

Namibian Uranium Exploration

OVERVIEW

Spectral assaying of drill cuttings indicates that significant uranium mineralisation continues to be intersected at Rossing South. Drilling to date has established the presence of anomalous uranium over a strike distance of 6.2 kilometres with approximately 9 kilometres of the prospective stratigraphic trend yet to be tested.

Numerous chemical assay results continue to be returned from Rossing South drilling and increase the known extents of this substantial discovery.

Five drill rigs are now operating at Rossing South and are all currently dedicated to drilling out Zone 1 on 100 metre x 100 metre spacing. The bulk of this drilling is expected to be completed in November 2008 with the rigs then moving to define an initial resource on Zone 2.

The Company has now completed approximately 45,100 metres of the 100,000 metre resource definition drill programme allocated to Rossing South and remains confident that the exploration target of 126 – 198M lbs U₃O₈ (ASX release 30 July 2008) will be achieved.

Work completed on the Ida Dome prospects to date has been favourable and in line with expectations. But, given the larger tonnages and the higher grades expected from Rossing South, this area has priority over all other work.

The Company's maiden uranium resource of 25.1 M lbs U₃O₈ (24.8M inferred and 0.3M indicated) was defined during the quarter, centred on the Garnet Valley, New Camp and Ida Dome deposits.

Resource definition drilling continues on the Ida Dome prospects, with two diamond drill rigs currently in operation at Garnet Valley. These rigs are completing hole extension and infill drilling aimed at expanding and upgrading the resource.

The Company's objective is to establish sufficient resources to underpin a profitable and sustainable uranium mining operation. Ongoing drilling success throughout the Husab project and particularly at Rossing South ensures the Company is on track to meet its objectives and to add value.

NamPower has lodged a final scoping report with the Namibian Ministry of Environment and Tourism for review by the Directorate of Environmental Affairs. This report includes an environmental and socio economic impact assessment for a proposed 200/400/800 Mw coal fired power station and additional black start generation facility at Walvis Bay. This project and the development of a second desalination plant are on track to expand the infrastructure required to continually develop the nation and in particular the fast growing Erongo region.

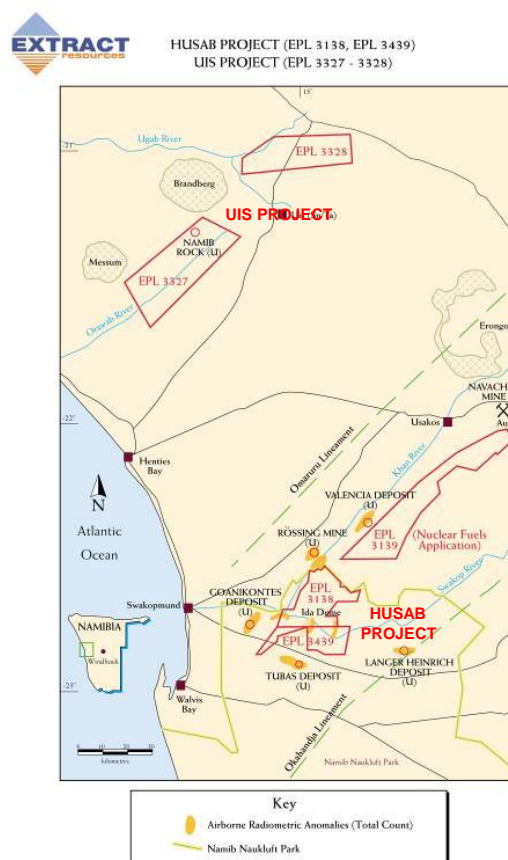


Figure 1: Extract Resources Uranium projects in Western Central Namibia.

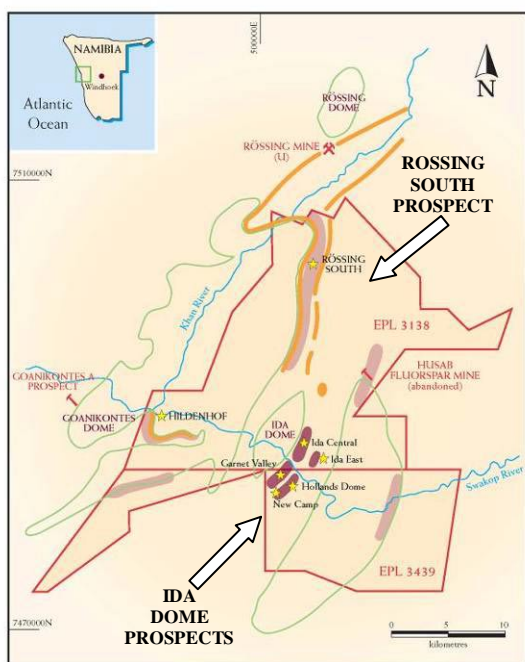


Figure 2: Husab Uranium Project area highlighting the location of the Ida Dome prospects and Rossing South exploration area.

