

24 JULY 2008

The Manager

Companies Announcements Office

Australian Securities Exchange

20 Bridge Street SYDNEY NSW 2000

EXPLORATION UPDATE — WELBOURN HILL

The Company is pleased to provide an update on the deep diamond drill program underway at our Welbourn Hill IOCGU (iron oxide, copper, gold, uranium) project near Marla in far northern South Australia. The second drill hole, EWH02, was completed at a depth of 806.53m and the company is now in receipt of analytical results for the interval 450–658 metres with highlights as follows:

HIGHLIGHTS

- The entire basement intersection from 450 to 806.53 m is strongly altered with abundant magnetite and associated pyrite, chalcopyrite +/- bornite mineralisation.
- Analytical results for the interval from 450 to 658 metres confirm that basement gneisses are anomalous in copper with a best intersection of 18 m at 0.1% copper from 639 to 657 m.
- The Company believes that these results confirm the presence of significant volumes of IOCGU related fluids in the project area. This is an extremely pleasing result from only the second hole drilled in an area that has received virtually no previous exploration for IOCGU mineralisation.
- Results for the interval 659–806.53 metres are anticipated within the next two to three weeks.
- Drilling has also highlighted the potential for the Welbourn Hill project area to host unconformity-related uranium mineralisation.
- Drilling will commence at the Nicholson Project, the second of our major IOCGU targets, on the 26 July 2008 allowing time for the receipt of all outstanding assay data and the planning of further drilling at Welbourn Hill.

WELBOURN HILL

(100% Eromanga Uranium)

The Welbourn Hill Project is located approximately 45 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 north-western 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.

The Company has completed drilling the second of two deep diamond drill holes, EWH02, approximately 2.1 km to the



Figure 1 Location of the Welbourn Hill project area.

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north-west of the first drill hole EWH01 (Figure 2). This second hole was completed at a depth of 806.53 m having intersected a zone of over 350 metres (from 450 to 806.53 m) of strongly altered and locally intensely brecciated basement gneisses. This extensive basement intersection contains abundant hydrothermal magnetite with associated pyrite, chalcopyrite and minor bornite mineralisation disseminated throughout. The bottom of hole remained in altered and mineralised gneisses.

Assay results from the interval 450 to 658 metres have now been received and confirm the presence of anomalous copper mineralisation with a best intersection of 18 m at 0.1% Cu over the interval from 639–657 metres*. These results, whilst sub-economic, are considered to be highly significant as they confirm for the first time that the northern limits of the Gawler Craton have been host to large volumes of the same type of fluids that have been responsible for the formation of the Olympic Dam, Prominent Hill and Carrapateena deposits over 400 km to the south-east. The Company believes that these results, achieved with only the second drill hole in a new terrain, provide very strong support for our IOCGU initiative in the Northern Gawler Craton.

Assay results are awaited for the interval from 659 to 806.53 metres with the Company anticipating receipt of these results within the next two to three weeks. Visual indications from this interval suggest that the overall tenor of the mineralisation is broadly in-line with the assay results received to-date.

The Company believes that the highly elevated magnetite content within the basement gneisses can adequately explain the observed magnetic anomaly at Welbourn Hill, however the current understanding of the overall geology of the project area does not fully accommodate the significant gravity anomaly. As a consequence the large coincident gravity/magnetic anomaly at Welbourn Hill remains open to the north, south and west (Figure 2). The results from EWH01 and EWH02 show a pronounced increase in alteration intensity, brecciation and sulphide mineralisation within the western portion of the overall anomaly indicating that significant potential remains to the west of EWH02 (Figure 3). This potential is further enhanced by the much shallower depths to basement in EWH02 (450 m in EWH02 vs 701 m

in EWH01). Similarly, significant potential also exists to the north between EWH02 and an interpreted major bounding fault, a distance of over 2 km (Figure 2).

To facilitate planning of future drilling at Welbourn Hill and to allow time for the receipt of outstanding assays the Company has relocated the diamond drill rig to the Nicholson Project (discussed below). In the interim a number of options, including limited geophysical surveys, are under consideration by the Company with the objective of optimising the location of future drilling at Welbourn Hill. On completion of this review it is our intention that the second phase of

