

HIGHLIGHTS

- *Micro-gravity surveys and second phase drilling programs at the Abminga Project identify significant uranium potential with multiple anomalous intersections.*
- *New exciting uranium and gold project at Suplejack in the Tanami region of the Northern Territory.*
- *Positive results from ongoing exploration at the Marree Project.*
- *As at 30 September 2008 the company held cash of \$5.34 million.*
- *The Company well positioned to take advantage of new opportunities emerging from the current global financial turmoil.*



Figure 1 Location of projects.

REVIEW OF OPERATIONS

CORPORATE ACTIVITIES

The ongoing global financial turmoil has created a challenging environment for all Junior Exploration companies. Whilst Eromanga Uranium Ltd is in the fortunate position of holding cash reserves in excess of \$5 million, the Board and management of the Company believe that it is appropriate and timely to review the current exploration portfolio. Our purpose has been to ensure that Shareholder funds are applied in a manner which both enhances wealth and is allocated against projects that best suit the changing investment climate.

The Company believes that whilst there will be short term volatility in the global uranium market that the medium to longer term fundamentals continue to support prudent investment in quality uranium exploration projects. Similarly the Company believes that some diversification into quality gold projects can be in our best interests and our exploration personnel are actively reviewing opportunities to achieve this outcome.

FINANCE

As at 30 September 2008, Eromanga had available funds of \$5.34 million of which the majority is held in term deposits with an Australian bank. During the June quarter total net exploration expenditure by the company was \$0.985 million.

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EXPLORATION ACTIVITIES

SANDSTONE-HOSTED URANIUM EXPLORATION

ABMINGA PROJECT (INCORPORATING ABMINGA EAST)

(Eromanga 100% in ELs 3982, 3964 and ELA 594/07; Eromanga earning 70% under the Eromanga Basin JV Agreement with Maximus Resources Ltd in ELs 3575, 3599, 3600, 3601, 3602, 25163 and 25166. Eromanga earning 100% of the uranium rights from Caldera Resources on EL 3186)

The Abminga Project is the largest of Eromanga Uranium Limited's major projects and covers an area exceeding 9,000 sq km (Figure 1). Eromanga has the right under the terms of the Eromanga Basin Joint Venture to earn a 70% interest from Maximus Resources in seven granted exploration licences (five in South Australia and two in Northern Territory) covering a total 6,914 sq km. Eromanga also has the opportunity to secure 100% of the uranium rights in EL 3186 (74 sq km) from Caldera Resources. The remainder of the tenement holding at Abminga is held 100% by Eromanga. The entire area is considered to be highly prospective for sandstone-hosted (roll-front) style uranium mineralisation.

During the September Quarter the Company completed four traverses of ground-based micro-gravity surveys, totalling approximately 75 line/km. These gravity surveys were designed to provide a validation of the recent re-modelling of the airborne EM and magnetic data over the project area. The results of the surveys were very encouraging and the Company committed to a second phase of rotary-mud drill testing along one of the major gravity traverses. This drill program involved the completion of 16 holes for a total of 2,412 m with all but two holes successfully reaching basement (Figure 2). The drilling has confirmed the overall basement architecture as predicted by the micro-gravity

surveys, validating the use of this exploration technique, and has provided critically important data on the geometry and oxidation state of the targeted Algebuckina Sandstone. Down-hole logging returned a best result of 0.56 m from 160.08 m at 80 ppm eU_3O_8 in hole APRM201 including 0.18 m of 111 ppm eU_3O_8 (Figure 2). Further anomalous gamma readings in this hole included 0.46 m at 51 ppm eU_3O_8 from 169.7 m and 0.54 m at 54 ppm eU_3O_8 from 191.8 m.

The Company believes that these results are highly encouraging and are indicating that previous exploration has been targeted at regions of the Eromanga Basin margin that are located to the west of the likely position of the main redox front. Future exploration programs can now be focussed towards testing of the most favourable palaeo-drainage positions where the oxidation state provides the conditions for significant uranium deposition.

The Company has also identified four major new target areas in the portion of the Abminga tenement holding located within the Northern Territory (Figure 3). These interpreted drainage positions are considered particularly attractive as they source uranium from both the uranium enriched Kulgera Granites, and basal sediments of the Amadeus Basin immediately to the west of Eromanga's tenement holdings. This area will be a priority target for the Company early in the 2009 calendar year after finalisation of agreements with the Traditional Owners.

