



URUGUAY MINERAL EXPLORATION

News Release

September 12, 2008

SYMBOLS: UME (TSXV), UGY (AIM)

Uruguay Mineral Exploration Inc

Exploration Drilling Update

Uruguay Mineral Exploration Inc (“UME” or the “Company”), a South American gold production and exploration company, today reported encouraging exploration drill results for Arenal Deep and Nueva Australia, near the San Gregorio mine, and for Presidente Terra in Southern Uruguay.

David Fowler, Chief Executive Officer, commented: *“We continue to see encouraging results from the drill campaign near the mine and have drilled significant intercepts at both Arenal and Nueva Australia. At Arenal Deep, best results in hole ADDL090 of 19.25 m @ 4.68 g/t Au indicate that we are encountering widths and grades that have the potential to support an underground operation. We are currently drilling offsets to the intercepts in Arenal Deep to further assess the potential and this programme should be completed by November 2008. We also drilled three holes at Nueva Australia to test mineralization at depth. Best results, 4.65 m @ 8.57 g/t Au in hole NADD003, indicate that thicker and higher-grade mineralization exists and has the potential to host a significant gold resource. Three offset drill holes are planned to be completed to test the extent of mineralization by December.*

“Our first pass drill program at Presidente Terra was a broad spaced program of 51 holes over 6.6 km focusing on gold bearing vein/shear sets in granitic host rocks. A further 2 km remains to be tested during the 2008 calendar year as part of the first pass program. Results of this initial program demonstrate that gold mineralisation is continuous. Follow up exploration during the rest of 2008 will use these results to target higher-grade areas and bulk targets,” closed Mr. Fowler.

Near Mine

Near the San Gregorio mine, the deep drill campaign continues to deliver significant intercepts from Arenal Deep and Nueva Australia. Location and details of drill holes reported from Arenal Deep and Nueva Australia are presented below.

Hole ID	East	North	RL	Azimuth	Inclination	Depth (m)
ALDD090	530532.5	6505096	126	15	-80	396.65
ALDD091	530516	6504832	140	350	-65	644.35
NADD001	527021	6508149	182	15	-65	272.2
NADD002	526461	6508475	156	30	-60	239.1
NADD003	526177	6508092	156	32	-63	493.7

Drill hole details and collar locations for Arenal and Nueva Australia holes.

At Arenal Deep, of the two additional core holes completed, significant intercepts have been reported from hole ALDD090 and are presented below.

Hole	From	Intercept and Grade
ALDD090	247.7 m	19.25 m @ 4.68 g/t Au
including	247.7 m 252.0 m	2.75 m @ 3.45 g/t Au 4.1 m @ 5.08 g/t Au

	258.0 m 265.5 m	5.3 m @ 4.32 g/t Au 1.5 m @ 20.51 g/t Au
ALDD090	269.7 m	21.75 m @ 2.34 g/t Au
ALDD090	293.1 m	1.75 m @ 2.48 g/t Au

Drill result composites of >0.5g/t, includes intervals of 1.0mt of <0.5 g/t. Drill hole thickness reported, approximate true thickness.

The intercepts in this hole are the best reported to date from the deep drill program and represent consistent grades above 2.5 g/t. The intercept is located over 60 meters from the nearest intercept in hole ALDD089. Drilling continues in the area with results pending for an additional two holes with a third in progress. The drilling is designed to test for mineralization up plunge to the northwest.

At Nueva Australia, three core holes were completed on a broad space drill pattern to test for mineralization at depth. One of the three holes completed, NADD003, intercepted significant mineralization. Results are presented below.

Hole	From	Intercept and Grade
NADD003	420.3 m	3.35 m @ 0.94 g/t Au
NADD003	445.9 m	4.65 m @ 8.57 g/t Au
Including	445.9 m	2.00 m @ 16.83 g/t Au

Drill result composites of >0.5g/t. Drill hole thickness reported, approximate true thickness.

The drill hole collar is located south of the surface exposure of the Nueva Australia structure. The intercept is more than 400 meters down dip from the nearest drill hole intercept. This intercept indicates that thicker higher-grade mineralization exists within the Nueva Australia structure, and that the structure has the potential to host a significant gold resource. Three offset drill holes are planned to test the extent of the mineralization along strike and up dip. These holes should be completed by December 2008.

