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The Manager
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AIRBORNE SURVEY RESULTS - DISCOVERY OF PREVIOUSLY UNKNOWN PALAEOCHANNEL SYSTEM

HIGHLIGHTS

- Successful completion of over 4000 line/km of airborne EM surveys at the Marree Uranium Project in northern South Australia has delineated a previously **unknown** and **unexplored** palaeodrainage system.
- This buried river system, located entirely within Eromanga's tenements, has over 100km of deeper channels capable of hosting sandstone hosted (roll-front) uranium deposits.
- Secondary uranium mineralisation (carnotite) identified at Nob's Well.
- Drilling to shortly commence at Marree once Aboriginal Heritage Clearances are finalised.

MARREE PROJECT

(Eromanga earning 70% under Eromanga Basin JV with Maximus)

EM Survey

Eromanga Uranium has recently completed an extensive airborne electromagnetic (EM) survey over effectively the entire 4000 sq km of the Marree Project area in northern South Australia (Figure 1). The computer processing and imaging of the huge volumes of data acquired during the survey have now been completed with the highlight being the opening up of a major new system of uranium exploration targets similar in geological nature to existing operations such as the Beverley uranium mine.

This EM survey has defined a previously unknown palaeodrainage system, centred in the Eromanga tenements at Marree (Figure 2). This ancient/buried river system, the "Marree Palaeodrainage", is located in a broadly similar area to the modern day Frome River catchment and drains to the west and northwest. However, unlike the modern drainage, the Marree Palaeodrainage is constrained to the west by a major basement fault. Interpretation of the survey



Figure 1 Location of the Marree Project area.

data suggests that this fault structure was a major barrier to water flow and caused the development of an ancient swamp or lake