FUTURE EXPLORATION

The extensive exploration programs completed to-date at the Abminga Project have successfully identified the areas of greatest prospectivity within this very large project area. Future drill based exploration programs are planned for 2009 when all access and Traditional Owner agreements are in place.

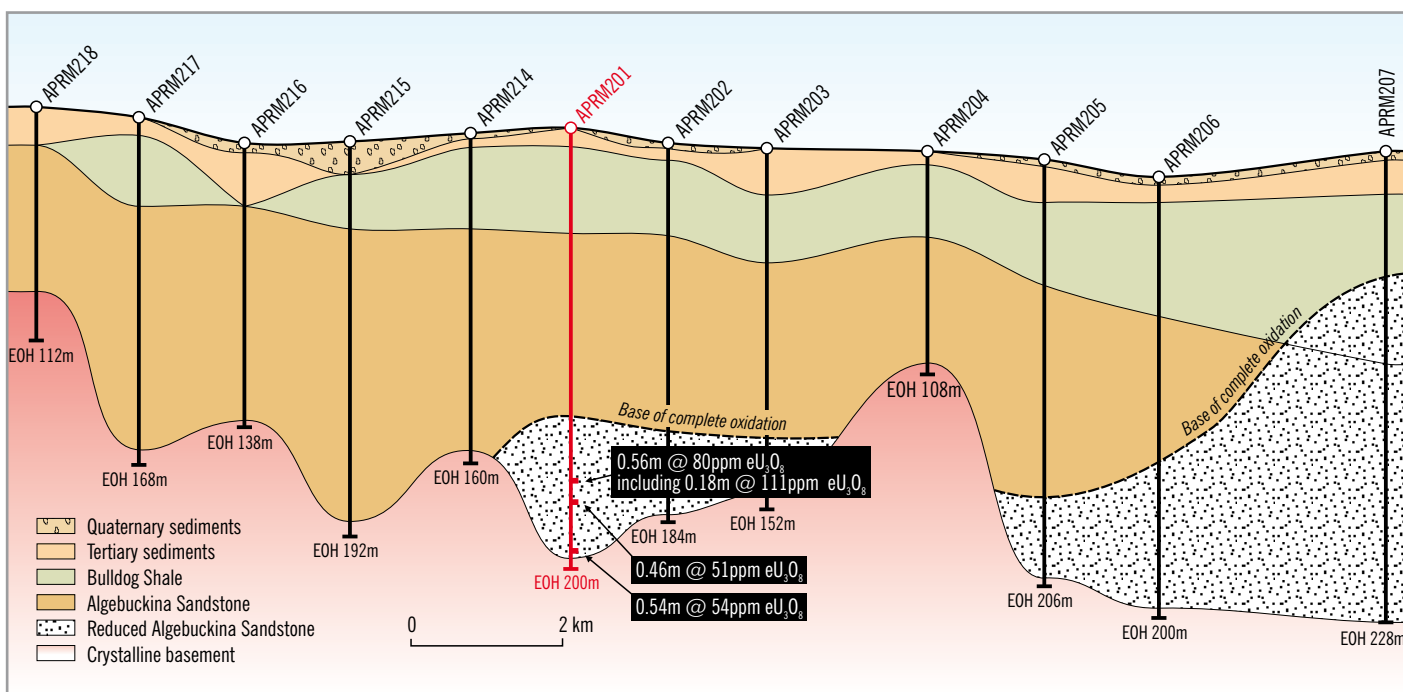


Figure 2 Abminga Phase II drilling traverse.