Dom Feliciano Belt

At Presidente Terra, drilling commenced in April of 2008 and has tested two of the three exploration tenements, the southern and the northern tenements, which cover an area of 12 square kilometres. Exploration permits have now been received to drill the central area. A total of 45 reverse circulation drill holes and 6 core drill holes have been completed for a total of 7,457 meters. The drilling concentrated on gold bearing vein/shear sets in granitic host rock and to date have tested a combined 6.6 km of strike length of the vein system.

Results are encouraging with over 45% of the drill holes reporting 2 meter or greater intercepts of more than 1.0 g/t Au. Over 70% of the drill holes intercepted the structural target and reported anomalous mineralization greater than 0.5 g/t. Results are pending on all six core holes as well as the last four reverse circulation drill holes.

Significant results are presented below.

Hole ID	From	Intercept and Grade
PT-08-001	36.0 m	4.0 m @ 1.31 g/t Au
PT-08-002	31.0 m	5.0 m @ 1.60 g/t Au
PT-08-005	73.0 m	2.0 m @ 3.11 g/t Au
PT-08-006	40.0 m	4.0 m @ 5.02 g/t Au
including	43.0 m	1.0 m @ 17.52 g/t Au
PT-08-007	29.0 m	5.0 m @ 0.66 g/t Au

Hole ID	From	Intercept and Grade
PT-08-027	17.0 m	4.0 m @ 2.88 g/t Au
PT-08-029	36.0 m	3.0 m @ 11.0 g/t Au
PT-08-031	10.0 m	4.0 m @ 3.48 g/t Au
	23.0 m	5.0 m @ 1.07 g/t Au
PT-08-032	86.0 m	2.0 m @ 1.76 g/t Au
PT-08-036	11.0 m	3.0 m @ 0.82 g/t Au

	42.0 m	4.0 m @ 1.82 g/t Au	PT-08-037	89.0 m	2.0 m @ 1.62 g/t Au
	48.0 m	2.0 m @ 0.67 g/t Au	PT-08-040	72.0 m	2.0 m @ 1.60 g/t Au
	60.0 m	2.0 m @ 2.15 g/t Au		45.0 m	2.0 m @ 4.60 g/t Au
PT-08-015	54.0 m	2.0 m @ 2.39 g/t Au	PT-08-041	31.0 m	2.0 m @ 5.10 g/t Au
PT-08-021	46.0 m	2.0 m @ 2.79 g/t Au	PT-08-044	145.0 m	2.0 m @ 3.47 g/t Au
PT-08-026	23.0 m	2.0 m @ 6.60 g/t Au	PT-08-045	24.0 m	3.0 m @ 1.04 g/t Au

Drill result composites of >0.5g/t, may include 1.0 mt intervals of <0.5 g/t Au.

The vein shear system generally trends N15-18E and dips 60 to 70 degrees to the SE. Drilling has been directed to the NW at -60 to -65 degrees. Location and details of all drill holes are presented below.

Drilled Hole ID	Easting	Northing	Az	Dip	Depth
PT-08-001	607334	6276196	285	60	128
PT-08-002	607358	6276294	285	60	120
PT-08-003	607384	6276391	285	60	125
PT-08-004	607307	6276403	285	60	125
PT-08-005	607449	6276526	285	60	133
PT-08-006	606212	6276049	285	60	141
PT-08-007	606617	6276799	285	60	125
PT-08-008	605995	6276709	285	60	125
PT-08-009	606228	6277110	285	60	146
PT-08-010	606252	6277210	285	60	130
PT-08-011	606252	6277313	285	60	125
PT-08-012	607932	6279973	285	60	135
PT-08-013	607781	6279804	285	60	126
PT-08-014	607354	6278988	285	60	130
PT-08-015	607651	6279219	285	60	140
PT-08-016	607580	6279239	285	60	120
PT-08-017	606637	6277789	285	60	119
PT-08-018	607197	6278877	285	60	125
PT-08-019DDH	606339	6276258	285	60	188.1
PT-08-020	607110	6278745	285	60	150
PT-08-021	607045	6278291	285	60	130
PT-08-022DDH	606618	6276802	285	60	101.1
PT-08-023DDH	606552	6278115	285	60	137.8
PT-08-024	605570	6278471	105	60	125
PT-08-025DDH	606823	6277679	285	60	125.1
PT-08-026	607070	6277147	285	60	108
PT-08-027	608522	6281987	285	60	125
PT-08-028DDH	608118	6282509	105	60	173.1
PT-08-029	608621	6282166	285	60	135
PT-08-030DDH	608849	6283118	285	60	199.8
PT-08-031	608674	6282357	285	60	150
PT-08-032	608774	6282442	285	60	135
PT-08-033	608668	6282149	285	60	60
PT-08-034	608645	6282160	285	60	159
PT-08-035	608550	6282190	105	70	150

