

29 AUGUST 2008

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

EXPLORATION UPDATE

The Company is pleased to provide an update on the deep diamond drill program at our Nicholson IOCGU (iron oxide, copper, gold, uranium) Project near Marla in far northern South Australia, as well as progress reports on our uranium search at the Sunshine Dam and Abminga Projects.

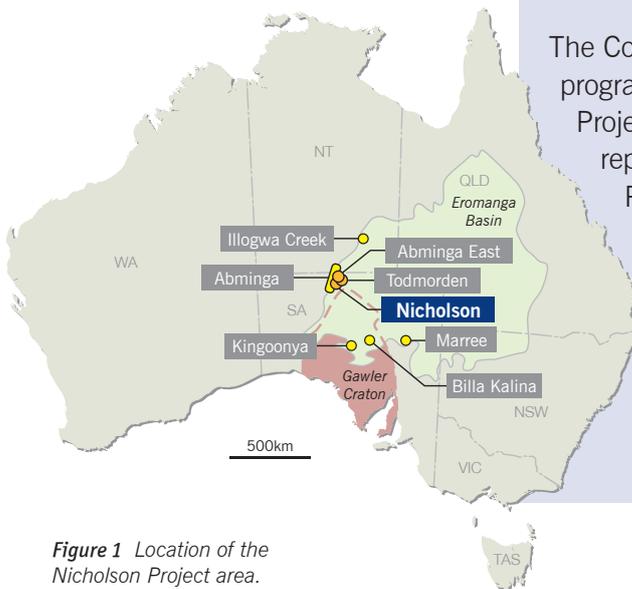


Figure 1 Location of the Nicholson Project area.

NICHOLSON PROJECT (100% Eromanga Uranium)

The Nicholson Project is located approximately 30km to the north-east of Welbourn Hill and 65km from the township of Marla (Figure 1). The project is defined by a significant 10mgal gravity anomaly centred over a large elliptical magnetic feature that has been interpreted as a volcanic complex within older basement rocks. The Company is exploring for hematite hosted IOCGU mineralisation.

Drilling of the first hole, ENDDH01, has been completed at a depth of 793.47m. The drill hole intersected a thin cover sequence of approximately 50 m of Mesozoic sediments before drilling through a very thick assemblage of dolomitic mudstones and minor inter-bedded sandstones, with the sandstone content increasing towards the base of the hole. The hole was terminated at 793m as the Company believes that any mineralisation intersected

beyond this depth would be unlikely to be of economic significance. The thick sedimentary succession intersected in ENDDH01 is interpreted by the Company to be Neoproterozoic rocks that overlie the older basement considered favourable for hosting IOCGU mineralisation. The gravity anomaly remains only partially explained but is thought to be due, at least in part, to the presence of relatively dense dolomitic mudstones overlying lighter basement assemblages.

The Company is now reviewing its exploration programs at both Nicholson and Welbourn Hill, incorporating the results of all drilling, geophysical and geological programs completed to-date. This process will ensure that the Company can best prioritise its future exploration for IOCGU systems in the region before committing to further significant expenditures. In the interim the diamond drill rig has been released and has left site.

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SUNSHINE DAM PROJECT – BILLA KALINA

(Eromanga Uranium earning 50%)

The Sunshine Dam Project is a discrete sub-basin, defined by coincident EM and gravity anomalies within the north-eastern portion of EL 3526 at Billa Kalina. The Company believes that this sub-basin is a very favourable site for the development of sandstone-hosted, or roll-front, style uranium mineralisation around the basin margins.

Drilling of the first short program of rotary-mud drill-holes will commence on the 3rd September 2008. It is anticipated that this initial drill phase will take only one week to complete and will provide the Company with the pre-requisite information necessary for the planning of any future exploration.

ABMINGA REGIONAL EXPLORATION

(incorporating the Abminga and Abminga East Projects)

The Company has recently completed a program of 25 line/km of close-spaced micro-gravity, in two traverses, over the Atlas/Baco area at Abminga. This trial survey was designed to provide a test of recent re-modelling of the airborne EM and magnetic data over the project area. The initial results have been very encouraging and the Company has now committed to the completion of a further 50 line/km of micro-gravity whilst the survey crews are in the region. This additional program will commence immediately and will take approximately two weeks to complete. The second phase of drilling at Abminga will follow on immediately the gravity survey has been completed with the drill-rig currently scheduled to arrive at site in mid-September 2008.



Mr Kevin Lines
MANAGING DIRECTOR

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For further information please contact Kevin Lines on 08 8132 7970 or 0419 801 010

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.