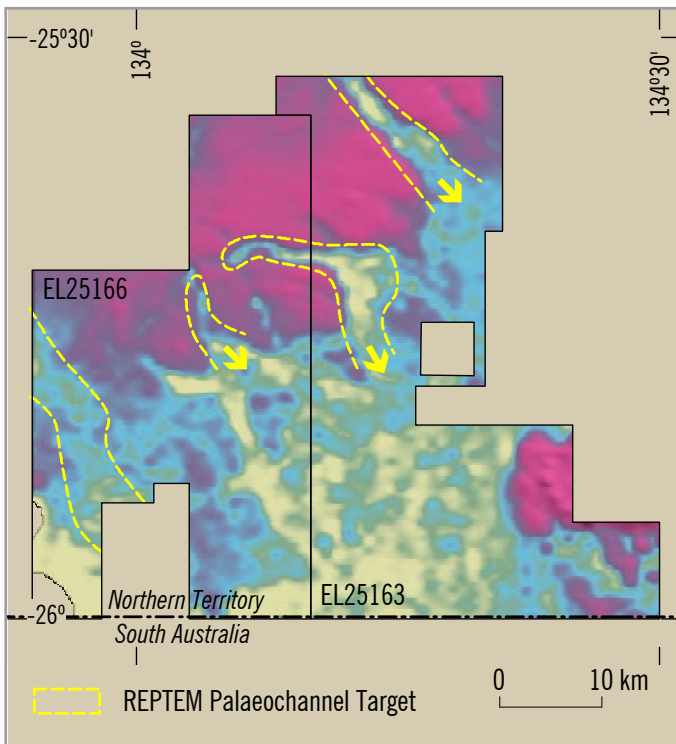


Figure 3 Location of four new target areas in the Northern Territory.

BILLA KALINA

(Eromanga Uranium earning 50% under the terms of the Billa Kalina JV from Maximus Resources Ltd in ELs 3526, 3525, 3170, 3337 and 3338)

The Billa Kalina Project is located 70 km north–northwest of the Olympic Dam copper-gold-uranium (IOCGU) mine, and 45 km east of the more recent discovery and mine development at Prominent Hill, South Australia (Figure 1). Eromanga is exploring for IOCGU deposits in the deeper basement rocks and for sandstone-hosted uranium mineralisation in the shallower sedimentary cover sequences.

During the year exploration at the Billa Kalina Project has been directed at the shallower sandstone-hosted uranium potential via interpretation of the airborne EM data collected in 2007–08. This work has highlighted a discrete sub-basin within the north-eastern portion of EL 3526. The basin, named the Sunshine Dam Project, is defined by a coincident EM anomaly and gravity low that is interpreted to represent a thickening of the Mesozoic cover sediments within the basin (Figure 4). The Company believed that this sub-basin was a favourable site for the development of sandstone-hosted, or roll-front, style uranium mineralisation around the basin margins. A short drilling program of three rotary-mud drill holes has been recently completed over the long axis of the Sunshine Dam sub-basin and has shown that the EM anomaly is due to the presence of a slightly thicker, and more reduced, layer of Bulldog Shale that caps the small sub-basin. The anomalous gravity low appears to be due to the localised presence of the more sand-rich Permian Toondina Formation that underlies the Mesozoic Algebuckina Sandstone. The Toondina Formation is well developed to the west of our Billa Kalina tenement holdings but within the immediate environs of the project is restricted to the small Sunshine Dam sub-basin.

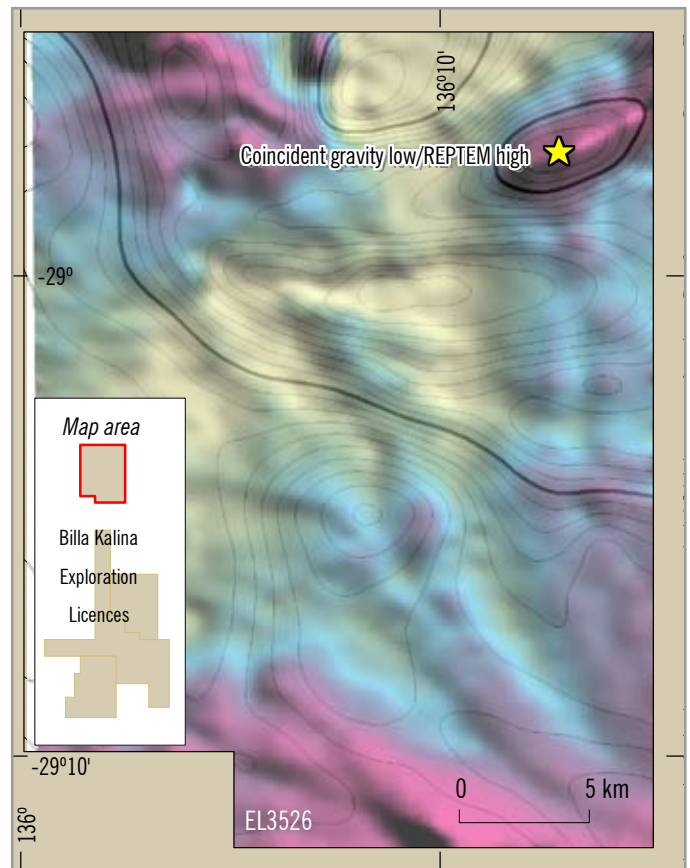


Figure 4 Billa Kalina gravity contours over a magnetic image.

