

UGL Enterprises Reports Initial Drill Results From South Valley Property, Mongolia

VANCOUVER, BRITISH COLUMBIA--(CCNMatthews - Oct. 22, 2004) - Mr. G. Arnold Armstrong, President of UGL Enterprise Ltd. (the "Company"), is pleased to report progress on the ongoing drill program on the South Valley property, located in northeastern Mongolia. Drilling is progressing well with 11 holes completed to date, directed at multiple co-relatable geochemical, geological and geophysical anomalies on gold and copper targets. Complete results have been returned from the first four holes, SV-01 to SV-04, totaling 1323.85 meters.

Significant values of gold and copper have been encountered in all four holes, indicating multi-phase sulphide mineralization related to a complex porphyry deposit. The target is a large, bulk mineable porphyry deposit with significant values of gold, copper and silver, and occasionally by-product credits of lead and zinc. Wide zones of anomalous to low grade, gold and/or copper mineralization have been intersected, including Hole SV-4, which returned 221 meters grading 0.20 % Copper (with 0.09 g/t gold, and 3.7 g/t silver), from 28.0 to 249.0 meters. The lower portion of this mineralized zone returned 5.0 meters grading 0.58 % copper (0.09 g/t gold and 9.6 g/t silver).

The current program is believed to be the initial discovery by drilling of significant mineralization on the South Valley Property.

Hole SV-1 is located approximately in the center of a large anomaly area measuring 2 kilometers by 1.8 kilometers. Hole SV-2 is collared 200 meters east of SV-1, and drilled towards it (grid west). Hole SV-3 is located 650 m west, and 100 meters north of SV-1, drilled grid east. Hole SV-4 is located 300 meters west of SV-1, drilled grid east.

Hole SV - 05 to SV - 09, and SV -11 have been completed, comprising 1,732 meters on specific and separate multiple targets based on geochemical geological and geophysical anomalies within this large porphyry system. Significant sulphides mineralization has been encountered over wide intervals including pyrite, arsenopyrite and most important chalcopyrite (copper) hosted in quartz veinlets and stockworks, in siliceous sediments (siltstones) and intrusive sills and dykes. Assays are pending from these holes.

Four additional holes comprising 700-800 meters are planned before the program is completed due to worsening winter conditions. There remain numerous untested targets on the South valley property and the Company is planning a very substantial program in 2005.

In addition to higher value intersections, the current drilling in holes SV-1 to SV-4, have intersected wide zones of anomalous to low grade gold and/or copper mineralization within a multi-phase porphyry system, including the following:

Hole SV - 01;

- from 77.0 to 87.0m: 10.0 m returning 0.23 g/t Au, no assays for Ag, 121 ppm Cu, and 751 ppm As.
- from 218.75 to 219.00 m: 0.25 m returning 3.06 g/t gold (Au), 14.0 g/t silver (Ag), 0.20% copper (Cu), 0.36 % zinc (Zn), and 0.16 % lead (Pb), 1.96 % arsenic (As) and 0.07 antimony (Sb).
- from 250.0 to 251.25 m: 1.25 m returning 8.01 g/t Au, 15.0 g/t Ag, 0.11 % Cu, 2.78% As.
- from 245.0 to 265.8 m: 20.8 m returning 0.82 g/t Au, 2.6 Ag,

535 ppm Cu, 248 ppm Zn, 103 ppm Pb, and 0.35% As.
including 265.5 to 265.8 m: 0.3 m returning 5.28 g/t Au, 57.0 g/t Ag, 1.18% Cu, 0.37 Pb, 0.37% Zn, 4.04 % As, and 0.22 Sb.

