

May 27, 2009

SYMBOLS: UME (TSXV), UGY (AIM)

Diamond Farm-out

Uruguay Mineral Exploration Inc (“UME or the “Company”), a gold production and exploration company, announced today that it has signed an Option Agreement with Olivut Resources Ltd. (“Olivut” or the “Company”-- TSX-V: OLV) whereby Olivut may earn up to 80% interest in diamond prospecting and exploration licenses (the “Properties”) located in northern Uruguay, South America. These Properties are held by Cinco Rios S.A., a wholly owned subsidiary of UME. Olivut must incur a minimum expenditure of \$CDN250,000 by June 1, 2010 and a total of \$CDN750,000 by December 31, 2011 in order to acquire a 51% interest in the Properties. Olivut will act as operator for the exploration program.

UME is focused on gold exploration and welcomes the opportunity to have a partner with extensive diamond expertise work on these targets. Furthermore, the partnership will benefit from having an Olivut director who is a resident in Uruguay

Olivut is a diamond exploration company with a 100% mineral interest in over 2,000,000 acres in the HOAM Project in Canada’s Northwest Territories. Please visit www.olivut.com for detailed corporate and project information.

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 the Company, 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. The Company 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

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Editors' note: Uruguay Mineral Exploration Inc. is a gold producer and exploration company focused on identifying and developing mineral opportunities in Latin America. UME is a fully integrated mining company, possessing the skills necessary to explore and develop its discoveries. The Company operates the only producing gold mine in Uruguay (San Gregorio), and is also the leading mineral exploration company in Uruguay having assembled an exploration portfolio based on gold, base metals (copper, nickel, lead, zinc) and diamond prospects.

Uruguay Mineral Exploration Inc. is quoted in Canada (TSXV) and London (AIM) and Matrix Corporate Capital LLP is its Nominated Adviser and Broker.

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