FUTURE EXPLORATION

No further exploration of this target is planned at this point in time.

MARREE PROJECT

(Eromanga earning 70% under the Eromanga Basin JV Agreement with Maximus Resources Limited in ELs 3574, 3577, 3578 and 3579.)

The Marree Project is located 40 km east of the township of Marree in northern South Australia (Figure 1) and consists of four granted exploration licences covering 3,909 km². Eromanga's primary exploration target at the Marree Project is sandstone-hosted uranium deposits similar to those at the Beverley and Four Mile discoveries.

Following the successful application of micro-gravity surveys at Abminga the Company has utilised a similar approach towards advancing the Marree Project. During the September Quarter a single micro-gravity traverse covering 16 line/km was completed across the south-eastern corner of EL3579 and covered the position of potential palaeo-drainages beneath a thick cover of Bulldog Shale. The headwaters of these drainages are sourced from uranium enriched rocks of the Paralana Inlier that contain multiple known hard-rock uranium deposits. The gravity survey identified two discrete drainages incised into the underlying basement rocks and the Company initiated a short rotary-mud drill program targeting both drainages.

The drill program was completed with six holes for a total 442 m (Figure 5) and confirmed the interpretation of the micro-gravity data. The drainage positions are characterised by the presence of

NICHOLSON PROJECT

(Eromanga Uranium Ltd 100% in EL 4019)

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

During the quarter the Company secured title to EL 4019 and completed the drilling of the first hole, ENDDH01, to a total depth of 793.47 m. 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 793 m 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.

mixed sands and shales that are typical of the Mesozoic Cadna-Owie Formation. The entire sequence in this area is completely oxidised and no significant gamma responses were returned from down-hole logging.

The Company believes that the results of this drilling program highlight the down-dip potential of these drainage positions where it is anticipated that the sequence will become less oxidised and the more favourable Algebuckina Sandstone will occupy the basal position in these drainages.

FUTURE EXPLORATION

It is anticipated that a short program of additional micro-gravity surveying will be undertaken over the down-dip extensions of the drainages in early 2009, to be followed by drill testing as appropriate.

KINGOONYA PROJECT

(Eromanga Uranium earning 70% under the terms of the Eromanga Basin JV from Maximus Resources in ELs 3573, 3576, 3590, 3591 and 3613)

The Kingoonya Project is located approximately midway between the townships of Glendambo and Coober Pedy, South Australia and consists of five granted exploration licences covering 4,060 km². The company's main exploration targets at Kingoonya are sandstone-hosted uranium and unconformity-related uranium deposits.

No exploration was completed over the Kingoonya Project during the September Quarter.