Eromanga Uranium Limited
ACN 119 031 864

62 Beulah Road Norwood
South Australia 5067

PO Box 3126 Norwood
South Australia 5067

Phone 61 8 8132 7970

Fax 61 8 8132 7999

Email info@eromangauranium.com

web www.eromangauranium.com

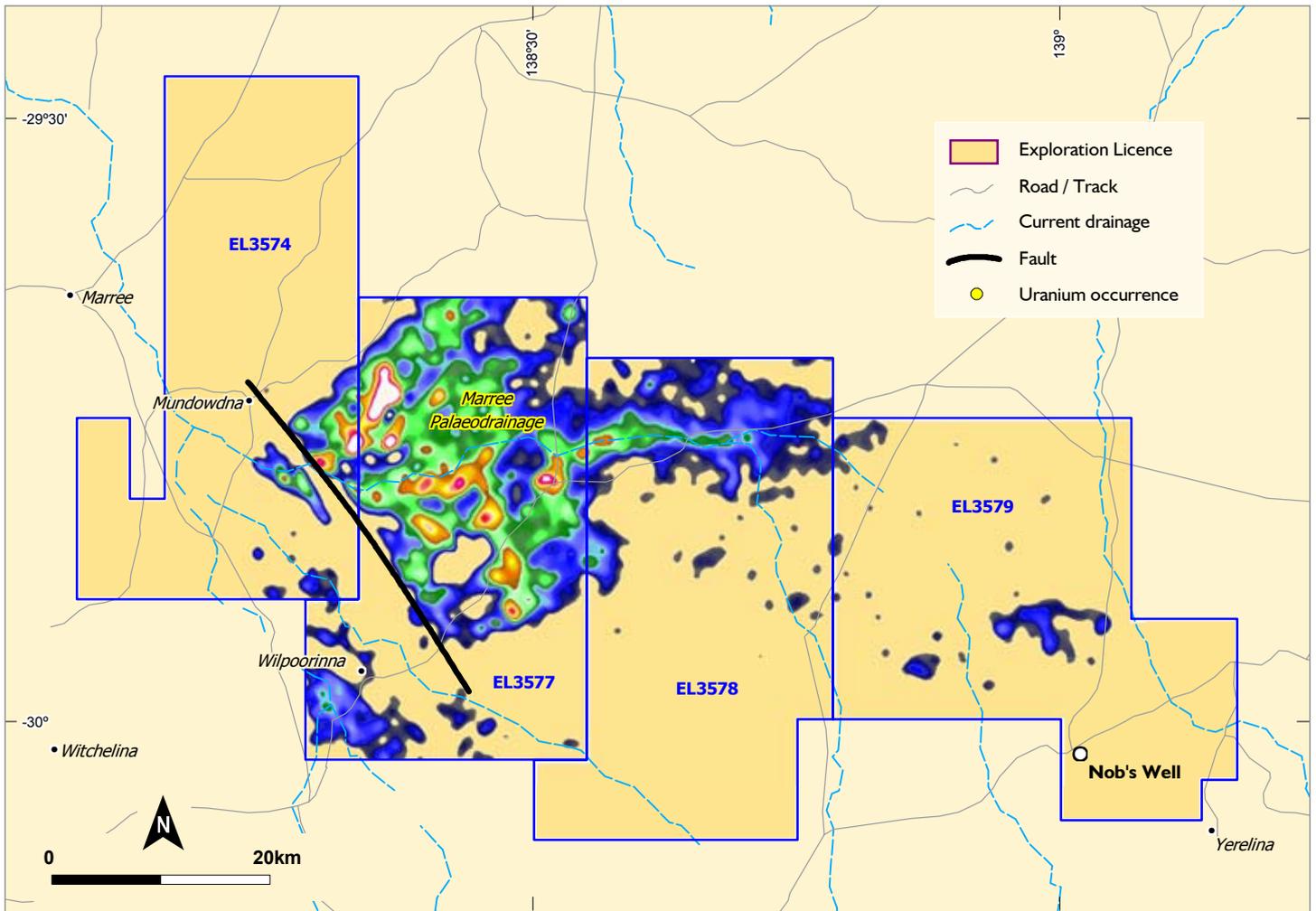


Figure 2 Electromagnetic imaging of the Marree palaeodrainage (approximately 60 metres below surface).

system. The company believes this type of palaeo-environment would result in an excellent site for later development of roll-front style uranium mineralisation. Channel development within the deeper portions of the Marree Palaeodrainage totals in excess of 100km and presents the company with an excellent portfolio of targets for future drill testing and supplementary geophysical evaluation. The depth penetration of the airborne EM survey in the highly conductive palaeodrainage was limited to approximately 75 metres and a critical aspect of early drill testing will be to delineate the base of the ancient drainage system.

In conjunction with the EM survey field inspections were undertaken over selected portions of the project area. Sampling of outcropping fine sandstones at Nob's Well confirmed the presence of secondary uranium mineralisation (carnotite) with a peak value from grab sampling of 218ppm uranium. Although this discovery is unlikely to result in an economically significant uranium deposit, the occurrence is very important in confirming that uranium

sourced from the adjacent ranges has flowed into, and been deposited within the Marree Project area.

The very high quality of the data obtained in the survey will allow the immediate development of a program of drilling within the channel system. The actual commencement of drilling will be dependent on the completion of Aboriginal Heritage Clearance surveys of the Marree Project area. The processes required to achieve these clearances are underway with the Adnyamathanha people, but it is likely to be at least 4-6 weeks before the company can commence drill testing.

Future Programs

Throughout 2007 Eromanga will complete similar airborne EM surveys, to that which has been so outstandingly successful at Marree, over our projects at Billa Kalina, Kingoonya, and Abminga. It has been decided that these additional surveys should not commence before mid-April and therefore avoid the negative impact of extreme heat on data quality.

Mr Kevin Lines
MANAGING DIRECTOR

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For further information please contact Kevin Lines on 08 8132 7970 or 0419 801010

Further information relating to Eromanga Uranium Limited and its various exploration projects can be found on the Eromanga website: www.eromangauranium.com

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Kevin Lines who is a Member of the Australasian Institute of Mining and Metallurgy, and who has sufficient experience relevant to the style of mineralisation, the type of deposit under consideration, and the activity he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves (the JORC Code). This report is issued in the form and context in which it appears with the written consent of the Competent Person, who is Managing Director of the Company.