HUSAB PROJECT - ROSSING SOUTH

Rossing South is located about 6 km south and along strike of the Rossing Mine (Rio Tinto 69%), which produces approximately 8% of the world's annual uranium supply. The bulk of the mineralisation at the Rossing mine is hosted in uraniferous leucogranites (alaskites) and lithologies intercalated within the alaskites. The Rossing South area is covered by a desert plain that obscures the underlying geology. This factor has resulted in there being no prior exploration for alaskite hosted uranium mineralisation beneath the cover sequence.

The target zone at Rossing South extends for 15 km under the Namib Desert. To date the Company has tested the northern 6.2 kilometres of this target zone and intersected anomalous uranium mineralisation on every line drilled. Drilling efforts are currently concentrated on the two strongest zones of mineralisation defined thus far - Zone 1 and Zone 2 (see Figure 5). This drilling will define the Company's initial resource at Rossing South.

Resource definition drilling continued during the quarter with a steady flow of exceptional results returned.

Some of the significant results received during the quarter include:

<u>RRC019</u>	98 m	at	359 ppm U3O8
<u>RRC020</u>	81 m	at	414 ppm U3O8
<u>RRC028</u>	79 m	at	560 ppm U3O8
<u>RRC029</u>	57 m	at	407 ppm U3O8
<u>RRC042</u>	95 m	at	780 ppm U3O8
<u>RRC050</u>	158 m	at	552 ppm U3O8
<u>RRC051</u>	146 m	at	388 ppm U3O8

Four large capacity RC rigs now operate at Rossing South along with a core rig which is collecting samples for structural and geotechnical logging and additional metallurgical test work.

Mineralogical work, completed with a scanning electron microscope, on core samples from RDD002, has indicated that the dominant uranium mineral is uraninite.

The uraninite tends to occur on mineral margins and is expected to be amenable to acid leaching. Preliminary metallurgical test work completed has confirmed that very good recoveries in excess of 90% can be achieved at a grind size of 106µm and 1 mm.



Figure 3: RC drilling at the northern end of Rossing South Zone 1. Note the outcrop increases to the left of the image (north) and the flat desert plain to the right (south).