Hole SV - 02;

- from 6.0 to 25.0 m: 19.0 m returning 0.13 g/t Au, 2.6 g/t Ag, 119 ppm Cu, and 1478 ppm As.
- from 39.0 to 45.0 m: 6.0 m returning 0.29 g/t Au, 12.0 g/t Ag, 708 ppm Cu, and 8442 ppm As.
including 43.00 to 43.45 m, over 0.45 m, returning 1.57 g/t Au, 119.0 g/t Ag, 0.81% Cu, 0.13% Pb, 8.10 % As, and 0.07 Sb.
- from 103.0 to 109.0 m: 6.0 m returning 0.36 g/t Au, 1.7 g/t Ag, 60 ppm Cu, and 5510 ppm As.
- from 193.0 to 194.0 m: 1.0 m returning 1.40 g/t Au, 46.0 g/t Ag, 0.04 % Cu, 0.61% Pb, 0.35% Zn and 2.52 % As.
- from 205.8 to 208.8 m: 3.0m returning 1.27 g/t Au, 12.7 g/t Ag, 0.20% Pb, 0.50% Zn and 0.49% As.
- from 312.4 to 317.0 m: 4.6m, returning 0.32 g/t Au, 0.60 g/t Ag, 91 ppm Cu, and 1493 ppm As.

Hole SV - 03;

- from 20.0 to 33.0 m: 13.0 m returning 0.14 g/t Au, 1.7 g/t Ag, 211 ppm Cu and 402 ppm As.
- from 274.0 to 280.0 m: 6.0 m returning 0.26 g/t Au, 6.7 g/t Ag, 234 ppm Cu, and 3152 ppm As.

Hole SV - 04;

- from 3.0 to 21.0 m: 18.0 m returning 0.76 g/t Au, 14.3 g/t Ag, 487 ppm Cu, and 11063 ppm As.
including 10.0 to 21.0 m: 11.0 m, returning 1.07 g/t Au, 18.9 g/t Ag, 0.06% Cu, and 16,856 ppm As.
- from 28.0 to 249.0 m: 221.0 m, returning 0.09 g/t Au, 3.7 g/t Ag, and 1955 ppm (0.20%) Cu, 303 ppm Zn, 59 ppm Pb, and 1240 ppm As.
including from 28.0 to 84.0 m: 56.0 m returning 0.06 g/t Au, 2.8 g/t Ag, 2307 ppm (0.23%) Cu, and 1125 ppm As.
including from 165.0 to 222.0 m: 57.0 m, returning 0.11 g/t Au, 5.1 g/t Ag, 2405 ppm (0.24%) Cu, 420 ppm Zn, 127 ppm Pb and 744 ppm As.
including from 244.0 to 249.0 m: 5.0 m, returning 0.09 g/t Au, 9.6 g/t Ag, 5814 (0.58%) Cu, and 213 ppm As.
- from 269.0 to 277.0 m: 8.0 m, returning 0.03 g/t Au, 2.4 g/t Ag, 2390 ppm (0.24%) Cu, and 139 ppm As

The Company's exploration programs are under the direction Mr. Robert Weicker, P.Ge, the Company's qualified person, who oversaw the preparation of this release. UGL maintains a quality control program to ensure best practice in sampling and analysis of surface and drill core samples. All

rock samples are prepared and analyzed by SGS Mongolia LLC (formerly SGS Analabs) of Ulaanbaatar, Mongolia. Standard and blank samples were inserted every 20th drill core sample.

ABOUT UGL

UGL Enterprises Ltd. is a junior resource company trading on the TSX-Venture Exchange under the trading symbol "UGS". UGL Enterprises has eight exploration projects located throughout Mongolia, and is focused on Mongolia. UGL is concentrating on developing our more advanced Mongolian projects. In May 2004 the Company launched a two-property multi-zone drill program on the Huren Tolgoi and South Valley projects, which will run in conjunction with ongoing exploration programs being conducted on its other six properties. The Company has a strategic alliance with Mine Info Ltd., a leading Mongolian Exploration company, and has a full time office in the capital city, Ulaan Baatar.

Forward-Looking Statements: Statements in this release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed under the heading "Risk Factors" and elsewhere in the Corporation's periodic filings with Canadian Securities Regulators. Such information contained herein represents management's best judgment as of the date hereof based on information currently available. The companies do not assume the obligation to update any forward-looking statement.

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Source: UGL Enterprises Ltd.