

# Fission Energy Corp.: Expenditures at Waterbury Lake Double to \$30 Million Over Three Years

Fission & KEPCO Consortium Enter into Definitive Limited Partnership Agreement for the Joint Exploration and Development of the Property



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KELOWNA, BRITISH COLUMBIA--(Marketwire - Aug. 24, 2010) - FISSION ENERGY CORP. ("Fission" or "the Company") (TSX VENTURE:FIS - News) is pleased to announce that, further to its press release dated June 30, 2010, the Company and the Korea Waterbury Uranium Limited Partnership have entered into a definitive Limited Partnership Agreement (the "Partnership Agreement") to further the joint exploration and development of the Waterbury Lake Property located in Saskatchewan's Athabasca Basin (the "Waterbury Property").

## Background

In January 2008, Fission entered into an earn-in agreement with a group led by Korea Electric Power Corporation under the newly created Korea Waterbury Uranium Limited Partnership (the "KEPCO Consortium"), for the joint development of the Waterbury Property. The Consortium was granted the exclusive right to earn up to a 50% interest in the project by incurring C\$14 million in exploration expenditures over a three year period and by completing a private placement for 1,000,000 common shares of Fission Energy at a price of C\$1.00 per share. Fission retained a 2% NSR royalty in the project, in addition to a "back-in provision" allowing the Company to reacquire a 10% interest for C\$6 million.

## Continuation at Waterbury Lake 2010-2012

With the completion of the Waterbury Lake Winter 2010 exploration program, the KEPCO Consortium satisfied its earn-in requirements and the terms of the earn-in agreement required the parties to form a limited partnership (the "Partnership") to continue the exploration and development of the Waterbury Property. The Partnership will be formed and governed pursuant to the terms of the Partnership Agreement. The following summary highlights the key terms of the Partnership Agreement:

- The Partnership will be formed with Fission and the KEPCO Consortium each holding a 50% interest in the Partnership.
- Each party is responsible for expenditures in accordance with its interest in the Partnership and any profits will be distributed to the parties on the same basis.
- The Work Plan and Budget shall cover a term of three years and incur expenditures of C\$10 million per year for a total of C\$30 million. Each program shall be divided into a Summer (May 1-Oct 31) and Winter (Nov 1-April 30) period, with expenditures to be shared according to each Party's ownership interest in the Partnership.
- Fission shall continue as Operator of the Waterbury Lake Project pursuant to the terms of a separate Operator Services Agreement and is entitled to an administrative fee in the amount equal to 10% of all expenditures incurred pursuant to approved exploration and development programs.

- Waterbury Lake Uranium Corporation (the "General Partner") has been incorporated to act as general partner of the Partnership and manage the business and affairs of the Partnership. Fission and KEPCO Consortium each hold 50% of the shares of the General Partner and have entered into a Unanimous Shareholder Agreement to govern its operation.
- Fission has a "back-in option" to acquire a 10% interest in the Partnership from the KEPCO Consortium for \$6,000,000 at any time until the first anniversary of the expiry of the earn-in period.
- Fission retains a 2% NSR royalty in the Waterbury Property.
- The Partnership Agreement contains other terms with respect to Partnership meetings and governance, accounting procedures, dispute resolution, development decisions, transfer of a party's interests and matters requiring extraordinary approval.

An approximate C\$2.07 million Budget and Work Plan for the Summer 2010 exploration program has been approved, which includes a 4,000m drill program (see news release dated June 21, 2010). Work commenced mid July and results are detailed in news releases dated July 26, August 3, August 9 and August 17, 2010.

With the completion of the Partnership Agreement, Fission and the KEPCO Consortium, look forward to building on the success achieved at Waterbury Lake in 2010 and beyond.

A video link to the signing ceremony can be found on the Company's website at <http://www.fission-energy.com/s/Home.asp>.

FISSION ENERGY CORP. is a Canadian based resource company specializing in the strategic acquisition, exploration and development of uranium properties and is headquartered in Kelowna, British Columbia. FISSION ENERGY CORP. Common Shares are listed on the TSX Venture Exchange under the symbol "FIS".

KOREA ELECTRIC POWER CORPORATION ("KEPCO") is a Korean government-invested diversified energy company with over \$83-billion (U.S.) in assets. The company is involved in the generation, transmission and distribution of electrical power from nuclear, hydro, coal, oil and LNG sources worldwide. Korea Electric Power provides electricity to almost all households in Korea and operates 20 nuclear power plants in the country with six more under development. The company has over 30,000 employees and is listed on the Korean Stock Exchange and the New York Stock Exchange. ([www.kepco.co.kr](http://www.kepco.co.kr))

KOREA WATERBURY URANIUM LIMITED PARTNERSHIP ("KEPCO Consortium") is a consortium primarily comprised of Korean-based companies. Led by Korea Electric Power, other participating companies include Korea Hydro & Nuclear Power, Korea Nuclear Fuel Co., Hanwha Corp. and Gravis Capital Corp., a private Canadian uranium investment company.

This press release contains "forward-looking information" that is based on Fission's current expectations, estimates, forecasts and projections. This forward-looking information includes, among other things, statements with respect to Fission's development plans and drill program on the Waterbury Property. The words "will", "anticipated", "plans" or other similar words and phrases are intended to identify forward-looking information.

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Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause Fission's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Such factors include, but are not limited to: uncertainties related exploration and development; the ability to raise sufficient capital to fund exploration and development; changes in economic conditions or financial markets; increases in input costs; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological or operational difficulties or inability to obtain permits encountered in connection with exploration activities; and labour relations matters. This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. Fission disclaims any intention or obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

ON BEHALF OF THE BOARD

Dev Randhawa, Chairman & CEO

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