



A UNIQUE PRECIOUS METALS EXPLORER TSX.V: PEM

December 09 2009

Dear Shareholder,

Your Company has made substantial progress this year evidenced by the enhancement of their management team with the addition of Wilf Struck, P.Eng., as CEO. This move has allowed the geological side of the Company to take a quantum leap forward with four quality geologists at work in Idaho. Your President is still involved in the day to day operations of the Company; with more emphasis on corporate development than previous time allowed. This combination has created a very solid team with high expectations for the future.

Premium's focus is on their Idaho Gold Projects – specifically the Friday-Petsite property. Mike Ostenson, our project manager, has extensive drilling experience in Idaho, Montana and Nevada, and is currently finishing Phase II of the 15,000 metre drill program. This southern segment is part of the 28 Km shear zone that your Company is systematically investigating; this phase will add 2,100 metres to the developing picture. The original 531,890 oz, NI 43-101 bulk tonnage deposit is being reconfigured to ultimately update the January 2008 NI 43-101. The current program was designed to check the depth component of the existing resource. The footprint of the resource is currently 350 metres long by 150 metres deep. The drill holes to date confirm this model and we expect assays to start coming in by January 2010. A fence of 2 holes was done by stepping out 400 metres to the south to confirm the shear zone along the southern extension of the 1,500 metre soil anomaly. Short drill segments are being used to maximize use of dollars and to provide additional data to continue development of the resource model by an onsite operating geologist, using Gemcom software. This allows for ongoing development of the resource model on an almost real-time basis as assays are added to the software program as they become available.

Your Company is also developing a Plan of Operations for permitted drill sites and further soil sampling on their Chrome Mountain PGM property, located in Montana within the Stillwater Complex. Exploration is at high altitude and will start mid-to-late June due to snow cover. The Company's property is just south of the JM reef, currently the highest grade PGM deposit in the world being mined by the Stillwater Mining Company.

Mexico is still active but on hold due to the focus required by the Idaho Gold developments. Management looks forward to 2010 which should be a very productive year for your Company. Our leap forward by rapidly advancing the exploration and development on Premium's excellent properties should get us the market recognition these projects deserve.

We thank you, our shareholders, for your continued support, and wish you all the best this holiday season.

Sincerely,

A handwritten signature in black ink, appearing to read "Del Steiner", with a stylized flourish at the end.

Del Steiner,

President

Premium Exploration Inc

About Premium Exploration, Inc.

Premium Exploration Inc. (TSX-V:PEM) is an explorer and developer of precious metals projects with significant potential for near-term production and growth. Our projects are located in the USA and Mexico; stable regions where we have a history of success. Our team is committed to unlocking mineral wealth for our shareholders by discovering, developing, and permitting precious metals assets to production. The Company's portfolio includes one of the largest land packages in Idaho, including an NI 43-101 gold resource, a PGM exploration project in Montana, and a past-producing silver project in Mexico. For additional information, please visit us at www.premiumexploration.com.

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This press release contains certain “Forward-Looking Statements” within the meaning of Section 21E of the United States Security Exchange Act of 1934, and involves a number of risks and uncertainties. Important factors that could cause actual results to differ materially from the Company’s expectations are disclosed in the Company’s documents filed from time to time with the TSX Venture Exchange and the British Columbia Securities Commission. All statements, other than of historical fact, included herein are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Neither the 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.

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