

AUSTRALIAN SECURITIES EXCHANGE
Announcement



17 January 2008
The Manager
Companies Announcements Office
Australian Securities Exchange
20 Bridge Street SYDNEY NSW 2000



MAJOR DRILLING PROGRAM TO COMMENCE AT WELBOURN HILL

The Company is pleased to announce that the deep diamond drilling of the Welbourn Hill IOCGU (iron oxide, copper, gold, uranium) project will commence in early February 2008. Aboriginal Heritage surveys have been completed over the area, grant of the exploration licence EL4020 has now been received and drilling contracts are in place for both the rotary-mud pre-collaring and deeper diamond drilling.

Welbourn Hill (Eromanga Uranium 100%)

The Welbourn Hill Project is located approximately 40kms east of the township of Marla in far northern South Australia (Figure 1) and forms part of the company's Northern Gawler Craton IOCGU Initiative. This exciting target is defined by coincident high order gravity and magnetic anomalies at the northern limits of the Gawler Craton and is considered to be prospective for iron oxide-copper-gold-uranium mineralisation similar to that at the Olympic Dam, Prominent Hill and Carrapateena deposits to the south-east (Figure 2).

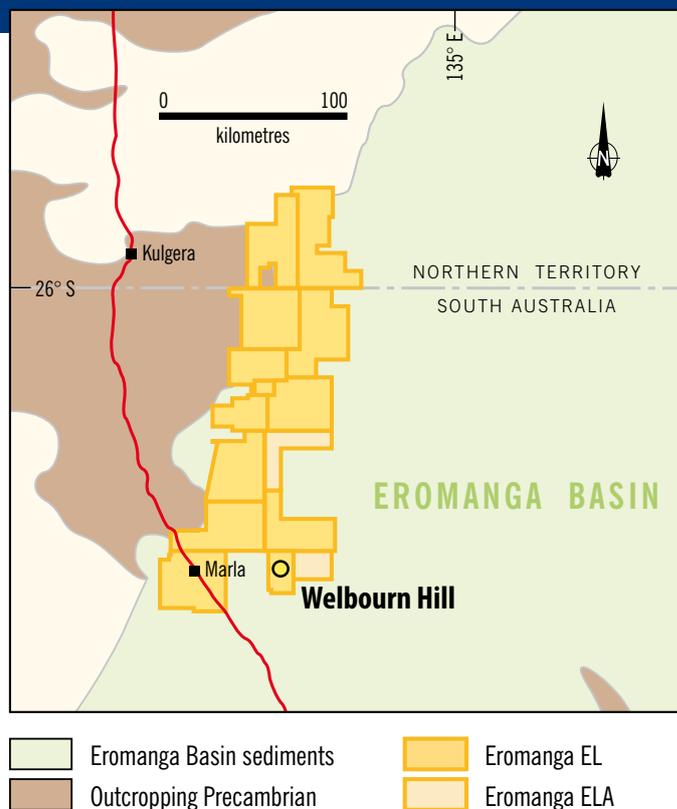


Figure 1 Welbourn Hill Location.



Figure 2 Northern Gawler Craton IOCG Project Area.

Eromanga has completed an Aboriginal Heritage survey over the entire target area of Welbourn Hill and has contracts in place for drilling of two deep diamond holes to commence on, or about, the 1st February 2008. Both holes will be pre-collared to depths of approximately 250m, using rotary-mud techniques, with diamond drilling to complete the holes to a final depth of approximately 800 metres.

Background

Welbourn Hill was recognised by previous explorers, Comalco (1980's) and Newcrest Mining (1990's), as a significant IOCGU target. Extensive Gravity and Induced Polarisation (IP) surveys were completed over the area and these data have been used by Eromanga Uranium to develop detailed geophysical models of the target depth and geometry. During the early 1990's Newcrest attempted to drill test the anomaly but failed to reach the target depth due to collapse of the drill hole close to surface. Inspection of drill core from this hole has provided important geological understanding of the target setting and aided design of Eromanga's exploration program.

Geophysical Modelling

The company's exploration model indicates that the geophysical anomalies are best explained by the presence of a significant body of elevated specific gravity (density) at a depth of approximately 650m below surface (Figure 3 & 4). The specific gravities used by Eromanga in its modelling fall within the range of densities observed in known IOCGU deposits.



Eromanga exploration vehicle at Welbourn Hill drill site.