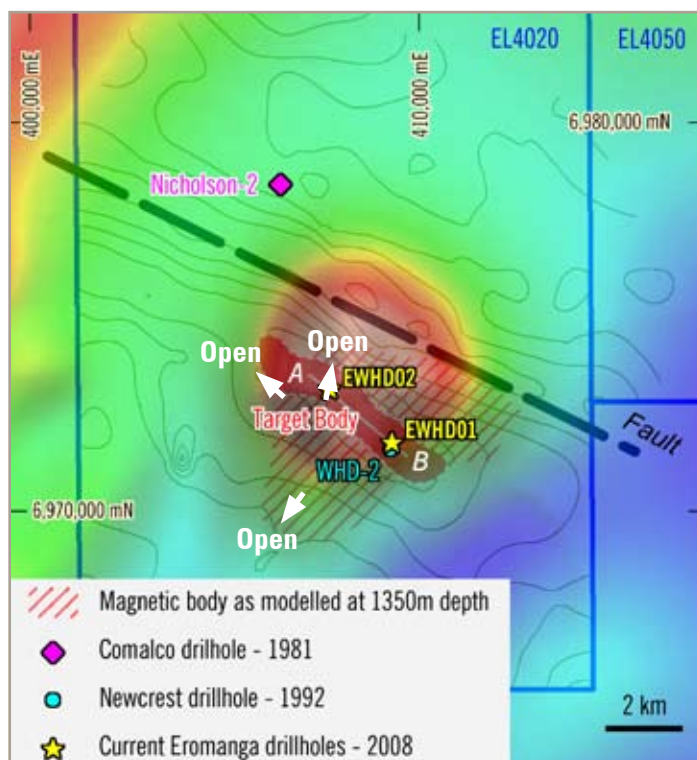


Figure 2 Welbourn Hill magnetics with gravity contours.

* (All sampling was undertaken over 1 m intervals with half-core sent for analysis at the laboratories of ALS in Perth. Samples were dried, crushed, riffle split to 1 kg and pulverised such that 85% passed a nominal 75 microns. After aqua-regia digest the copper assays were determined using ICPAES. The interval has been calculated using a 250 ppm Cu lower cut-off. No significant gold or uranium assay values have been received from the hole to-date.)

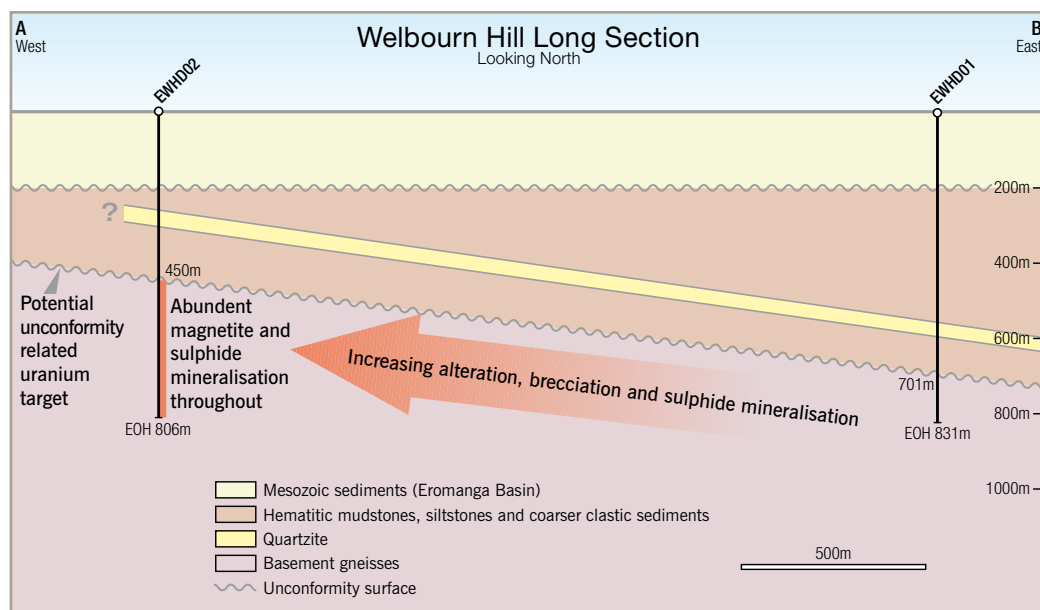


Figure 3 Welbourn Hill.

exploration would commence immediately drilling is completed at the Nicholson Project.

The drilling at Welbourn Hill has also identified the potential for the project to host unconformity-related uranium mineralisation similar in style to that in the Alligator Rivers region of the Northern Territory and the Athabasca Basin in Canada. These deposits are hosted within major structures in the Palaeoproterozoic basement rocks at, or close to, the unconformity with a thick sequence of overlying hematitic sediments. This style of uranium mineralisation contains many of the highest grade uranium deposits globally with mines planned or operating at depths in excess of 400 m. All of the critical controls necessary for the development of this type of deposit have been identified in the Company's drilling at Welbourn Hill. This is an exciting new development for Eromanga Uranium and it is our intention to integrate exploration for unconformity-related uranium mineralisation into our ongoing IOCGU programs at Welbourn Hill.

