

AUSTRALIAN STOCK EXCHANGE ANNOUNCEMENT



14 December 2006

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

URANIUM EXPLORATION UNDERWAY AIRBORNE SURVEY COMMENCES AT MARREE

HIGHLIGHTS

- Extensive airborne electromagnetic (EM) survey commenced yesterday at the Marree Project in northern South Australia.
- First survey with more advanced helicopter borne system, developed by leading geophysical contractor and anticipated to supply higher quality data
- Results will identify targets for drill testing early in 2007
- Billa Kalina Project awarded PACE funding (\$70,000) with drilling planned to commence late in January 2007.

Marree Project, South Australia (Eromanga earning 70%)

An extensive airborne EM survey commenced yesterday, 13th December at the companies Marree Project in northern South Australia (Figure 1). This survey – the first exploration program to be activated by Eromanga since its listing on the ASX on 31 October this year - will involve approximately 4000 line-kilometres and cover the entire tenement holding at the Marree Project. Flight lines will be spaced at one kilometre with the full program anticipated to be completed within seven days, weather permitting.

This aerial survey is the first of five to be undertaken during the next 12 months, over each of the Company's projects. They are designed to map the geometry of ancient buried rivers systems (palaeodrainages) in which sandstone-hosted uranium deposits can develop. Once computer-enhanced, the data provided from the survey will allow the Company to design drilling programs which will test these palaeodrainages for uranium deposits. It is anticipated that the data processing will be completed by mid January 2007 with drilling of the identified targets to commence at that time or early in February.



REPTeM helicopter borne system showing the new array.

The EM survey is being undertaken for Eromanga by Geosolutions Pty Ltd., an Adelaide based group at the forefront of the development and implementation of airborne magnetic and electromagnetic systems. This company has developed the new REPTeM

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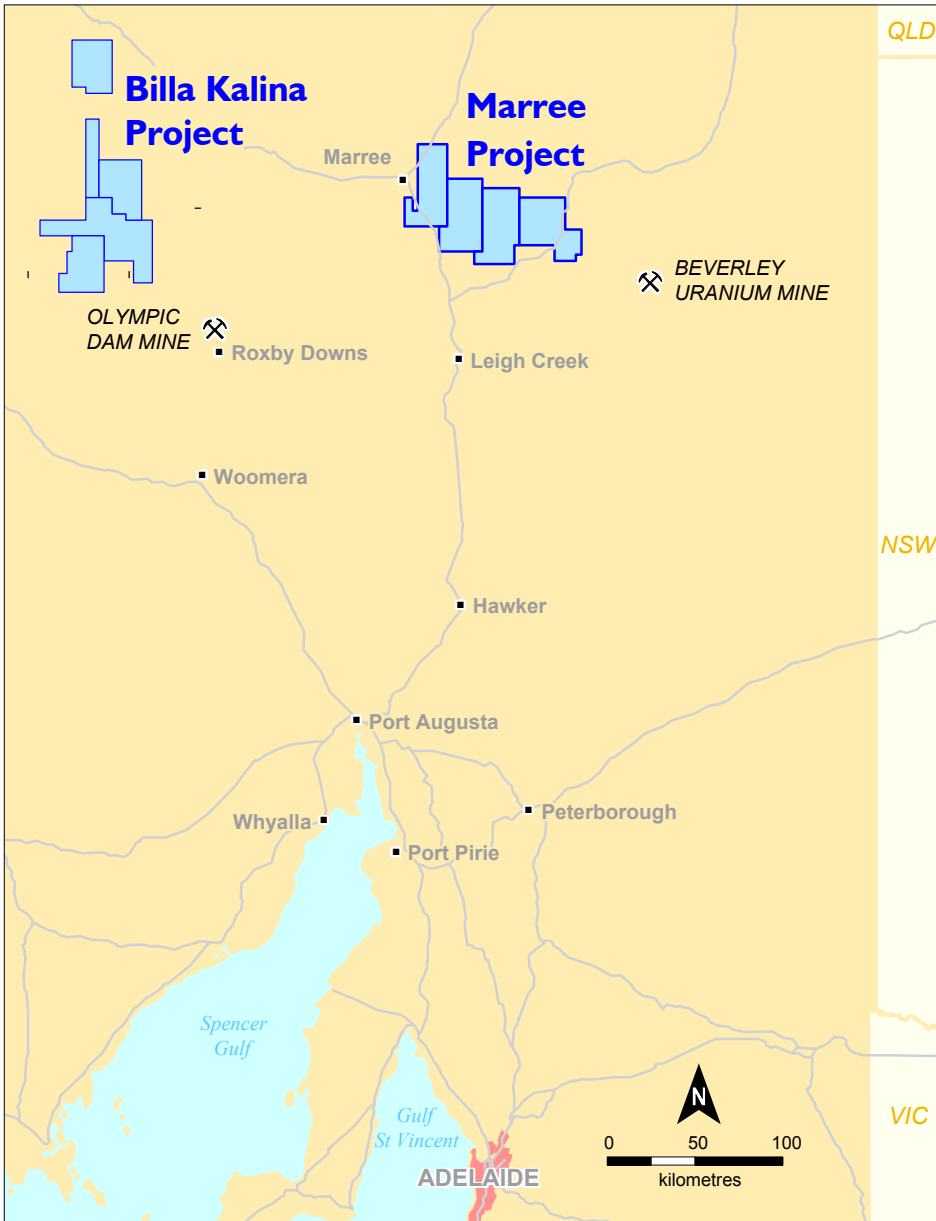


Figure 1 Location of Marree Project area.



Preparing REPTM helicopter borne system.

system as a replacement for the well known and well regarded HoistEM system that has been used extensively throughout Australia. The REPTM system has been designed to behave as a more stable platform during flight and should provide improved data quality. Better data will subsequently result in better geological interpretations than have previously been possible.

Minor delays in the commencement of the initial Eromanga program have resulted from the difficulty in accessing a suitable helicopter. This has been due to the early start of the bushfire season and the need for their priority use for fire-fighting. It is not anticipated that these issues will cause any further problems.

Billa Kalina, South Australia
(Eromanga earning 50%)

A priority for Eromanga since listing has been to identify a drilling contractor capable of testing the Billa Kalina gravity anomaly, further west of the Marree project, as soon as possible. The very high demand for larger drill rigs has limited the options available to the Company but we currently anticipate that drilling should commence at Billa Kalina late in January. The favoured drill site for testing of the anomaly has been inspected by the Traditional Owners who have provided the required heritage clearance.

The Company applied under the South Australian Governments PACE scheme for funding support for the drilling program at Billa Kalina and was notified by PIRSA on 30 November that its application had been successful. Assistance to the level of \$70,000 will be available in 2007. The Company is delighted with the support shown by the South Australian Government which again should be applauded for this very successful exploration initiative.

Kevin Lines
MANAGING DIRECTOR

14 December 2006.

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