PT-08-036	608646	6282263	285	65	203
PT-08-037	608694	6282249	285	65	219
PT-08-038	608826	6283017	285	60	159
PT-08-039	608596	6282069	285	65	200
PT-08-040	608902	6283205	285	60	150
PT-08-041	608997	6283568	285	60	150

Results of this first pass drill program will be used in conjunction with a recently acquired ground magnetic survey to better define target areas which may contain thicker and higher-grade mineralized zones. A second round of drilling is expected to take place before the end of the year to test the central tenement as well as the targets defined above.

More information on UME's exploration activities at Presidente Terra, Nueva Australia and Arenal Deep can be found on the Exploration section of our website at www.uruguayminerals.com

Qualified Person's Statement

The technical information presented in this press release has been reviewed and verified by Mr. John Sadek, Vice President Operations and a Mining Engineer, and Mr. George Schroer Vice President Exploration and a Certified Professional Geologist. Mr. Sadek and Mr. Schroer are the Qualified Persons for the purposes of the AIM Guidance Note on Mining, Oil and Gas Companies dated March 2006. Mr. Sadek has a Bachelor of Engineering (Mining) from the University of Sydney and is a member of the AusIMM and SME. He has over 20 years of international experience in mining. Mr. Schroer has a Masters of Science in Geology from Colorado State University and is a member of SEG and AIPG. He has over 20 years of international experience in exploration.

Forward Looking Statements

All statements, other than statements of historical fact, contained or incorporated by reference in this news release, including any information as to the future financial or operating performance of UME, constitute "forward-looking statements" within the meaning of certain securities laws, including the "safe harbour" provisions of the Securities Act (Ontario) and the United States Private Securities Litigation Reform Act of 1995 and are based on expectations estimates and projections as of the date of this news release. There can be no assurance that such statements will prove to be accurate, such statements are subject to significant risks and uncertainties, and actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements include, without limitation success of exploration activities; permitting time lines; the failure of plant; equipment or processes to operate as anticipated; accidents; labour disputes; requirements for additional capital title disputes or claims and limitations on insurance coverage. UME disclaims any intention or obligation to update or revise any forward looking statements whether as a result of new information, future events and such forward-looking statements, except to the extent required by applicable law.

ENDS

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.

About Uruguay Mineral Exploration Inc.

Uruguay Mineral Exploration Inc. (UME) is a gold production and exploration company that identifies and develops mineral opportunities in South America. UME is a fully integrated mining company, possessing the skills necessary to explore and develop its discoveries. UME operates San Gregorio, the only producing gold mine in Uruguay, and is the leading mineral exploration company in Uruguay with an exploration portfolio of gold, diamonds and base metal prospects, including copper, nickel, lead, and zinc. Uruguay Mineral Exploration Inc. is quoted in Canada (TSXV) and London (AIM) and RBC Capital Markets is its Nominated Adviser and Broker. More information can be found at www.uruguayminerals.com

For further information, please contact:

Uruguay Mineral Exploration Inc

Tony Shearer, Chairman: +44 (0)20 7602 1570; tonyshearer@btinternet.com

David Fowler, CEO: + 598 2 6016354; urumin@ume.com.uy

Investor Relations

Susan Borinelli, Breakstone Group: +1 646-330-5907; sborinelli@breakstone-group.com

RBC Capital Markets

Andrew Smith: +44 (0) 20 7029 7882; andrew.smith@rbccm.com

Sarah Wharry: +44 (0)20 7653 4667; sarah.wharry@rbccm.com