November 25, 2008

Appia Energy Corp.’s Shareholder’s Update

Overview

Appia Energy Corp. was incorporated on August 24, 2007 and operates in the mineral resource industry. The company is primarily focused on the exploration and development of uranium properties in the Elliot Lake camp of northern Ontario. The Elliot Lake camp is recognized as one of the premier uranium camps in the world and has produced over 250,000,000 pounds of uranium from 12 underground mines.

Appia Energy Corp.’s properties consist of a total of 61 staked claims with an area of over 25,000 acres, which is the largest land position held by any company in the Elliot Lake camp. The properties collectively contain a NI 43-101 compliant resource of 22,438,408 lbs of U3O8 in the indicated category and 61,893,119 lbs of U3O8 in the inferred category. Additionally, the properties contain historical resources of 165.8 million pounds of U3O8. (See attached News Release.) Mineral resources are not mineral reserves as mineral resources have not demonstrated economic viability. The historical resources are not compliant with NI 43-101 and should not be used for investment decisions. Nevertheless, most of the resources were estimated by mining companies active in the Elliot Lake camp using assumptions and methods that were accepted at the time, and based on corroborative mining experience, although the resources reported have not been confirmed as such.

Recent significant events include:

- Completion of a NI 43-101 compliant resource estimate by Watts, Griffis and McOuat Limited (“WGM”) of the Teasdale and Banana Lake zones. The NI 43-101 report is available for viewing on Appia’s website: www.appiaenergy.ca. The password to open the zip file is appia2008.
- Developed and initiated a 3,000 metre drill program to enhance the resource at the Banana Lake Zone.
- Currently there are two drills operating on-site.
Exploration Projects

The exploration program for 2007-08 focused on upgrading part of the historical resource at Appia’s Elliot Lake properties to NI 43-101 standards and expanding the known resource by carrying out additional diamond drilling. During the period from November 18, 2007 to March 12, 2008, Appia Energy undertook a 3,885 metre drilling program at its Teasdale and Banana Lake properties. The diamond drilling program produced very positive results with a significant increase in the resource at the Teasdale property and the identification of wider zones of mineralization at the Banana Lake property. Based on the results of the drilling program and the findings of the review, Watts, Griffis and McOuat Limited carried out a Mineral Resource estimate for the Teasdale and Banana Lake Zones, both using a cut-off grade of 0.60 lbs. U₃O₈/t and a specific gravity of 2.8 t/m³ for converting volume to tonnage. The estimate employed procedures that are in compliance with NI 43-101. The Teasdale Lake Zone is estimated to contain an Indicated Mineral Resource of 17.4 million tons with an average grade of 1.1 lbs. U₃O₈/ton and an Inferred Mineral Resource of 48 million tons at the same grade. The uranium oxide contained in the Indicated Resources is 19.0 million lbs. and in the Inferred Resources is 52.7 million lbs. The historical resource estimate for the Teasdale Lake Zone was 17.5 million tons grading 1.2 lbs. U₃O₈/ton or 20.8 Million lbs. U₃O₈.

In the Banana Lake Zone, WGM estimates that the Indicated Resource amounts to 3.4 million tons with an average grade of 1.0 lbs. U₃O₈/ton and the Inferred Resource totals 9.2 million tons at the same grade. The contained uranium oxide in the Indicated Resource amounts to 3.4 million lbs. and in the Inferred Resource amounts to 9.2 million lbs.

The WGM report recommended additional drilling, and Appia currently has two drills at the Banana Lake property. The cost of the program is projected to be $750,000, which will be funded as a flow through expenditure

Liquidity

The company currently has a cash position of approximately $1,750,000, which includes approximately $750,000 of flow through. The annual financial statements are presently being prepared for the company and will be posted on the company’s website when available.

Corporate Outlook

Appia Energy Corp. was formed as a private company with the intent of going public. These initial plans have been significantly influenced by recent developments in the financial world as well as the severe downturn in commodity prices in general and uranium in particular. Over the past year, there has been a major melt down in the equity markets and uranium prices have collapsed from over US$130 per pound to the current price of US $48.00 per pound. The change in the market has taken all uranium companies down significantly with very few, if any, uranium companies doing an IPO. The current situation stands in stark contrast to activity in the junior uranium sector over the last few years, which saw a flurry of activity in IPOs. The current market conditions are very
unfavourable and we see no advantage to shareholders by undertaking an IPO under these market conditions.

Going forward, the long term outlook for uranium remains positive, and analysts continue to point out the future prospects for nuclear power, which will support more robust prices for uranium and a revival of uranium companies. Recent developments with uranium producing companies have affected future supply projections. This has brought about a small upturn in stock prices for uranium companies and a slight improvement in the U₃O₈ prices. We will continue to monitor these developments and are prepared to respond quickly if there are further improvements in the markets. In the meantime, we will undertake activities to further advance the Elliot Lake properties.

The current crisis in the financial markets has created unique opportunities for corporate mergers. We are continuing to explore these options and will keep shareholders advised.

We remain positive about the future of the uranium industry and view current developments as a temporary correction in the ongoing development of nuclear energy as a practical energy source. We thank you for your patience and understanding and look forward to providing you with further updates on the development of your company.

Best Regards,

Tom Drivas, President
Appia Energy Corp.