NICHOLSON PROJECT
(100% Eromanga Uranium)

The Nicholson Project is located approximately 30 km to the north-east of Welbourn Hill and 65 km from the township of Marla (Figure 4). The project is defined by a significant 10 mgal gravity anomaly centred over a large elliptical magnetic feature that is interpreted as a volcanic complex within older basement rocks. The character of the magnetic data suggests that the basement rocks may be at shallower depths than Welbourn Hill but the area has seen no previous exploration. The Company believes that the geological setting and coincident gravity anomaly are favourable for the development of hematite hosted IOCGU mineralisation.

Drilling of the first hole to test this exciting target is scheduled to begin on the 26 July 2008 (Figure 5) with a rotary-mud pre-collar to be completed through the semi-consolidated sedimentary cover before diamond drilling can commence. The hole is planned to proceed to a minimum depth of 600 m with the top of the gravity anomaly currently modelled at a depth of 500 m.

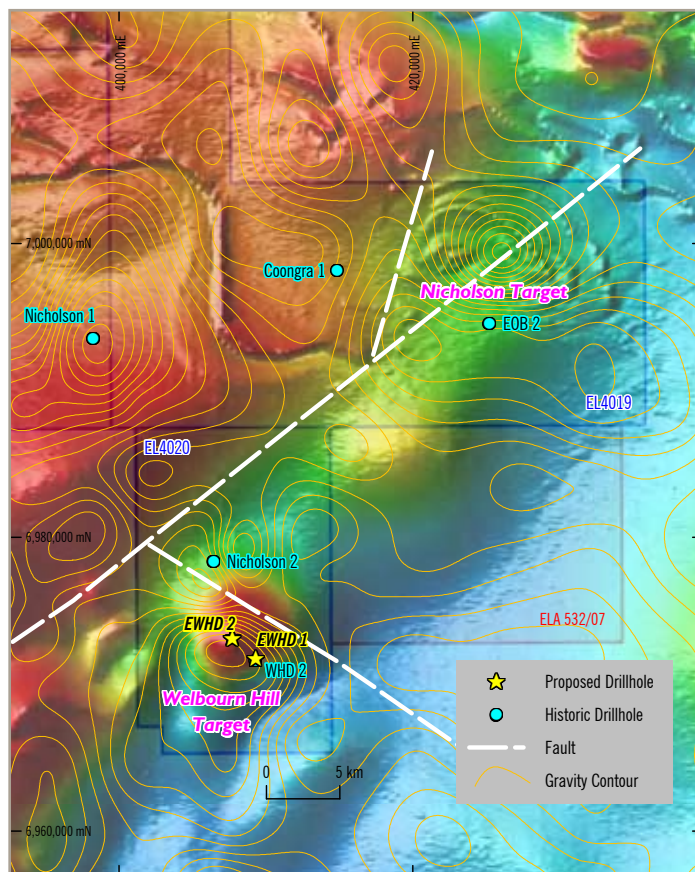


Figure 4 Welbourn Hill gravity contours over a magnetic image.

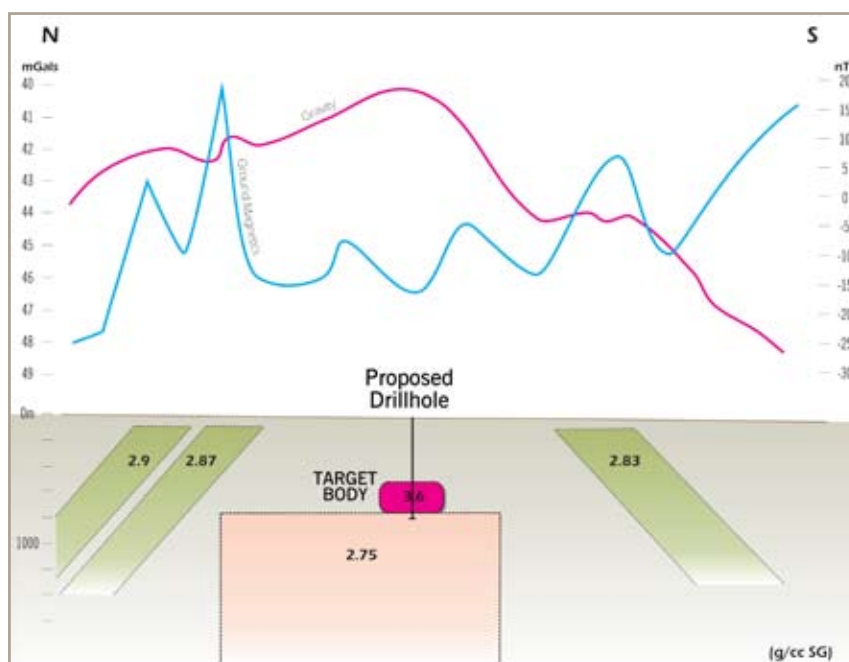


Figure 5 Schematic section of the Nicholson geophysical model.

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24 July 2008

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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.