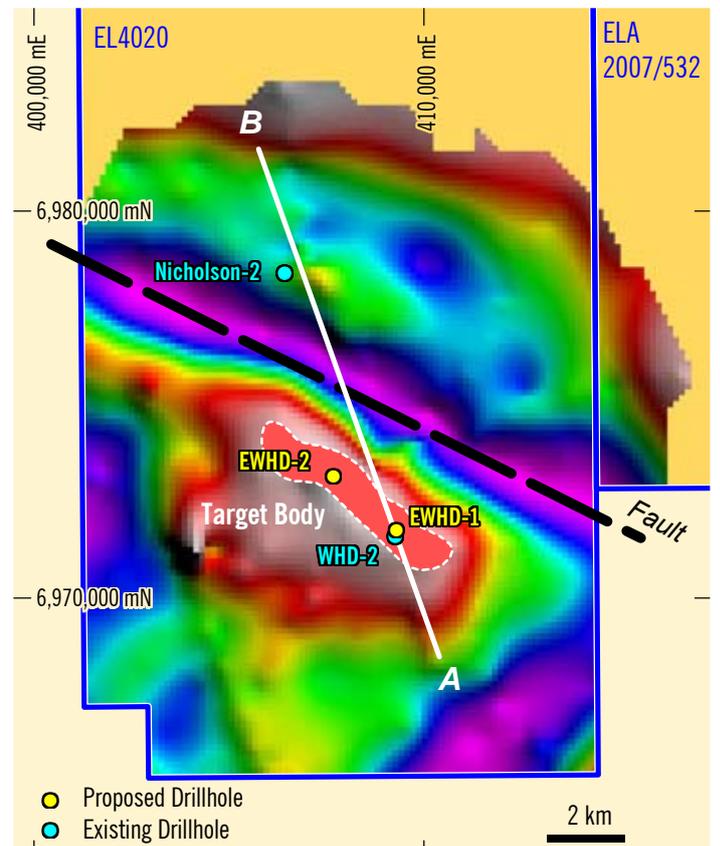


Figure 3 Welbourn Hill Gravity Image.

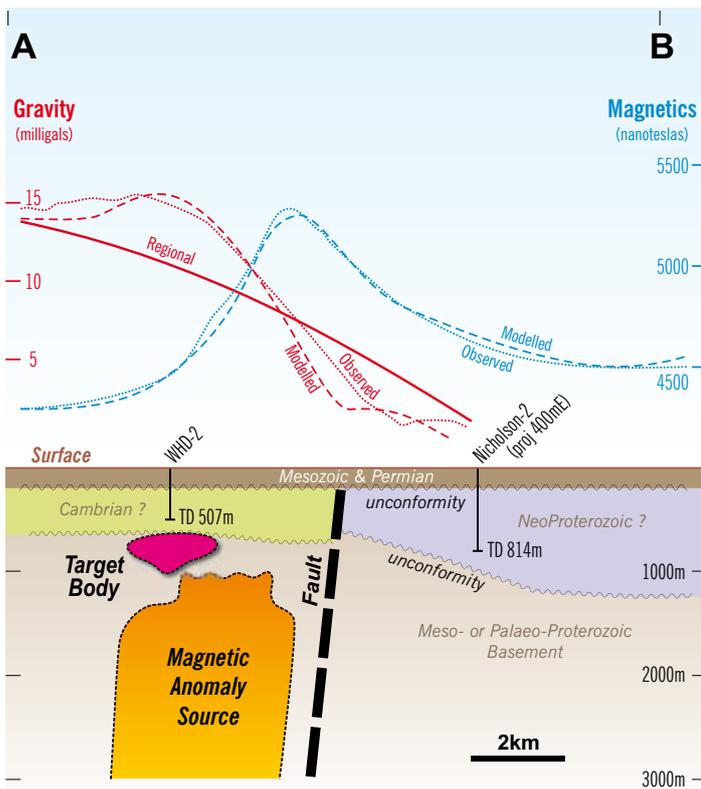


Figure 4 Schematic section A-B.

Overlying the target at Welbourn Hill is a sequence of younger sediments consisting initially of 200-250m of Mesozoic sands and shales followed by 300m of sedimentary breccias, increasingly iron rich towards the bottom of the hole, of unknown age. The Newcrest drill hole WHD2 (Figure 4) failed at a depth of 507m having intersected, in the last seven (7) metres, a sandstone unit containing abundant steely/specular hematite veining.

Eromanga is confident that it can overcome previous drilling problems by the use of rotary-mud drilling in the upper 250m of the drill holes, where the sediments are not fully consolidated.

Project timing

Completion of the rotary-mud pre-collars and the placement of casing will take approximately one week. The diamond drill rig is currently scheduled to arrive on site on the 15th of February 2008 and will operate on a two shift basis. Based on this schedule the Company anticipates that drilling will reach target depths, on the initial hole, towards the end of February.

Mr Kevin Lines
MANAGING DIRECTOR

17 January 2008

For further information please contact Eromanga Uranium on 08 8132 7970 or Investor Relations - Mr Duncan Gordon on 0404 006 444

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.