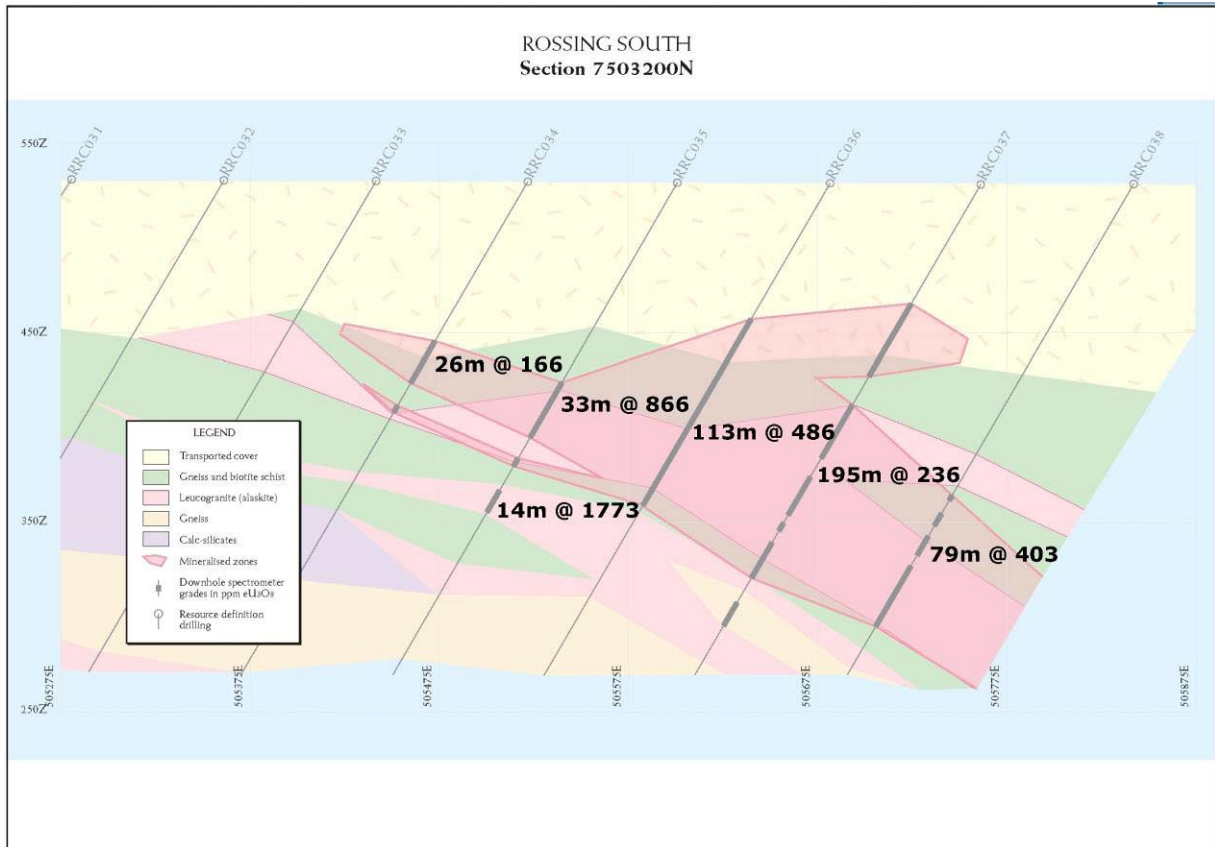


Figure 4: Rossing South drill hole section 7503200 North from Zone 2, showing recently received downhole spectrometer results.

Approximately 45,100 metres of resource definition drilling has been completed since February 2008. This drilling is in addition to the ~12,700 metres of vertical exploration drilling completed in 2007 and early 2008. With five drill rigs now operating at Rossing South the Company expects these impressive drill rates to accelerate.

Drilling has extended Zone 1 mineralisation to two kilometres of strike with an RC rig committed to testing for strike extensions to the south. The geological model for this area consists of a series of moderate to steep east dipping mineralised domains with the strongest zones of uranium mineralisation tending to occur where significant zones of alaskite occur.

Zone 2 has been defined over a strike length of 1.2 kilometres and is still open along strike to the north and south. Initial geological interpretation indicates the mineralisation is plunging shallowly to the north such that the northern line of drilling on Zone

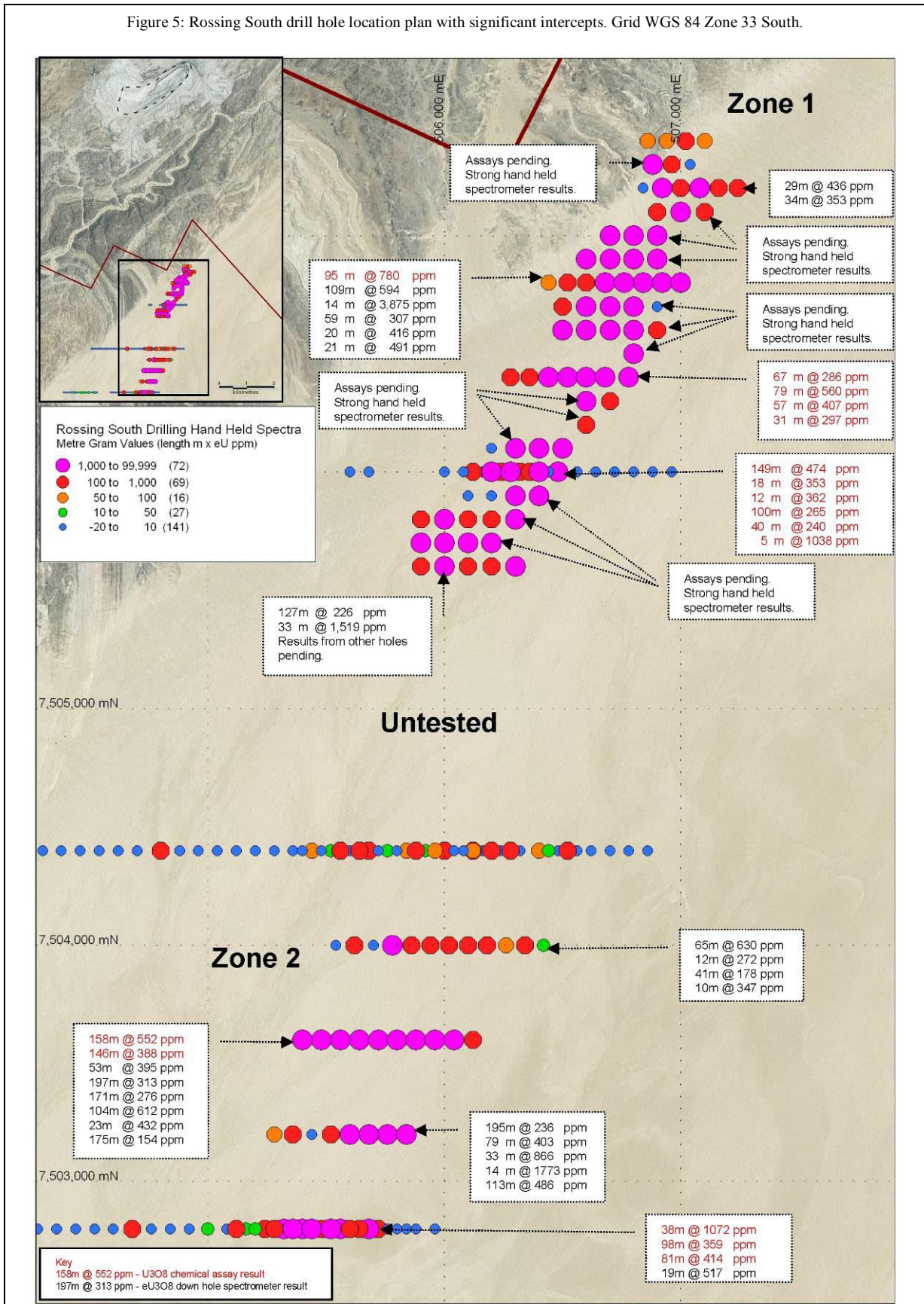
2 (7504400N) did not extend deep enough to intersect the main zones of mineralisation. The mineralised domains on Zone 2 have been interpreted as dipping to the east and concentrated on the east limb of a shallow dipping antiform. An example cross section is shown in Figure 4.