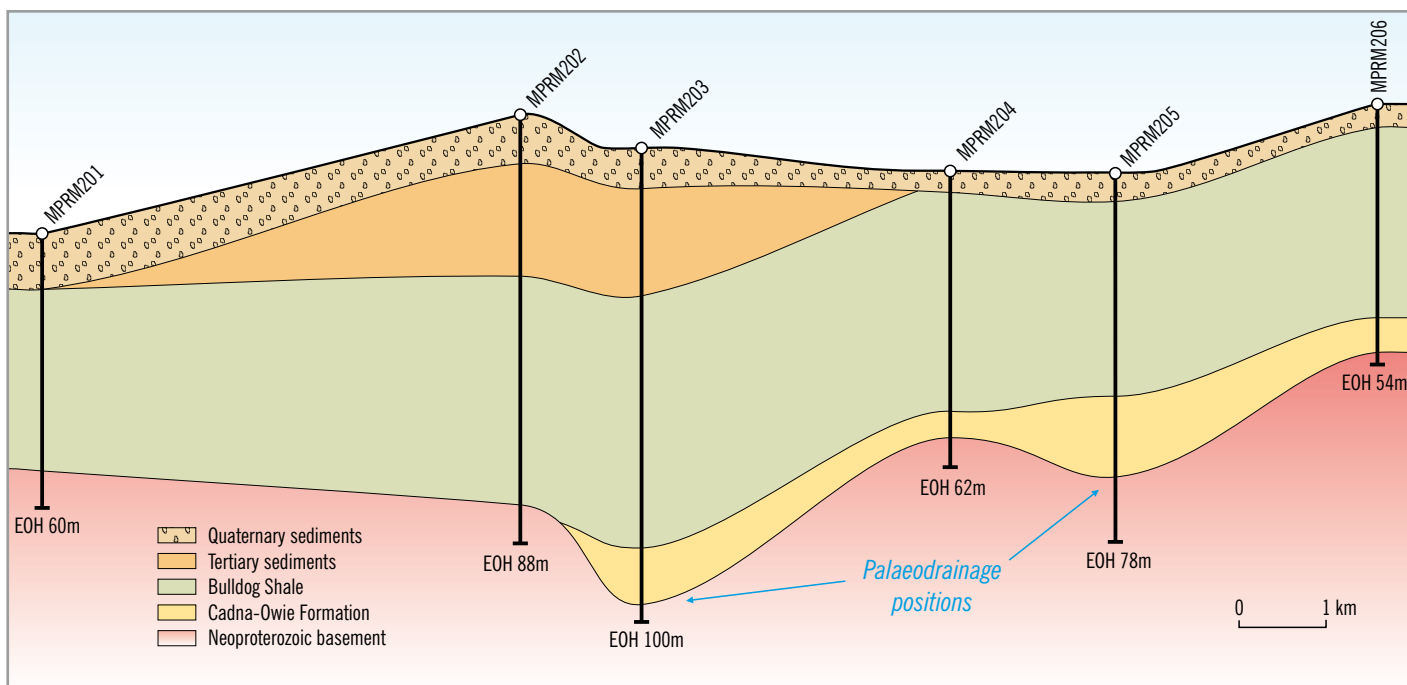


Figure 5 Marree drill traverse.



Nicholson Project area.

FUTURE EXPLORATION

The Company is now analysing the exploration results from the Nicholson Project. 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.

WELBOURN HILL PROJECT

(Eromanga Uranium Ltd 100% in EL 4020)

The Welbourn Hill Project is located approximately 40 km 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.

No field based exploration was undertaken at the Welbourn Hill project during the September Quarter. The Company is completing a review of exploration results received to-date at Welbourn Hill and is considering a number of options for future exploration, including limited geophysical surveys, with the objective of optimising the location of future drilling at Welbourn Hill.

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.eromanga uranium.com

PROJECT GENERATION

SUPLEJACK PROJECT

(Eromanga Uranium 100% in EL26625)

The Suplejack Project is located in the Tanami Region of the Northern Territory approximately 600 km north-west of Alice Springs and covers an area of 168 sq km (Figure 1). The Company considers this tenement to be prospective for both high-grade, unconformity related uranium mineralisation and for gold deposits of the Coronation Hill and Groundrush styles. The Company has submitted the required Exploration and Mining Proposal to the Central Land Council covering the project area and is hopeful that all the necessary permitting and clearance surveys can be completed early in 2009.

The Company is also actively reviewing a number of uranium and gold opportunities throughout Australia. The current global financial environment is placing pressure on the ability of Junior Explorers to raise fresh capital and as a result the number and quality of new acquisition or joint venture opportunities is rapidly increasing.

Mr Kevin Lines

MANAGING DIRECTOR

30th October 2008

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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Eromanga Uranium Limited

ABN

40 119 031 864

Quarter ended ("current quarter")

30 September 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(985)	(985)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	138	138
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(1,185)	(1,185)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(12)	(12)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(12)	(12)
1.13 Total operating and investing cash flows (carried forward)	(1,197)	(1,197)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,197)	(1,197)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(1,197)	(1,197)
1.20	Cash at beginning of quarter/year to date	6,539	6,539
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	5,342	5,342

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	117
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	
Total	500

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	842	25
5.2 Deposits at call	4,500	6,514
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	5,342	6,539

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	125,442,346	63,335,203		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	26,785,714 283,000 225,000 635,500		<i>Exercise price</i> \$0.30 \$0.22 \$0.22 \$0.165	<i>Expiry date</i> 30/06/2011 20/03/2012 19/11/2012 05/03/2013
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Director/Company secretary)

Date: 29 October 2008

Print name: Richard W C Willson

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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