The most significant drilling results received to date from Rossing South are shown in Figure 5.

Handheld spectrometer readings taken from the bulk RC samples, and visual indicators of uranium mineralisation such as smokey quartz and abundant biotite, indicate that strong zones of uranium mineralisation exist within zones of alaskite and schist.

Detailed feasibility work is expected to commence on Rossing South in February 2009. This work will consider both heap leach and conventional acid leach processing, such as that in use at the nearby Rossing operation since 1976.

Figure 5: Rossing South drill hole location plan with significant intercepts. Grid WGS 84 Zone 33 South.



HUSAB PROJECT - IDA DOME

During the quarter the Company announced a maiden resource on the Ida Dome Project of 25.1 M lbs U308 (24.8M inferred and 0.3M indicated), within the Garnet Valley, New Camp and Ida Central zones (ASX release 7 August 2008). These areas have not yet been closed off, and will continue to grow with additional drilling. The maiden resource was the result of 28,852 metres of drilling completed on the Ida Dome Project.

Two of the seven drill rigs on site remain operational at Ida Dome with the balance working at Rossing South.

Hand held spectrometer readings taken from drill samples continue to indicate anomalous zones of uranium mineralisation are being intersected at the Ida Dome prospects. Chemical assay analysis from these samples is delayed as Rossing South samples are prioritised. This strategy will ensure the maximum number of chemical assay results is available for the initial Rossing South resource.

Garnet Valley Prospect (Ida Dome)

Resource definition drilling is continuing with two rigs completing extensional and infill drilling. This drilling is aimed at increasing and upgrading the current resource classification from inferred to indicated.

Additional RC drilling has also been completed at the Hook prospect before the rig was mobilised to Rossing South.



Figure 6: Oxidation halo within alaskite, at the Hook prospect.

Holland's Dome Prospect (Ida Dome)

Drilling from accessible drill sites at Holland's Dome has been completed with broad zones of anomalous uranium mineralisation returned from hand held spectrometer surveys of the drill samples.

The western limb of the Holland's Dome antiform has largely been drilled out on 80 metre x 80 metre spacing; however, some gaps exist where rig access was unavailable. Once a mobile core rig becomes available these gaps will be filled and an initial resource estimated, following JORC Code guidelines.

The eastern limb of the antiform has not yet been drilled.

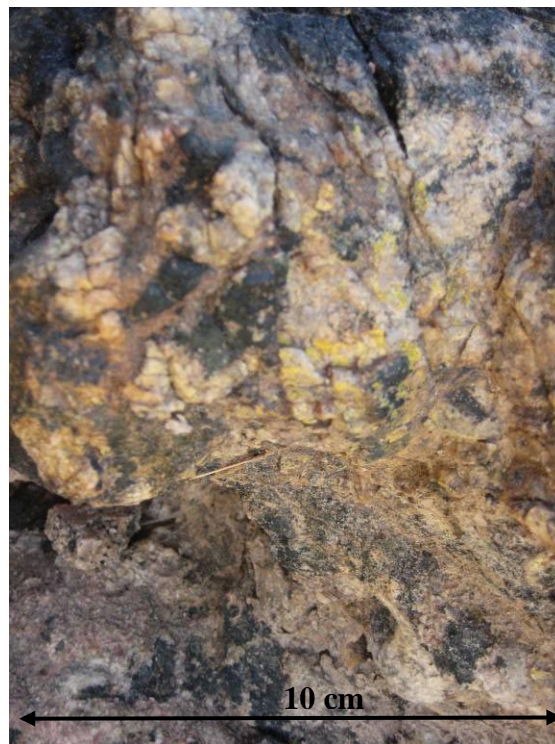


Figure 7: High grade skarn outcrop at Holland's Dome. Note the metallic dark grey magnetite crystals and yellow betauranophane minerals (secondary uranium mineralisation).

UIS PROJECT

SpotMap satellite imagery data was reviewed during the quarter.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Martin Spivey, who is a Member of The Australasian Institute of Mining and Metallurgy and Mr Andrew Penkethman who is a Member of the Australian Institute of Geoscientists. Both Mr Spivey and Mr Penkethman are full time employees of the Company. Mr Spivey and Mr Penkethman have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Spivey and Mr Penkethman consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Reference to down hole spectrometer results in this announcement refers to data collected by consulting geophysical contractor Terratec Geophysical Services undertaking down hole logging with a Gamma Ray Spectrometer (GRS42). This unit was calibrated at the Pelindaba facility in South Africa before arriving on site. The uranium values are recorded as parts per million (ppm) eU308 which is equivalent to ppm U308. Whilst results from this unit provide an indication of uranium mineralisation present they may also be affected by uranium mobility and disequilibrium. These factors should be considered when interpreting eU information while waiting for confirmation chemical assay results.

Reference to hand held spectrometer results refers to use of a Company owned Exploranium, GR-135 Plus, hand held spectrometer. The uranium values are recorded by placing the unit on the bulk RC sample bags and expressed as parts per million (ppm) eU which is equivalent to ppm U. Results from these units provide an indication of uranium mineralisation they may also be affected by uranium mobility and disequilibrium. These factors should be considered when interpreting eU information whilst waiting for confirmation chemical assay results.

Corporate

A proposed restructuring of the ownership of Extract Resources Limited and Kalahari Minerals Plc, by a recommended scheme of arrangement, was announced to the market on 5 September 2008. This strategy is primarily aimed at consolidating the corporate structure, as Kalahari currently holds 39.11% of Extract's ordinary shares.

The merged entity will result in more cash being immediately available together with an increase in the availability of equipment and human resources for the Husab project.

The merged Company will be listed on the AIM and ASX markets and will have cash reserves in excess of \$30 million.

ATW Venture (TSX: ATW)

2.75m shares (\approx \$0.40/share)

2.75m options (\approx \$0.87/share exercise price)

Silver Lake Resources (ASX: SLR)

1.67m shares (\approx \$0.20/share)

EXTRACT RESOURCES LIMITED – ASX/TSX Code: EXT

Directors and Management:

Bob Buchan.....Non-executive Chairman
Peter McIntyreManaging Director
Steve SikirichNon-executive Director
Peter MeagherNon-executive Director
Neil MacLachlan.....Non-executive Director
Stephen Galloway.....Non-executive Director
Peter IronsideJnt. Company Secretary
Rance DorringtonJnt. Company Secretary

Issued Capital:

At the end September 2008, quoted issued capital is 212,720,414 ordinary shares.

Shareholder Enquiries:

All matters relating to shareholdings, including changes in address, TFN's, etc., should be directed to:

Link Market Services Pty Ltd
Locked Bag A14
Sydney South, NSW 1235, Australia
Phone (within Australia): 1300 554 476
Phone (outside Australia): 61 2 8280 7761
Email: registrars@linkmarketservices.com.au

Company Website:

The Company updates its website frequently.

This and other reports may be easier to read in colour, and are stored on the website.

www.extractresources.com